



IMPORT PROFILE

Investment Opportunities

BADMINTON AND TENNIS RACKETS

Pub. No: 54-86

April 1986



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of Canada

Regional Industrial
Expansion

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BADMINTON AND TENNIS RACKETS

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OR

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

BADMINTON AND TENNIS RACKETS

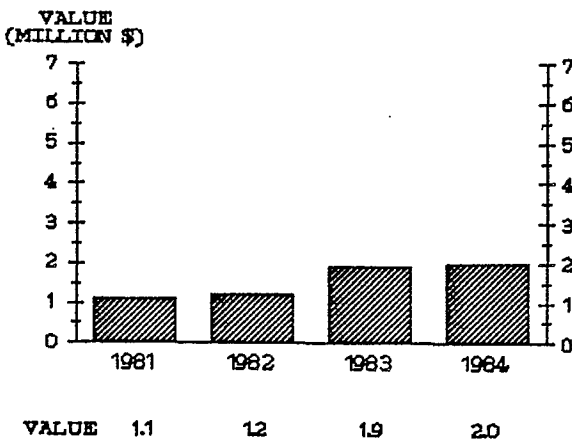
INTRODUCTION AND SCOPE

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.

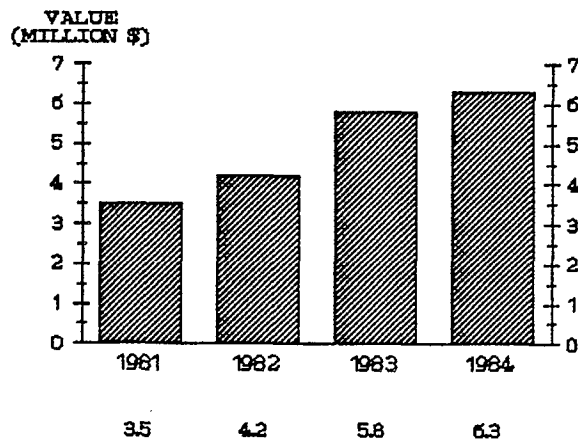
Rackets as described in this report are found under two import commodity codes (Canadian International Trade Classification): 832-47-30 "Rackets or racquets, badminton," and 832-47-50 "Rackets or racquets, tennis except table tennis." Individual figures for racketball and squash rackets are not available. They are coded in 832-47-90 "Tennis, badminton and squash type equipment not elsewhere specified." This report consists of the two products combined as well as individual data on each product.

IMPORT TRENDS: OVERVIEW

BADMINTON RACKETS



TENNIS RACKETS



Imports of badminton and tennis rackets have risen steadily from \$4.6 million in 1981 to \$8.3 million in 1984 an average annual growth rate of 22 per cent. Tennis rackets account for 76 per cent or \$6.3 million of total imports with the remaining \$2 million consisting of badminton rackets. The average annual growth rates for each of the categories individually were almost the same as for total imports.

BADMINTON AND TENNIS RACKETS - TOTAL (CONTINUED)

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	
					1981-1984 %	1983-1984 %	1984	1985
TAIWAN Value (\$000)	2 043	2 808	4 585	4 763	33	4	4 626	4 255
UNITED STATES Value (\$000)	1 376	1 229	1 270	1 115	-7	-12	1 021	1 734
JAPAN Value (\$000)	372	289	485	1 011	40	108	1 000	675
AUSTRIA Value (\$000)	13	38	213	427	220	100	426	111
UNITED KINGDOM Value (\$000)	179	397	329	361	26	10	288	212
OTHER Value (\$000)	598	654	883	592	0	-33	585	388
TOTAL Value (\$000)	4 581	5 415	7 765	8 269	22	6	7 946	7 375

Combined imports of badminton and tennis rackets in 1984 totalled \$8.3 million, an increase of six per cent from 1983. Individually, imports of tennis rackets grew by eight per cent in value from 1983 to 1984, whereas badminton racket imports increased by only one per cent in the same period. In the first eleven months of 1985 imports of tennis rackets decreased by ten per cent in value and badminton rackets increased by two per cent compared to the same period in 1984.

Taiwan has consistently been the major exporter to Canada accounting for over 58 per cent of the value since 1983. The United States' share of total imports decreased from 30 per cent in 1981 to 13 per cent in 1984, but partially recovered to 24 per cent for the first 11 months in 1985. Japan has rapidly gained an increased market share since 1983 though still considerably smaller than that of the U.S.

It is particularly interesting to note that while Taiwan is the major exporter of both badminton and tennis rackets, the United States is the second largest only for tennis rackets but is almost negligible for badminton rackets.

BAOMINTON AND TENNIS RACKETS - TOTAL (CONTINUED)

IMPORT MARKET CONCENTRATION
(BY % OF TOTAL 1984 VALUE)

<u>Type</u>	<u>Top 5 Importers</u>	<u>Top 10 Importers</u>	<u>Top 15 Importers</u>
Badminton	72	80	85
Tennis	56	77	85
Combined	57	75	84

The 10 major importers of badminton and tennis rackets accounted for 75 per cent of the total for 1984. Of these 10, seven were wholesalers of sporting and recreational goods accounting for \$5.1 million of total imports. Seven of the major importers were located in Ontario, and three in the Western Provinces (for individual figures see page 9 and page 11).

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

TYPE AND LOCATION OF THE 16 TOP KNOWN IMPORTERS - 1984
(85% OF TOTAL IMPORT VALUE)

	<u>MANUFACTURERS</u>		<u>WHOLESALEERS</u>		<u>RETAILER</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	3*	1 020*	4	3 018	3*	422*	13*	4 933*
Québec	-	-	3	473	-	-	-	-
Western Provinces	-	-	3	2 062	-	-	3	2 062
Atlantic Provinces	-	-	-	-	-	-	-	-
TOTAL	3	1 020	10	5 553	3	422	16	6 995
Per cent of 1984 Total Value		12%		67%		5%		85%

* Ontario and Québec aggregated to preserve confidentiality.

There were approximately 91 known importers of badminton and tennis rackets. The top 16 importers accounted for \$7 million or 85 per cent of the total imports. The majority of importers were wholesalers of sporting and recreational goods.

CANADIAN PRODUCTION

There are no known manufacturers of badminton or tennis rackets in Canada.

MARKET SUMMARY

The combined badminton and tennis racket market was \$8.3 million in 1984 in import value and is expected to reach between \$8.5 and \$8.7 million in 1985. The market is supplied wholly by imports with the tennis racket segment representing about 75 per cent of this market. The total racket market (badminton, tennis, squash and racketball) is estimated at \$13.0 million in 1984 and about \$12.0 million in 1985 at the import level.

Although the badminton segment is small, it has demonstrated a quiet but steady growth, having increased from \$1.1 million in 1981 to an estimated \$2.0 million in 1985. The major sources of supply are from Taiwan and Japan although, within recent years, the United States appears to be establishing more of a presence in this market. In view of the high market share held by Taiwan and the relatively small size of the Canadian market, any proposed Canadian based manufacturing would probably be done as an adjunct to related products.

The tennis racket market has grown from \$3.5 million in 1981 to \$6.1 million in 1985. Generally, tennis has a much broader appeal than badminton and is more susceptible to the vagaries of the consumer. Its popularity as a recreational activity boomed in the mid-to-late 1970's and then declined as among, other reasons, the difficulty and time required to learn to play the game discouraged a substantial portion of beginners and occasional participants. However, as late as 1981, it ranked ninth as a popular recreational activity, and an estimated 1.6 million males and 1.4 million females aged 10 and over enjoyed the sport. Although the number of people playing tennis is believed to have declined since the 1970's, the game is still quite popular, and more recent smaller surveys indicate it is in the top 15 most popular Canadian recreational activities. Court usage continues at a high level as the percentage of participants playing on a regular basis has risen significantly.

The tennis racket has undergone numerous changes in its composition. The few rackets now made solely of wood are generally low-end. Technologies and product design have advanced rapidly in the last decade. There has been a constant introduction of new materials such as steel, aluminum, boron, graphite, ceramics, etc., many of them combined with various wood laminates. In addition, the introduction and popularity of the mid-sized racket and the over-sized racket has helped to maintain this market.

To a great extent, brand-name loyalty and recognition are major factors in the successful marketing of tennis rackets. In addition, a prospective manufacturer must also be prepared for major continuing cost expenditures in research and development involving new materials and technologies.

It would appear that any type of opportunity for Canadian manufacturing of tennis rackets would be through a licencing arrangement with a well-known U.S. base supplier.

This report was prepared by:

The Market Development Branch
in collaboration with the Leisure Products Division.
Food and Consumer Products Industries Branch
Department of Regional Industrial Expansion

APPENDIX A

BADMINTON RACKETS

IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

Foreign Country of Export	1981	1982	1983	1984	Average	Per Cent	11-Month	
					Annual Growth Rate 1981-1984 %	Change 1983-1984 %	Imports Jan. to Nov. 1984	1985
TAIWAN								
VALUE (\$000)	664	770	1 429	1 309	25	-8	1 253	1 364
JAPAN								
VALUE (\$000)	253	146	267	444	21	66	444	285
UNITED KINGDOM								
VALUE (\$000)	156	221	169	150	-1	-11	125	144
UNITED STATES								
VALUE (\$000)	15	20	23	41	40	78	41	115
HONG KONG								
VALUE (\$000)	20	10	39	16	-7	-59	11	4
OTHER								
VALUE (\$000)	7	3	22	14	26	-36	13	7
TOTAL								
VALUE (\$000)	1 115	1 170	1 949	1 974	21	1	1 887	1 919

Taiwan has consistently been the major exporter to Canada accounting for 66 per cent of the total value of imports in 1984. The Orient accounted for over 90 per cent of all imports.

In 1983, imports of badminton rackets increased 67 per cent from 1982. In the next year the value of imports increased by only one per cent, and by two per cent for the first 11 months of 1985 compared to the first 11 months of 1984.

APPENDIX A

BADMINTON RACKETS (CONTINUED)

TYPE AND LOCATION OF THE 25 TOP KNOWN IMPORTERS - 1984
(88% OF TOTAL IMPORT VALUE)

	<u>WHOLESALEERS</u>		<u>RETAILERS</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	7	425			1	8		
Québec	4	122	6*	150*	2	26	20*	731*
Western Provinces	4	1 006	-	-	1	4	5	1 010
Atlantic Provinces	-	-	-	-	-	-	-	-
TOTAL	15	1 553	6	150	4	38	25	1 741

Per cent of 1984
total value

79%	8%	2%	88%
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* Ontario and Québec aggregated to preserve confidentiality.

(1) Includes manufacturers

There were approximately 40 importers of tennis rackets. The top 25 importers accounted for \$1.7 million or 88 per cent of the total imports. The majority of importers were wholesalers of sporting and recreational goods.

The 10 major importers of badminton rackets accounted for 80 per cent of the total imports for 1984. Of these, seven importers were wholesalers of sporting and recreational goods and three were retailers.

TENNIS RACKETS

IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

Foreign Country of Export	1981	1982	1983	1984	Average	Per Cent Change	11-Month Imports	
					Annual Growth Rate		1981-1984	1983-1984
					%	%		
TAIWAN								
VALUE (\$000)	1 379	2 038	3 156	3 454	36	9	3 373	2 891
UNITED STATES								
VALUE (\$000)	1 361	1 209	1 247	1 074	-8	-14	980	1 619
JAPAN								
VALUE (\$000)	119	143	218	567	68	160	556	390
AUSTRIA								
VALUE (\$000)	13	38	213	427	220	100	426	111
BELGIUM-LUXEMBOURG								
VALUE (\$000)	462	496	379	330	-11	-13	330	282
OTHER								
VALUE (\$000)	132	321	603	443	21	-27	394	163
TOTAL								
VALUE (\$000)	3 466	4 245	5 816	6 295	22	8	6 059	5 456

Imports of tennis rackets in 1984 totalled \$6.3 million, an increase of eight per cent from 1983. For the first 11 months of 1985 total imports were down ten per cent from the corresponding period in 1984.

Taiwan has consistently been the major exporter to Canada, accounting for 40 per cent of the value in 1981, 48 per cent in 1982, 54 per cent in 1983, and 55 per cent in 1984 and 53 per cent for the first 11 months of 1985.

The United States exports to Canada have steadily dropped from 1981 to 1984 (39 per cent to 17 per cent). However, the value of imports for the first 11 months of 1985 was \$1.6 million compared to \$980 000 for the same period in 1984; this is a 65 per cent increase.

TENNIS RACKETS (CONTINUED)

TYPE AND LOCATION OF THE 25 TOP KNOWN IMPORTERS - 1984
(92% OF TOTAL IMPORT VALUE)

	MANUFACTURERS		WHOLESALEERS		RETAILERS		OTHER		TOTAL	
	No. of Importers	Value (\$000)	No. of Importers	Value (\$000)	No. of Importers	Value (\$000)	No. of Importers	Value (\$000)	No. of Importers	Value (\$000)
Ontario	3*	996*	7	2 781	5*	368*	1	54	21*	4 668*
Québec	-	-	4	421	-	-	1	48	-	-
Western Provinces	-	-	4	1 115	-	-	-	-	4	1 115
Atlantic Provinces	-	-	-	-	-	-	-	-	-	-
TOTAL	3	996	15	4 317	5	368	2	102	25	5 783

Per cent of 1984 total value 16% 69% 6% 2% 92%

* Ontario and Québec aggregated to preserve confidentiality.

There were approximately 82 known importers of tennis rackets. The top 25 importers accounted for \$5.8 million or 92 per cent of the total imports. Most importers were wholesalers of sporting and recreational goods.

The 10 major importers of tennis rackets accounted for 77 per cent of the total for 1984. Of these 10, seven were wholesalers of sporting and recreational goods accounting for \$3.6 million of total imports. Seven of the firms were located in Ontario.

APPENDIX C

BADMINTON AND TENNIS RACKETS - TOTAL (CONTINUED)

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 %
51100-01	Racquets and racquet frames; baseball bats; hollow practice golf balls; balls of all kinds for use in sports, games or athletics, n.o.p.; finished parts or golf clubs	99	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

N.o.p. - Not otherwise provided for

Tariff Arrangements and Foreign Countries of Export:

MOST FAVOURED NATION: TAIWAN, UNITED STATES, JAPAN, AUSTRIA, BELGIUM-LUXEMBOURG
 MOST FAVOURED NATION OR U.K. AND IRELAND: UNITED KINGDOM
 MOST FAVOURED NATION OR GENERAL PREFERENTIAL*: HONG KONG

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

TARIFF PROGRAMS
 REVENUE CANADA
 CUSTOMS AND EXCISE
 OTTAWA, ONTARIO
 K1A 0L5
 TEL: (613) 992-8589

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

For more information please contact the nearest DRIE Regional Office

Newfoundland
P.O. Box 8950
Parsons Building
90 O'Leary Avenue
St. John's, Newfoundland
A1B 3R9
Tel: (709) 772-4884

Prince Edward Island
P.O. Box 1115
Confederation Court Mall
134 Kent Street, Suite 400
Charlottetown, Prince Edward Island
C1A 7M8
Tel: (902) 566-7400

Nova Scotia
P.O. Box 940, Station M
1496 Lower Water Street
Halifax, Nova Scotia
B3J 2V9
Tel: (902) 426-2018

New Brunswick
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Assumption Place
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