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Canadian Market Opportunities— Import Profile



Government
of Canada

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Regional Industrial
Expansion

Expansion industrielle
régionale

Canada

COMMERCIAL LAUNDRY WASHER-EXTRACTORS

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COMMERCIAL LAUNDRY WASHER-EXTRACTORS

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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.

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CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

COMMERCIAL LAUNDRY WASHER-EXTRACTORS

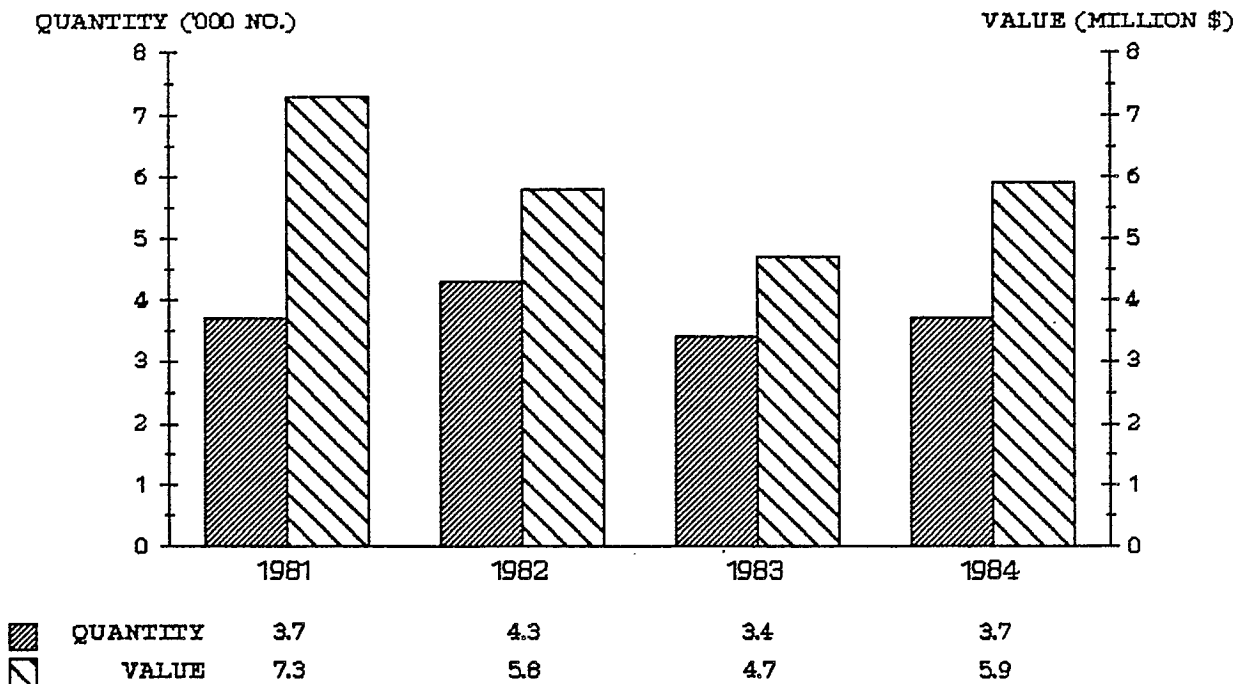
INTRODUCTION AND SCOPE

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 included in the Canadian International Trade Classification (C.I.T.C.) code 730-19-23; Washer-extractor, commercial laundry. This import class consists of coin-operated laundry machines and machines for commercial and institutional laundries.

Information on related commercial laundry equipment can be found in profile number 29-85, Commercial Laundry Tumbler-Dryers.

IMPORT TRENDS



Imports of commercial laundry washer-extractors decreased in dollar value from 1981 through 1983 (\$7.3 million to \$4.7 million), then showed a moderate recovery to \$5.9 million in 1984. The number of units did not vary greatly during those years. In 1982 and 1983, the average unit prices were considerably below that of 1981, then in 1984 and 1985, they increased somewhat.

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
					\$	%	%		
UNITED STATES									
Quantity (No.)	3 054	2 951	2 661	2 683		-4	1	2 539	3 151
Value (\$000)	6 376	3 905	3 381	4 520	1 684	-11	34	4 216	4 505
SWEDEN									
Quantity (No.)	569	1 288	742	983		20	32	957	188
Value (\$000)	723	1 781	1 293	1 219	1 240	19	-6	1 136	357
SPAIN									
Quantity (No.)	28	0	0	63		31	N/A	47	99
Value (\$000)	53	0	0	132	2 095	36	N/A	103	221
OTHER									
Quantity (No.)	12	13	0	2		-45	N/A	2	6
Value (\$000)	100	85	0	3	1 560	-69	N/A	4	177
TOTAL									
Quantity (No.)	3 663	4 252	3 403	3 731		1	10	3 545	3 444
Value (\$000)	7 252	5 771	4 674	5 874		-7	26	5 459	5 260
UNIT PRICE (\$)	1 980	1 357	1 373	1 574				1 540	1 527

N/A Not applicable

During 1984, imports totalled 3 731 units, valued at \$5.9 million, an increase of 10 per cent and 26 per cent respectively from 1983.

The United States has consistently been the major exporter to Canada, accounting for 72 per cent of the quantity and 77 per cent of the value in 1984 and increased to 91 per cent of the quantity and 86 per cent of the value for the first 11 months of 1985.

The average price in 1984 was \$1 574 per unit. Average unit prices ranged from \$1 240 per unit for imports from Sweden to \$2 095 per unit for those from Spain. Differences in price are due to various performances (e.g. continuous as opposed to batch washer-extractors) and load capacities.

In the first 11 months of 1985, total imports over the corresponding period in 1984 decreased three per cent in quantity and four per cent in value. United States imports grew 24 per cent (612 units) and seven per cent in value. Average unit prices of imports from Sweden were much higher than U.S. prices during the period, leading to a correspondingly large drop in imports.

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>
51	68	78	85

The 10 top importers accounted for 68 per cent of the total imports. Of these 10 importers, nine were wholesalers, mainly of service equipment and supplies. Five were located in Ontario.

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
(92% OF TOTAL IMPORT VALUE)

	<u>WHOLESALEERS</u>		<u>OTHER (1)</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	8	2 323	4	446	12	2 769
Québec	5	833	3	150	8	983
Western Provinces	5	1 307	-	-	5	1 307
Atlantic Provinces	3	326	-	-	3	326
TOTAL	21	4 789	7	596	28	5 385

Per cent of 1984			
Total Value	82%	10%	92%

(1) Includes service firms, such as linen suppliers, industrial launderers and dry cleaning plants.

There were 48 known importers of commercial laundry washer-extractors during 1984. The top 28 importers accounted for 92 per cent or \$5.4 million of the total imports. Of these 28 importers, 21 wholesalers imported 82 per cent of the total imports. Substantial volumes were imported by firms in all parts of Canada.

CANADIAN PRODUCTION

There are at least three manufacturers of commercial laundry washer-extractors in Canada. Statistics Canada does not provide separate data on shipments of this product.

EXPORTS

Statistics Canada does not publish specific export data on commercial laundry washer-extractors. They are included in the export class "Service industry equipment and parts."

DEPARTMENT OF SUPPLY AND SERVICES PROCUREMENTS

The Department of Supply and Services reported that purchases of laundry dry cleaning equipment as a whole during the fiscal year 84/85 totalled \$767 793. Separate data are not available for commercial laundry washer-extractors.

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

MARKET SUMMARY

Commercial laundry washer-extractors can be divided into three main categories. First are the coin-operated washer-extractors which are laundry machines with 7 to 9 kilogram (15 to 20 pound) load capacities; these are usually found in coin-operated laundromats and the laundry rooms of large apartment buildings. Second are various washer-extractors with 9 to 45 kilogram (20 to 100 pound) capacities. These machines are normally installed in commercial laundries, institutional laundries and hospitals. Third are continuous (as opposed to batch) washer-extractors; these too are used in commercial laundries and large institutions. "Continuous" means that soiled laundry is continually fed into the washer-extractor and clean laundry continually exits the machines.

Of the three Canadian manufacturers, two American-owned companies manufacture coin-operated laundry washer-extractors, and one Canadian-owned company manufactures a range of 9 to 45 kilogram (20 to 100 pound) load washer-extractors.

The Canadian market statistics gathered to prepare this import profile demonstrate that the Canadian market is large enough to justify additional production in Canada. The market appears to have potential for a new or expanded manufacturing operation for washer-extractors of 9 to 45 kilogram (20 to 100 pound) load capacity. In 1984, approximately 69 per cent or \$4 million of imports were for this type. However, a new or expanded Canadian manufacturing operation would have to direct some effort to penetrating the United States market. Hence, a Canadian manufacturer should look closely at incorporating European or American technology (for example through a joint venture).

At first glance, one would expect to find all washer-extractors under one tariff item. However, machines such as coin-operated washer-extractors are dutiable under tariff item 42700-01 (currently 9.9 per cent for MFN) as these are available from Canadian production. On the other hand, washer-extractors for commercial establishments or institutions are specifically identified under tariff item 42700-06, and as such, enter duty free with or without Canadian production.

This report was prepared by:

The Market Development Branch
in collaboration with the
Secondary and Service Industries Machinery Division,
Machinery and Electrical Equipment Branch
Department of Regional Industrial Expansion

APPENDIX A

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 %
42700-01	Machines, n.o.p., and accessories, attachments, control equipment and tools for use therewith, parts of the foregoing	30	2.5	9.2	10.7	35	2.5
	<u>Future Scheduled Rates:</u>						
	January 1, 1986		2.5	9.2	9.9	35	2.5
	January 1, 1987		2.5	9.2	9.2	35	2.5
42700-06	Commercial laundry machines, namely: centrifugal extractors, flatwork ironers, washer extractors	69	Free	Free	Free	35	Free

N.o.p. - Not otherwise provided for

Tariff Arrangements and Foreign Countries of Export:

MOST FAVOURED NATION: UNITED STATES, SWEDEN, SPAIN

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

TARIFF PROGRAMS
REVENUE CANADA
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