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IMPORT PROFILE

Investment Opportunities

SKIS, DOWNHILL AND CROSS-COUNTRY

Pub. No.: 8807-IP October 1988



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of Canada

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SKIS, DOWNHILL AND CROSS-COUNTRY

INTRODUCTION

This report is part of a continuing series designed to increase business awareness of the potential existing for production in Canada.

CANADIAN IMPORTS

Import data are given on subsequent pages for the following products:

<u>Description</u>	<u>Commodity Code</u>	<u>TOTAL IMPORTS 1987</u>	
		<u>Quantity</u> (000 Pair)	<u>Value</u> (C\$ million)
Downhill skis	832-37-20	513 419	33.3
Cross-country skis	832-37-30	<u>180 171</u>	<u>4.9</u>
Total, Downhill and Cross-Country Skis		693 590	38.2
Skis, Not Elsewhere Specified, Except Water Skis	832-37-90	6 854	.6

Data on import trends for individual products within the above commodity groups (excluding skis, nes) are shown separately on the following pages.

Lists of Canadian importers and foreign exporters to Canada are given in Appendices A and B, respectively.

For information on other segments of the ski equipment industry, please see Import Profile No. 8806-IP (Ski Boots) and Import Profile No. 8808-IP (Ski Bindings or Fittings).

CANADIAN PRODUCTION

Although there are no significant manufacturers of downhill skis in Canada, there are at least two Canadian manufacturers of cross-country skis. Statistics Canada does not publish specific data on production of these products. They are included in the export class "Sporting and recreation equipment and parts, not elsewhere specified".

CANADIAN EXPORTS

Canadian manufacturers indicate that they currently export. However, Statistics Canada does not publish specific data on exports of skis.

UNITED STATES' IMPORTS

The United States Department of Commerce indicates that U.S. imports of "downhill skis", "cross-country skis and snowshoes" (aggregated) from all countries totalled C\$114.3 million in 1987. Downhill skis accounted for C\$92.4 million and cross-country skis and snowshoes accounted for C\$21.9 million. Canada's share of U.S. imports totalled C\$3.4 million. "Cross-country skis and snowshoes" accounted for C\$3.3 million and "downhill skis" accounted for C\$103 000.

MARKET SUMMARY

Downhill Skis

Both downhill and cross-country skiing continue to be quite popular activities, and it is estimated that of that current 9.6 million Canadian households, about 35 per cent own at least one pair of skis. Between the period 1981 to 1987, downhill skis have increased their penetration from 14.2 per cent to 18.6 per cent of households, while in the same period, cross-country skis have increased from 16.9 per cent to 26.9 per cent of households. It is estimated that there are now over 6.0 million skiers in Canada. The downhill and cross-country ski markets are distinctly different as are the manufacturing techniques.

In the downhill ski market, brand name loyalty and consumer recognition are major factors in successful marketing. In addition, major expenditures in research and development involving new materials and technologies require a constant inflow of funds. The increasingly high level of imports from industrialized countries such as Austria and France, the lack of domestic production, brand name loyalty and the continuing popularity of downhill skiing indicate that there may be an opportunity for downhill ski production in Canada through such vehicles as joint ventures or licensing arrangements with a well-known manufacturer.

Effect of the United States/Canada Free Trade Agreement (FTA) on downhill Skis

The North American downhill ski import market is estimated at almost C\$126 million, (74 per cent United States and 26 per cent Canada). The two major North American producers (Olin and K-2) are both located in the United States. Under the FTA, duty rates between Canada and the United States on downhill skis are to be reduced to 0 per cent effective January 1, 1989; whereas, skis imported from Western Europe will continue to be subject to the Canadian Most Favoured Nation (MFN) rate of 11.3 per cent and in the United States duty rate of 5.1 per cent. In 1987 and 1988, the rates of duty for imports to Canada of all skis from the MFN countries are 11.4 per cent.

Cross-Country Skis

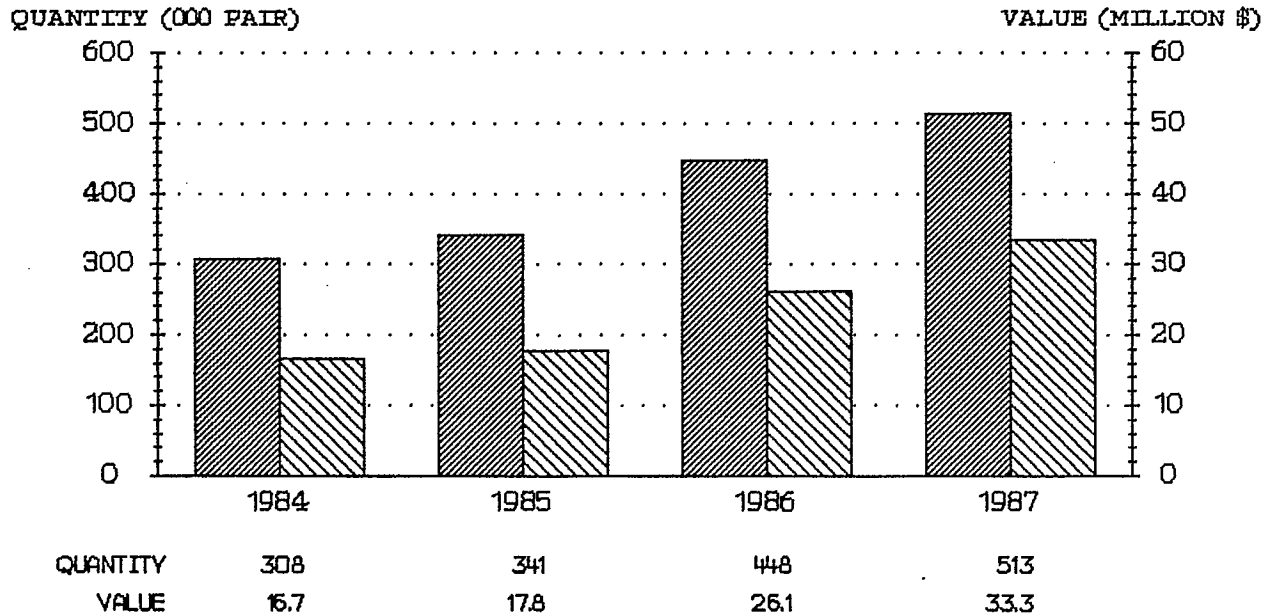
In the cross-country ski market brand name loyalty and consumer recognition, while still important, are not as dominant as in the downhill market. Although the household percentage of cross-country skis has increased significantly between 1981 and 1987, there does not appear to be the same high replacement market as with downhill skis. The introduction of the skating type ski may have some minor effect on increasing the replacement market. While it appears that imports represent over 50 per cent of the cross-country ski market in 1987, some caution must be expressed in view of the high attrition rate of Canadian-based manufacturers during the 1980's. Due to a combination of factors such as rapid market saturation, high interest rates, poor winter skiing conditions, etc., the number of Canadian producers fell from 11 in 1981 to two major companies in 1986. With the recent stabilization among current Canadian producers, there may be opportunities for greater expansion in the North American market.

Effect of the United States/Canada Free Trade Agreement (FTA) on Cross-Country Skis

The North American cross-country ski import market is estimated at about C\$27.0 million at the import cost level, (81 per cent United States and 19 per cent Canada.) The two major producers are both located in Canada. Under the FTA, duty rates between Canada and the United States on cross-country skis are to be reduced to 0 per cent effective January 1, 1989. Skis imported from Western Europe will continue to be subject to the Canadian MFN rate of 11.3 per cent and United States duty rate of 3.5 per cent.

IMPORT DATA

DOWNHILL SKIS
COMMODITY CODE 832-37-20
IMPORT TRENDS



IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

FOREIGN COUNTRY OF EXPORT	1984	1985	1986	1987	AVERAGE ANNUAL GROWTH RATE 1984-87
					%
AUSTRIA					
QUANTITY [PAIR]	154690	190278	215533	252660	18
VALUE [C\$000]	7846	9703	12620	15868	28
FRANCE					
QUANTITY [PAIR]	78183	80124	125781	133984	21
VALUE [C\$000]	4811	4382	7289	9350	25
UNITED STATES					
QUANTITY [PAIR]	10265	13859	10548	26320	37
VALUE [C\$000]	1131	1066	926	2370	28
GERMANY, FED. REP.					
QUANTITY [PAIR]	15170	23627	39833	16447	3
VALUE [C\$000]	243	1286	1912	1704	91
SPAIN					
QUANTITY [PAIR]	8756	4914	4140	37795	83
VALUE [C\$000]	374	227	180	1535	80
OTHER					
QUANTITY [PAIR]	43238	28326	52517	46213	2
VALUE [C\$000]	2486	1131	3132	2431	-1
TOTAL					
QUANTITY [PAIR]	308282	340926	448352	513419	19
VALUE [C\$000]	16691	17795	26059	33256	26

DOWNHILL SKIS - COMMODITY CODE 832-37-20

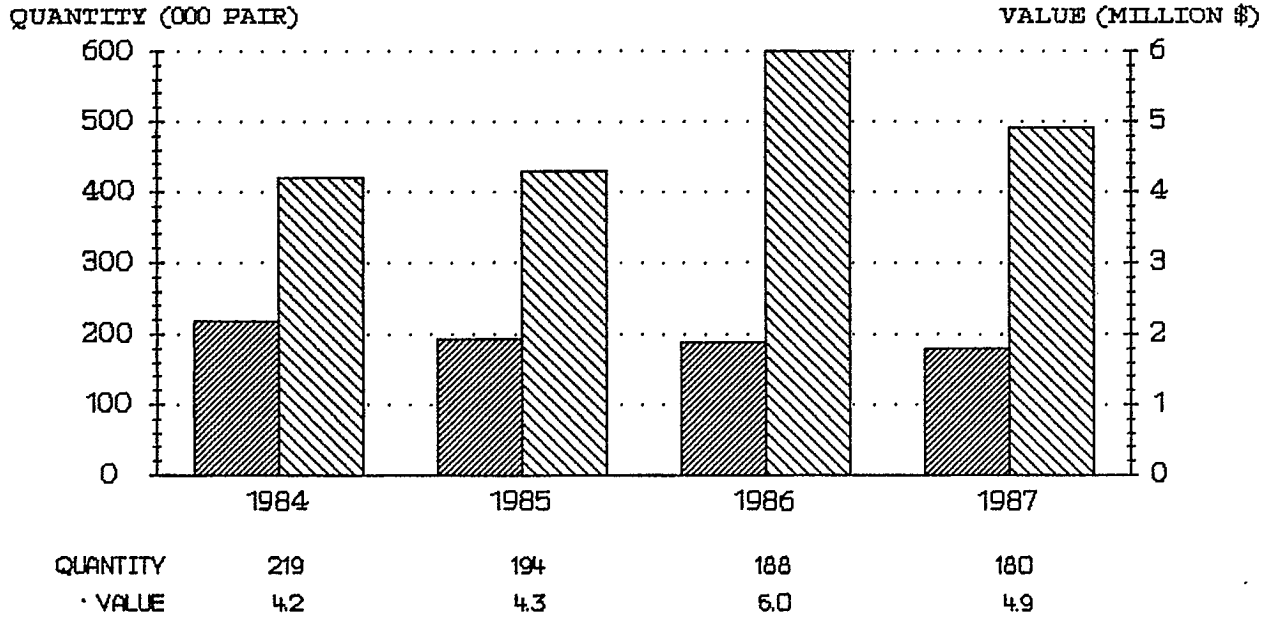
IMPORT MARKET SHARES

FOREIGN COUNTRY OF EXPORT	1984	1985	1986	1987
	%	%	%	%
AUSTRIA				
QUANTITY	50.2	55.8	48.1	48.2
VALUE	45.8	54.5	48.4	47.7
FRANCE				
QUANTITY	24.7	23.5	28.1	26.1
VALUE	28.8	24.6	28.0	28.1
UNITED STATES				
QUANTITY	3.3	4.0	2.4	5.1
VALUE	6.8	6.0	3.6	7.1
GERMANY, FED. REP.				
QUANTITY	4.9	6.9	8.9	3.2
VALUE	1.5	7.2	7.3	5.1
SPAIN				
QUANTITY	2.8	1.4	0.9	7.4
VALUE	2.2	1.3	0.7	4.6
OTHER				
QUANTITY	14.0	8.3	11.7	9.0
VALUE	14.9	6.4	12.0	7.3
TOTAL				
QUANTITY	100.0	100.0	100.0	100.0
VALUE	100.0	100.0	100.0	100.0

UNIT PRICES (C\$)

FOREIGN COUNTRY OF EXPORT	1984	1985	1986	1987
AUSTRIA	49	51	59	63
FRANCE	63	55	58	70
UNITED STATES	110	78	88	90
GERMANY, FED. REP.	16	54	48	104
SPAIN	43	46	43	41
OTHER	57	40	60	53
ALL COUNTRIES	54	52	58	65

CROSS COUNTRY SKIS
 COMMODITY CODE 832-37-30
 IMPORT TRENDS



IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

FOREIGN COUNTRY OF EXPORT	1984	1985	1986	1987	AVERAGE ANNUAL GROWTH RATE 1984-87
					%
AUSTRIA					
QUANTITY (PAIR)	32007	62233	49153	44836	12
VALUE (C\$000)	784	1660	1641	1638	28
GERMANY, FED. REP.					
QUANTITY (PAIR)	15774	13209	37951	79016	71
VALUE (C\$000)	227	204	774	1617	92
FINLAND					
QUANTITY (PAIR)	92004	60637	32147	23574	-36
VALUE (C\$000)	1874	1386	1290	892	-22
CZECHOSLOVAKIA					
QUANTITY (PAIR)	1050	0	10458	25521	190
VALUE (C\$000)	28	0	141	389	140
NORWAY					
QUANTITY (PAIR)	8255	4002	2332	2161	-36
VALUE (C\$000)	183	135	115	111	-15
OTHER					
QUANTITY (PAIR)	70251	54043	56405	5063	-58
VALUE (C\$000)	1095	928	2038	233	-40
TOTAL					
QUANTITY (PAIR)	219341	194124	188446	180171	-6
VALUE (C\$000)	4191	4313	5999	4880	5

CROSS COUNTRY SKIS - CDMMODITY CODE 632-37-30
 =====

IMPORT MARKET SHARES

FOREIGN COUNTRY OF EXPORT	1984	1985	1986	1987
	%	%	%	%
AUSTRIA				
QUANTITY	14.8	32.1	26.1	24.9
VALUE	18.7	38.5	27.4	33.6
GERMANY, FED. REP.				
QUANTITY	7.2	6.8	20.1	43.9
VALUE	5.4	4.7	12.9	33.1
FINLAND				
QUANTITY	41.9	31.2	17.1	13.1
VALUE	44.7	32.1	21.5	16.3
CZECHOSLOVAKIA				
QUANTITY	0.5	0.0	5.5	14.2
VALUE	0.7	0.0	2.4	8.0
NORWAY				
QUANTITY	3.8	2.1	1.2	1.2
VALUE	4.4	3.1	1.9	2.3
OTHER				
QUANTITY	32.0	27.8	29.9	2.8
VALUE	26.1	21.5	34.0	4.8
TOTAL				
QUANTITY	100.0	100.0	100.0	100.0
VALUE	100.0	100.0	100.0	100.0

UNIT PRICES (C\$)

FOREIGN COUNTRY OF EXPORT	1984	1985	1986	1987
AUSTRIA	24	27	33	37
GERMANY, FED. REP.	14	15	20	20
FINLAND	20	23	40	38
CZECHOSLOVAKIA	27	N/A	13	15
NORWAY	22	34	49	51
OTHER	16	17	36	46
ALL COUNTRIES	19	22	32	27

N/A - NOT APPLICABLE

CANADIAN IMPORTERS

In 1986, the principal 10 importers of downhill skis accounted for 85 per cent of the total import value of downhill skis. The principal 10 importers of cross-country skis accounted for 92 per cent of the total import value of cross-country skis during 1986.

<u>Principal Importers</u> (No.)	<u>Cumulative Value</u> (C\$ million)		<u>Per Cent of Total Value</u>	
	<u>Downhill</u>	<u>Cross-country</u>	<u>Downhill</u>	<u>Cross-country</u>
	5	15.5	4.3	60
10	22.2	5.5	85	92
All Importers	26.1	6.0	100	100

The majority of imports in 1986 (80 per cent) were imported by wholesalers or retailers of sporting and recreational equipment. In 1987, imports of downhill skis cleared through the province of Ontario totalled 314 703 pairs (61 per cent), and were valued at \$18 million (54 per cent). Québec accounted for 183 956 pairs (36 per cent) or \$13.5 million (41 per cent) of imports of downhill skis. Imports of cross-country skis from Ontario accounted for 114 706 pairs (64 per cent), or \$3.1 million (63 per cent) of imports of cross-country skis. Québec accounted for 35 per cent of the quantity and value of imports of cross-country skis.

Importers of skis during 1986 are listed below in alphabetical order. This list includes all importers except individuals and a minimal number of importers whose names were not available. The numbers in brackets following the names of the importers indicate the specific types of skis they imported as follows: (1) Downhill skis; (2) Cross-country skis.

<u>Name</u>	<u>Address</u>	<u>Name</u>	<u>Address</u>
AMF Canada Limited(1)	Guelph, Ont.	Jelinek Sports, Division of	
Alliance Ro-Na Home Inc.(2)	Boucherville, Qué.	Canadian Corporate Mgmt.	
Bic Sport Canada, Div. of		Co. Ltd.(1)	Oakville, Ont.
Bic Inc.(1)(2)	Markham, Ont.	John R MacDonald Ltd.(1)	Sydney, N.S.
Caber Sport, Div. Warrington		Karhu Titan Canada Ltée(1)(2)	Cowansville, Qué.
Products Ltd.(1)	Montréal, Qué.	Leisure Time Distributors	
Canadian A B C Company		Ltd.(1)(2)	Vancouver, B.C.
Limited(1)(2)	Montréal, Qué.	Leslee Sports Importing	
Canadian Tire Corporation		(Brockville) Ltd.(1)(2)	Brockville, Ont.
Ltd.(2)	Toronto, Ont.	Micron Sports Products Inc.(1)	Montréal, Qué.
Carleton Cycle & Outdoor		Monark Sports Ltée(1)(2)	St-Laurent, Qué.
Recreations Ltd.(1)	Vancouver, B.C.	Mondo Enterprise Ltd.(2)	Burnaby, B.C.
Dafran Sport Inc.(1)	Montréal, Qué.	Mountain Equipment	
Exel Sports Limited(2)	Peterborough, Ont.	Co-operative(2)	Vancouver, B.C.
F M H (Canada) Ltd.(1)(2)	Downsview, Ont.	Mountain Magic Investments	
Greb Industries, Div.		Ltd.(2)	Banff, Alta.
Warrington Products Ltd.(1)	Mississauga, Ont.	Norseman Ski Shop Ltd., The (2)	Calgary, Alta.
Igloo Import & Supply Co.		Norvinca Inc.(1)(2)	Mont-Royal, Qué.
Ltd.(1)	Ste-Agathe-des-	Ski & Sport House Calgary	
	Monts, Qué.	Ltd.(1)	Calgary, Alta.
Importations Edger		Ski Mode Bernard Trottier	
Limitée, Les(1)	Pointe-Claire,	Inc.(1)	Greenfield Park,
	Qué.		Qué.

CANADIAN IMPORTERS (CONT'D)

<u>Name</u>	<u>Address</u>	<u>Name</u>	<u>Address</u>
Ski Montcalm Ltd.(1)	Rawdon, Qué.	Sport Dinaco Inc.(1)(2)	Lachine, Qué.
Ski Products Reg'd(2)	Dollard-des-Ormeaux, Qué.	Sport Expert Inc.(1)	Laval, Qué.
Skis Rossignol Canada Ltée(1)(2)	Granby, Qué.	Sport Maska Inc.(2)	St-Hyacinthe, Qué.
Skisport International Limited(1)	Toronto, Ont.	Sports Distributors of Canada Limited(1)	Burlington, Ont.
Smith & McCausland Ltd.(1)	Markham, Ont.	Torsion Holdings Ltd.(1)	Calgary, Alta.
Solomon Canada Sports Ltd.(1)(2)	Montréal, Qué.	Vikski Canada Inc.(1)	Ste-Agathe-des-Monts, Qué.
		Yamaha Canada Music Ltd.(1)	Scarborough, Ont.

FOREIGN EXPORTERS TO CANADA

Major exporters to Canada of downhill and cross-country skis during 1986, are listed below in descending order of dollar value by major country of export. These exporters accounted for 73 per cent of the total value of imports in 1986.

<u>Country</u>	<u>Exporter Name</u>	<u>1986 Value of Imports (C\$000)</u>
Austria:	Head Sportgeraete GmbH & Co.)	10 290*
	Fischer Gesellschaft)	
	Blizzard Ski Gesellschaft GmbH)	
	Atomic Ski Fabric)	2 794*
	Elan-Sportartikelerzeugungs-) und Handels GmbH)	
		Kneissel Tirol Sportartikel AG
	Solomon Kastle Gesellschaft GmbH) Franz Riesinger & Co. AG) Hagan Skifabrik GmbH) Dynafit Gesellschaft)	1 605*
France:	Skis Dynastar SA) Skis Rossignol SA)	6 676*
	Dynamic Skis) Skis Lacroix)	936*
Federal Republic of Germany:	Franz Volkl GmbH & Co.) Spielman) Union DDR) Kneissel Tirol Sportartikel AG) Roehlig + Co)	2 109*
Italy:	Caber Italia SPA) Skis Rossignol) Tua Ski)	1 315*

* Aggregated to preserve confidentiality of Canadian importers

FOR MORE INFORMATION PLEASE CONTACT:

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Service Industries and Consumer
Goods Branch
Department of Regional Industrial Expansion
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Ottawa, Ontario
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Tel: (613) 954-3109

REFERENCE SOURCES

Department of Regional Industrial Expansion
Statistics Canada
Revenue Canada

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TARIFF PROGRAMS
REVENUE CANADA
CUSTOMS AND EXCISE
OTTAWA, ONTARIO
K1A 0L5
TEL: (613) 954-7015

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.

