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# Canadian Market Opportunities— Import Profile

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Government  
of Canada

Regional Industrial  
Expansion

Gouvernement  
du Canada

Expansion industrielle  
régionale

Canada

COMPUTER TERMINALS

Pub. No: 60-86

May 1986

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COMPUTER TERMINALS

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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

COMPUTER TERMINALS

INTRODUCTION AND SCOPE

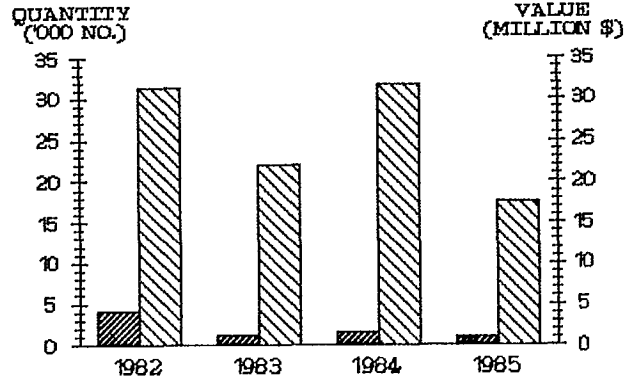
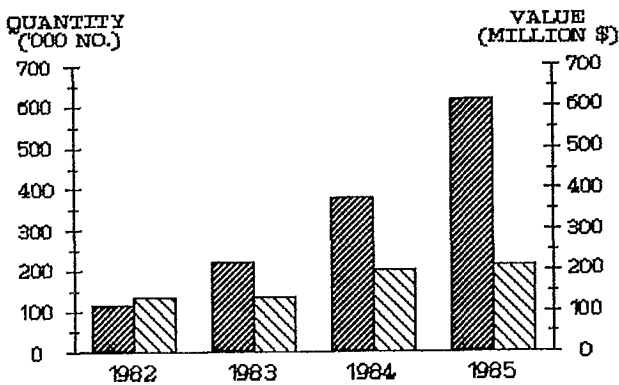
This report is one of a continuing series designed to increase business awareness of the potential existing for domestic production and to stimulate Canadian business to further explore potential opportunities in both the Canadian and export markets. It is important to emphasize that this report does 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 contains information on both video display and bank teller computer terminals (Canadian International Trade Classification (C.I.T.C.) commodity codes 771-22-72 and 771-22-75 respectively). It does not include data on printer type, graphic display, point-of-sale or intelligent terminals:

IMPORT TRENDS: OVERVIEW

VIDEO DISPLAY TERMINALS

BANK TELLER TERMINALS



■	QTY	112	220	380	615
▨	VALUE	134	133	199	210

	4.1	1.2	1.6	1.1
	31.4	22.1	31.7	17.6

Imports of video display terminals reached 615 000 units with a value of \$210 million in 1985. Growth has been steady in terms of value between 1982 and 1985 at annual rates near 16 per cent. However, volumes have grown at an average annual rate of 76 per cent during the same period. This growth is accounted for by the wide variety of equipment and unit prices in this group and the broadening of the market into new types of terminals.

Bank teller terminals have had smaller imports, with 1 098 units valued at \$17.6 million imported in 1985.

IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

VIDEO DISPLAY TERMINALS

<u>Foreign Country of Export</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>Unit</u>	<u>Average</u>	<u>Per cent</u>
					<u>Price</u>	<u>Annual</u>	<u>Change</u>
					<u>1985</u>	<u>1982-1985</u>	<u>1984-1985</u>
					\$	%	%
<b>UNITED STATES</b>							
Quantity (No.)	85 600	136 835	202 316	260 256		45	29
Value (\$000)	103 005	111 973	155 025	154 060	592	14	-1
<b>TAIWAN</b>							
Quantity (No.)	14	5 944	77 457	230 612		2 444	198
Value (\$000)	3	663	8 496	32 578	141	2 114	283
<b>JAPAN</b>							
Quantity (No.)	14 993	68 446	74 894	83 190		77	11
Value (\$000)	7 903	13 831	27 860	15 563	187	25	-44
<b>REPUBLIC OF KOREA</b>							
Quantity (No.)	3 456	6 353	20 884	25 981		96	24
Value (\$000)	249	2 837	2 189	2 484	96	115	13
<b>PUERTO RICO</b>							
Quantity (No.)	723	1 411	2 102	519		-10	-75
Value (\$000)	1 104	2 152	3 931	936	1 803	-5	-76
<b>OTHER</b>							
Quantity (No.)	7 477	1 245	2 807	13 988		23	398
Value (\$000)	21 320	1 088	1 687	4 740	339	-39	181
<hr/>							
<b>TOTAL</b>							
Quantity (No.)	112 263	220 234	380 460	614 546		76	62
Value (\$000)	133 584	132 544	199 188	210 361		16	6
Unit Price (\$)	1 190	602	524	342			

The United States has consistently been the major exporter to Canada, accounting for 73 per cent of the value and 42 per cent of the quantity in 1985, followed by Taiwan with 16 and 38 per cent respectively. The U.S. has lost much of its share of the Canadian import market to the Orient, dropping from 76 per cent of the quantity in 1982 to 42 per cent in 1985. During the same period, the U.S. share of value decreased only slightly, from 77 per cent in 1982 to 73 per cent in 1985.

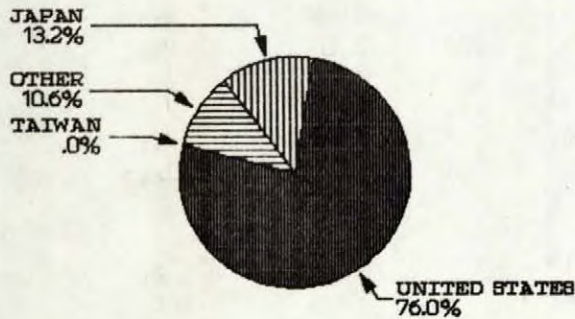
Unit prices have decreased from an average of \$1 190 in 1982 to \$342 in 1985. In 1985, Taiwan, with a low average unit price of \$141, was the source of 38 per cent of the units, but only 15 per cent of the value. See page 6 for charts illustrating the above trends.

# SHARE OF IMPORT MARKET VIDEO DISPLAY TERMINALS

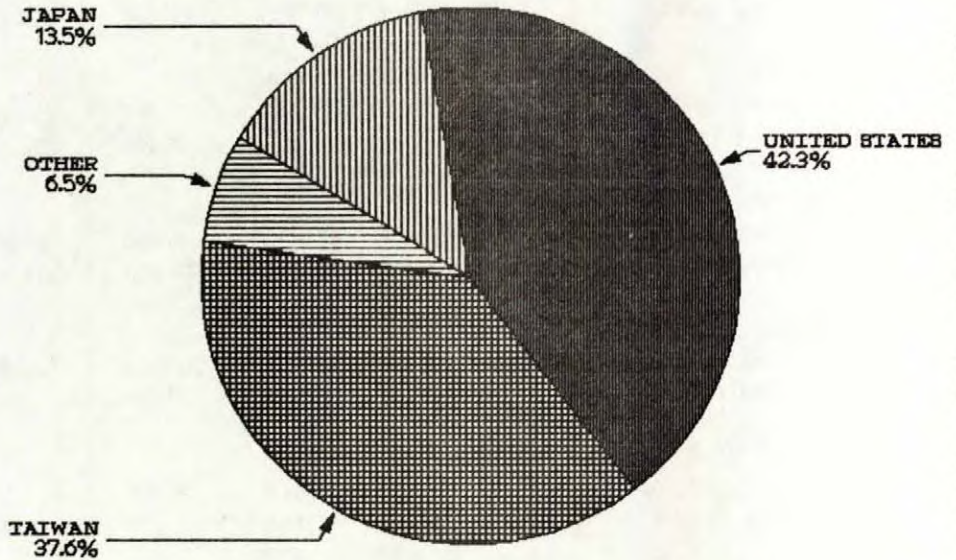
1982

1985

**QUANTITY:**

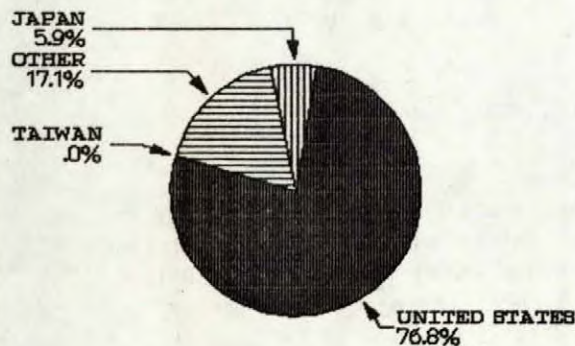


TOTAL QTY = 112 263 units

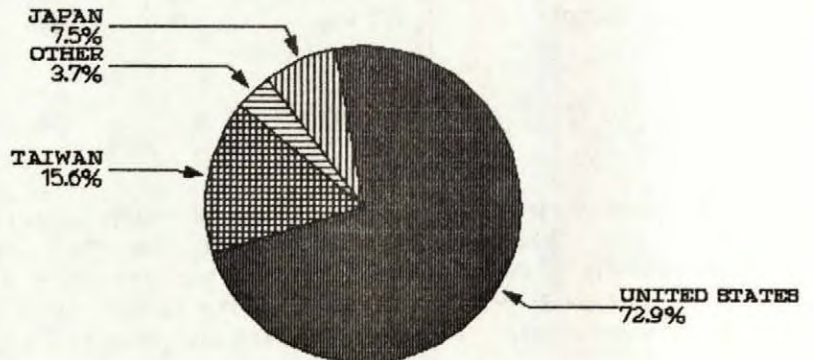


TOTAL QTY = 614 546 units

**VALUE:**



TOTAL VALUE = \$134 M



TOTAL VALUE = \$210 M

IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

BANK TELLER TERMINALS

Foreign Country of Export	1982	1983	1984	1985	Unit Price	Average Annual Growth Rate	Per cent Change
					1985 \$	1982-1985 %	1984-1985 %
<b>UNITED STATES</b>							
Quantity (No.)	3 167	1 131	1 588	971		-33	-39
Value (\$000)	28 110	19 566	31 378	16 736	17 236	-16	-47
<b>UNITED KINGDOM</b>							
Quantity (No.)	0	19	15	88		N/A	487
Value (\$000)	0	236	333	520	5 909	N/A	56
<b>SWEDEN</b>							
Quantity (No.)	201	0	4	37		-43	825
Value (\$000)	300	0	38	318	8 595	2	737
<b>OTHER</b>							
Quantity (No.)	775	68	0	2		-86	N/A
Value (\$000)	3 015	2 318	0	22	11 000	-81	N/A
<hr/>							
<b>TOTAL</b>							
Quantity (No.)	4 143	1 218	1 607	1 098		-36	-32
Value (\$000)	31 425	22 120	31 749	17 596		-18	-45
Unit Price (\$)	7 585	18 161	19 756	16 025			

N/A - Not applicable

The United States has consistently been the major exporter to Canada, accounting for 95 per cent of the value and 88 per cent of the quantity in 1985, followed by the United Kingdom with three and eight per cent respectively.

Average unit prices have fluctuated from a low of \$7 585 in 1982 to a high of \$19 756 in 1984. Unit prices of imports from the United States are generally higher than those of imports from the United Kingdom and Sweden.



IMPORT MARKET CONCENTRATION  
(BY % OF TOTAL 1984 VALUE)

(1) VIDEO DISPLAY TERMINALS

<u>Top 5 Importers</u>	<u>Top 10 Importers</u>	<u>Top 20 Importers</u>	<u>Top 51 Importers</u>
46	58	71	85

The 10 major importers of video display terminals accounted for 58 per cent of total 1984 imports. Four of the importers were wholesalers of electronic and commercial machines and equipment. Five were manufacturers, of whom three manufactured electronic computing equipment.

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

(2) BANK TELLER TERMINALS

Seven companies imported bank teller computer terminals in 1984. Four were manufacturers, of whom two manufactured electronic computing equipment, one typewriters, and one electrical equipment. Two were wholesalers of professional and commercial equipment, and one provided computer-related services. For a list of these importers, see Appendix B, page 11.

TYPE AND LOCATION OF THE 51 TOP KNOWN IMPORTERS - 1985  
(85% OF TOTAL IMPORT VALUE)

VIDEO DISPLAY TERMINALS

	<u>MANUFACTURERS</u>		<u>WHOLESALEERS</u>		<u>OTHER</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	13	98 605	22	48 178	4	7 400	39	154 183
Québec	3	5 712	3	1 911	2	1 760	8	9 383
Western Provinces	-	-	3	5 027	1	411	4	5 438
Atlantic Provinces	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>16</b>	<b>104 317</b>	<b>28</b>	<b>55 116</b>	<b>7</b>	<b>9 571</b>	<b>51</b>	<b>169 004</b>
Per cent of 1984 total value		52%		27%		5%		85%

There were at least 635 importers of video display terminals in 1984, of whom the top 51 accounted for \$169 million or 85 per cent of the total imports. Of these 50 importers, 16 were manufacturers whose total imports represented 52 per cent of the import total. Seven of these firms were manufacturers of electronic computing equipment. Twenty-eight of the top importers were wholesalers, accounting for 28 per cent of the import total. Fourteen of these companies were wholesalers of commercial machines and equipment and 11 were wholesalers of electronic equipment and parts. The 39 Ontario importers accounted for 77 per cent of the total import value.

### CANADIAN PRODUCTION

At least 38 companies manufacture all types of computer terminals in Canada. Thirty are located in Ontario, four in British Columbia, three in Québec and one in Alberta. Statistics Canada does not publish specific production data for this product.

### EXPORTS

Statistics Canada does not publish specific export data for computer terminals. It is included in the export commodity class "Electronic computers and equipment."

### DEPARTMENT OF SUPPLY AND SERVICES PROCUREMENTS

The Department of Supply and Services reports that its purchases of video display type computer terminals for the federal government totalled \$1.4 million for the period April, 1984 to March, 1985, and \$1.3 million for the period April, 1985 to March, 1986. No purchases of bank teller terminals were made by the Department of Supply and Services during this period.

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

### MARKET SUMMARY

Canada has a number of companies manufacturing computer terminals. Among these are several with special products such as Arabic terminals.

The major market categories are ASCII terminals (so-called "dumb" terminals), system compatible terminals (which operate with a particular communications standard such as IBM 3270) and plug compatible terminals (which may be directly substituted into a particular system). With the advent of microprocessors, intelligent terminals which can perform some local computing have emerged, usually within the second and third of the above categories. Stand-alone microcomputers are also frequently used as terminals.

In general, production is increasing in the plug compatible and system compatible areas. Canadian production follows this trend. The market for terminals will receive a boost with the widespread use of Local Area Networks (LANs). The technology of these is well known and available in Canada. The majority of imports are from subsidiaries of multi-national enterprises (MNEs) operating in Canada.

The best opportunity for Canadian manufacturers is to develop specialized terminals within particular systems. Examples would include banking systems, restaurant systems and stock trading systems.

This report was prepared by:

the Market Development Branch  
in collaboration with the  
Electronics Directorate,  
Electronics and Aerospace Branch.

DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION

CANADIAN TARIFFS, 1986 (1)

Tariff Item	Description	% of Total Import Value (1985)	TARIFF TREATMENT				
			British Prefer- ential Tariff %	U.K. and Ireland %	Most Favoured Nation Tariff %	General Prefer- ential Tariff %	
41417-01	Electronic data processing machines and apparatus; peripheral equipment for use therewith including data entry, data preparation and data handling machines and apparatus; accessories and attachments for use therewith; parts of all the foregoing; none of the foregoing to include telephone and telegraph apparatus and parts thereof	98	Free	3.9	3.9	25	Free

Tariff Arrangements and Foreign Countries of Export:

MOST FAVOURED NATION: UNITED STATES, JAPAN, TAIWAN, PUERTO RICO, SWEDEN

MOST FAVOURED NATION OR GENERAL PREFERENTIAL\*: SOUTH KOREA

MOST FAVOURED NATION OR U.K. AND IRELAND: UNITED KINGDOM

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) 992-2623

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

(1) Aggregated data for both video display and bank teller terminals.

CANADIAN IMPORTERS

Importers of Bank Teller Terminals as indicated in this report during 1984 are listed below in alphabetical order. This list includes all importers with the exception of shipments to individuals and a minimal number of importers whose names were not available.

<u>Name</u>	<u>Address</u>
Accu-Systems Ltd.	Markham, Ont.
Boreal Laboratories Ltd.	Mississauga, Ont.
I B M Canada Ltd.	Markham, Ont.
NCR Canada Ltd.	Mississauga, Ont.
Olivetti Canada Ltd.	Don Mills, Ont.
Perle Systems Ltd.	Scarborough, Ont.
Philips Electronics Ltd.	Scarborough, Ont.

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**  
P.O. Box 1210  
Assumption Place  
770 Main Street  
Moncton, New Brunswick  
E1C 8P9  
Tel: (506) 867-6400

**Québec**  
C. P. 247  
Tour de la Bourse  
800, Place Victoria, Bureau 3800  
Montréal (Québec)  
H4Z 1E8  
Tel: (514) 283-8186

**Ontario**  
P.O. Box 98  
1 First Canadian Place, Suite 4840  
Toronto, Ontario  
M5X 1B1  
Tel: (416) 365-3821

**Manitoba**  
P.O. Box 981  
330 Portage Avenue  
Room 608  
Winnipeg, Manitoba  
R3C 2V2  
Tel: (204) 949-6182

**Saskatchewan**  
Canada Building  
6th Floor, 105-21st Street East  
Saskatoon, Saskatchewan  
S7K 0B3  
Tel: (306) 975-4400

**Alberta**  
Cornerpoint Building  
10179 - 105th Street, Suite 505  
Edmonton, Alberta  
T5J 3S3  
Tel: (403) 420-2944

**British Columbia**  
P.O. Box 49178  
Bentall Postal Station  
Bentall Tower IV  
1101 - 1055 Dunsmuir Street  
Vancouver, British Columbia  
V7X 1K8  
Tel: (604) 661-0434

**Yukon**  
Suite 301  
108 Lambert Street  
Whitehorse, Yukon  
Y1A 1Z2  
Tel: (403) 668-4655

**Northwest Territories**  
P.O. Bag 6100  
Precambrian Building  
Yellowknife, Northwest Territories  
X1A 1C0  
Tel: (403) 920-8668 or 920-8671