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# Canadian Market Opportunities— Import Profile



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Canada

ELECTRIC CEILING FANS

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ELECTRIC CEILING FANS

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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.

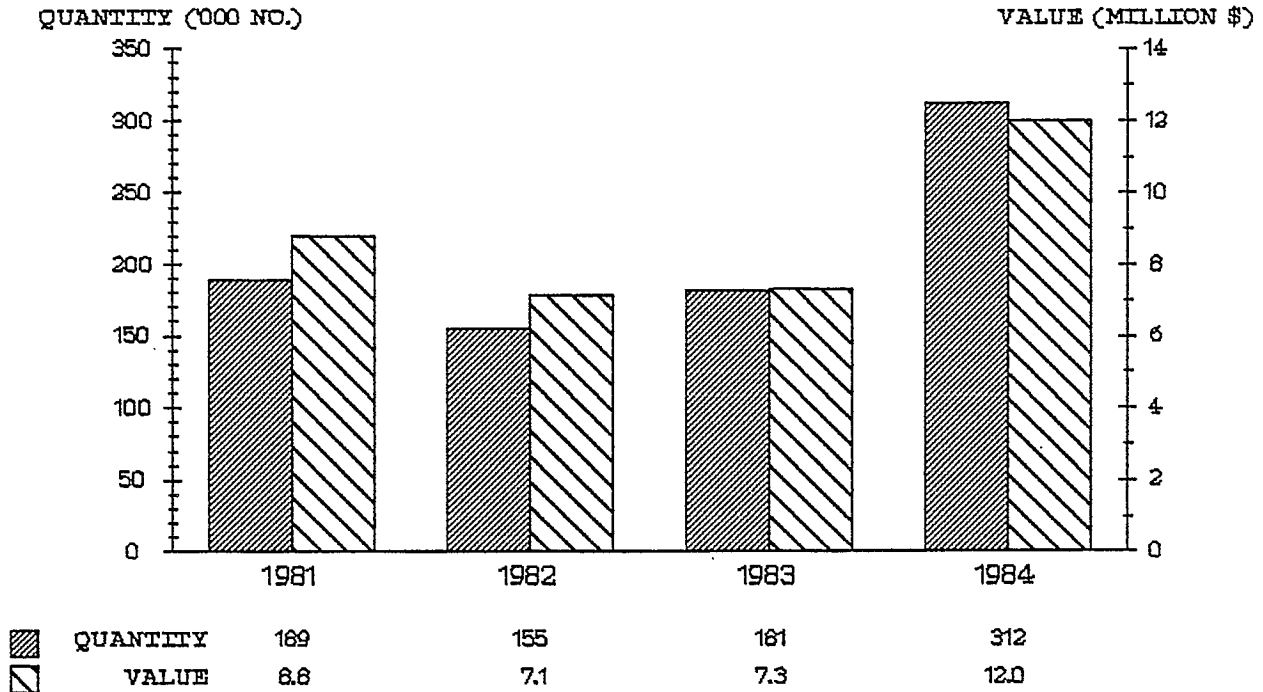
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

ELECTRIC CEILING FANS

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 electric ceiling fans (Canadian International Trade Classification, C.I.T.C. 697-69-20). This class consists of non-industrial ceiling fans, mainly those for domestic use.

IMPORT TRENDS



Total imports of electric ceiling fans declined moderately between 1981 and 1982 and then recovered in 1983. However, a substantial increase occurred between 1983 and 1984, by 63 per cent in value and 72 per cent in quantity, reflecting the general economic upswing during this period. Based on comparative 11-month figures, another (but more moderate) increase will occur in 1985.

IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

Foreign Country of Export	1981	1982	1983	1984	Unit	Average	Per Cent	11-Month	
					Price	Annual	Change	Imports	Imports
					1984	1981-1984	1983-1984	1984	1985
					\$	%	%		
<b>TAIWAN</b>									
Quantity (No.)	40 537	52 920	67 480	162 893		59	141	154 036	201 751
Value (\$000)	1 344	2 039	2 368	6 157	38	66	160	5 858	6 850
<b>HONG KONG</b>									
Quantity (No.)	102 031	80 863	79 429	109 848		2	38	103 112	145 401
Value (\$000)	5 003	4 045	3 232	4 041	37	-7	25	3 853	5 074
<b>UNITED STATES</b>									
Quantity (No.)	39 873	20 857	26 059	36 593		-3	40	35 833	34 746
Value (\$000)	2 183	982	1 329	1 663	45	-9	25	1 609	1 540
<b>JAPAN</b>									
Quantity (No.)	2 472	21	6 206	2 012		-7	-68	2 012	1 600
Value (\$000)	78	1	304	62	31	-7	-80	62	48
<b>MEXICO</b>									
Quantity (No.)	48	0	0	480		115	N/A	480	0
Value (\$000)	2	0	0	21	44	119	N/A	21	0
<b>OTHER</b>									
Quantity (No.)	4 026	18	1 714	205		-63	-88	205	14 678
Value (\$000)	188	2	86	13	63	-59	-85	12	407
<b>TOTAL</b>									
Quantity (No.)	188 987	154 679	180 888	312 031		18	72	295 678	398 176
Value (\$000)	8 798	7 069	7 319	11 957		11	63	11 415	13 919
UNIT PRICE (\$)	47	46	40	38					

N/A - Not applicable

Hong Kong was the major exporter to Canada between 1981 and 1983. In 1984, however, Taiwan became the major country of export with 51 per cent of the total value and 52 per cent of the quantity. Taiwan continued to be dominant during the first 11 months of 1985 with 49 per cent of the value and 51 per cent of the quantity.

Average unit prices have decreased from \$47 in 1981 to \$38 in 1984. The relatively high unit prices of imports from the United States and Mexico (\$45 and \$44 respectively in 1984) are accounted for by the high quality products from these countries.

IMPORT MARKET CONCENTRATION  
(BY % OF TOTAL 1984 VALUE)

<u>Top 5</u> <u>Importers</u>	<u>Top 10</u> <u>Importers</u>	<u>Top 20</u> <u>Importers</u>	<u>Top 40</u> <u>Importers</u>
72	80	86	87

The 10 major importers accounted for 80 per cent of the total imports for 1984. Four of these firms were wholesalers and three were retailers. Seven of the companies are located in Ontario and three in Québec.

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

TYPE AND LOCATION OF THE 20 TOP KNOWN IMPORTERS - 1984  
(86% OF TOTAL IMPORT VALUE)

	<u>MANUFACTURERS</u>		<u>WHOLESALEERS</u>		<u>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>	<u>No. of</u> <u>Importers</u>	<u>Value</u> <u>(\$000)</u>
Ontario			4	1 665			1	185	11	4 848
Québec	5*	1 361*			5***	2 041***	2	135		
Western Provinces	-	-	3**	4 937**			-	-	9**	5 476**
<b>TOTAL</b>	<b>5</b>	<b>1 361</b>	<b>7</b>	<b>6 602</b>	<b>5</b>	<b>2 041</b>	<b>3</b>	<b>320</b>	<b>20</b>	<b>10 324</b>

Per cent of 1984

Total Value	11%	55%	17%	3%	86%
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\* Ontario and Québec aggregated to preserve confidentiality

\*\* Québec and Western Provinces aggregated to preserve confidentiality

\*\*\* Ontario, Québec and Western Provinces aggregated to preserve confidentiality

There were at least 74 importers of electric ceiling fans in 1984, of whom the top 20 accounted for \$10.3 million or 86 per cent of the total imports. Of these 20 importers, 7 were wholesalers whose total imports represented 55 per cent of the import total. The 11 Ontario importers accounted for 41 per cent of the total imports.

CANADIAN PRODUCTION

Statistics Canada reports that shipments by Canadian manufacturers of all types of non-industrial electric fans totalled 846 044 units with a value of \$20.5 million in 1983, the latest year for which information is available. However, at the present time, no Canadian companies manufacture electric ceiling fans.

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 %
42700-01	Machines, n.o.p., and accessories, attachments, control equipment and tools for use therewith; parts of the foregoing	97	2.5	9.2	9.9	35	2.5
	<u>Future Scheduled Rates:</u> January 1, 1987		2.5	9.2	9.2	35	2.5

N.o.p. - Not otherwise provided for

Tariff Arrangements and Foreign Countries of Export:

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

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

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

DEPARTMENT OF SUPPLY AND SERVICES PROCUREMENTS

The Department of Supply and Services report their purchases of electric ceiling fans in a category which also includes centrifugal, circulating (domestic), exhaust (domestic), and portable office fans. During the period April 1984 to March 1985 purchases by the Department of Supply and Services in this category totalled \$241 000.

The above data reflects purchases by the Department of Supply and Services only, and may not include direct purchases by other federal government departments.

MARKET SUMMARY

Current imports of \$14 million annually indicate that an attractive Canadian market exists for electric ceiling fans. Historically, Canadian manufacturers have not been able to compete with imports from the Orient. The prime reasons for this are: low labour costs, frequent cosmetic changes involving high die costs, and lack of Canadian Standards Association approvals, which are mandatory for electrical products sold in Canada.

A firm seeking to manufacture and sell electric ceiling fans in Canada could consider whether potential sales of a few thousand units to the trade in the range of \$30 to \$40 per unit would be feasible. Since only a few firms account for the bulk of imports, and hence the total market, it would be advisable for a potential supplier to obtain direct information from the principal importers on the requirements for successful market entry.

The potential market entrant could determine whether these market needs might profitably be met by reducing labour content through automation, standardizing design to permit longer and more economic production runs, and convincing major distributors and retailers to market the product. Licensing agreements with established overseas producers could also be considered.

This report was prepared by:

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