

HF
3221
.I4
no.
85016-PM

IMPORT ANALYSIS

EXPANDABLE POLYSTYRENE BEADS

JANUARY TO DECEMBER 1984



Government
of Canada

Gouvernement
du Canada

Regional Industrial
Expansion

Expansion industrielle
régionale

Canada

Pub. No. 85016 - PM
I.D. 2514
March 21, 1986

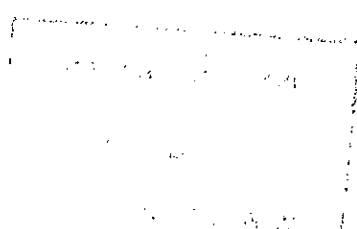
EXPANDABLE POLYSTYRENE BEADS

JANUARY TO DECEMBER 1984



Further information available from:

Market Information and Analysis Division
Market Development Branch
Regional Industrial Expansion
Ottawa, Canada, K1A 0H5
Tel: (613) 995-8216



©

Copyright 1984

Crown in Right of Canada. No part of this report may be reproduced without the written consent of the Minister of Regional Industrial Expansion.

C O N T E N T S

<u>SECTION</u>		<u>Page</u>
I	INTRODUCTION	
	Scope of Analysis	3
	Method	3
	References	3
II	ANALYSIS AND OBSERVATIONS	
	Analysis of Imports	4
	Market Overview	6
III	RESULTS	
	Canadian Importers	7
	Foreign Exporters to Canada	7
	Table 1 - Expandable Polystyrene Beads: Apparent End Use, Price Range and Import Market Concentration	8
	Canadian and Foreign Tariffs	9

SECTION I - INTRODUCTION

Scope of Analysis

This analysis of expandable polystyrene beads is based on a detailed examination of Revenue Canada Customs import documents for the period January to December 1984.

The following Canadian International Trade Classification (C.I.T.C.) Import Commodity Codes were analyzed:

423-37-25 Polystyrene Resins, Expandable
423-37-90 Polystyrene Resins, Not Elsewhere Specified

Method

The data shown in this analysis were extracted from Revenue Canada Customs documents. These documents provide a description of the product, names of importers and exporters, quantities, dollar values, unit prices, countries of origin, provinces of entry, tariff applications and rates of exchange.

Please note that dollar values shown are based on selling price F.O.B. plant, in Canadian dollars. This selling price represents the value paid by the importer excluding all freight, packing and insurance costs when specified. All trade discounts when applicable are also deducted from the selling price.

References

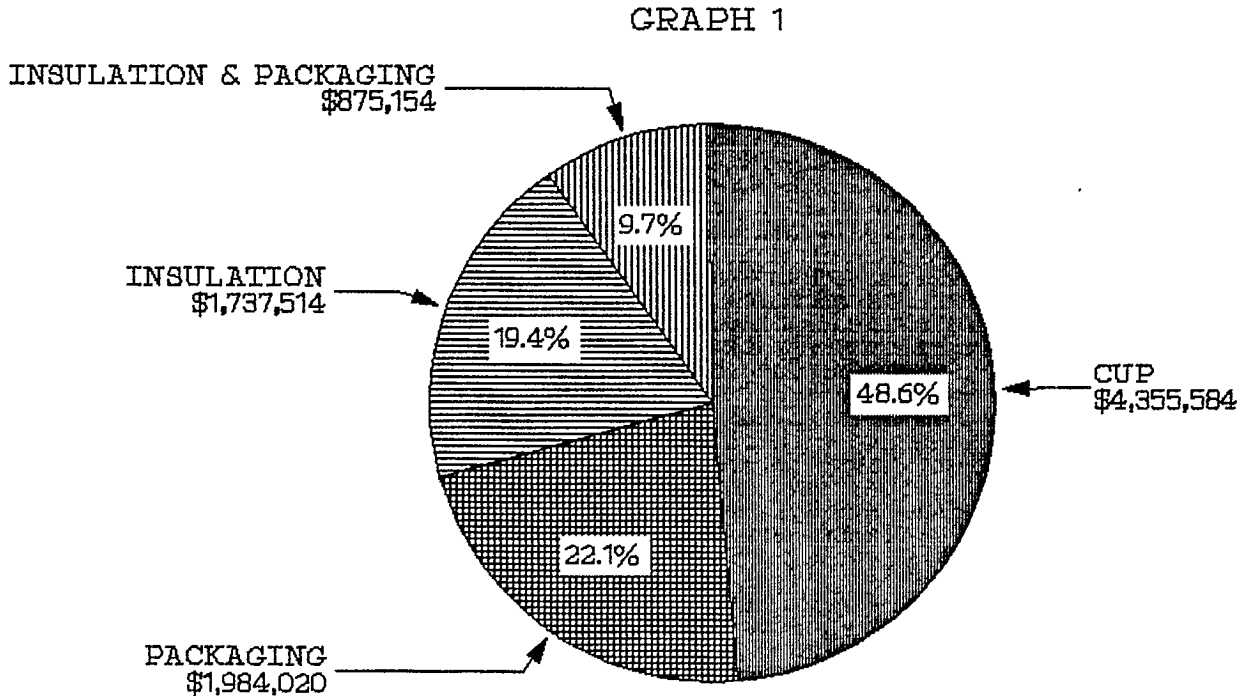
- (1) Customs Tariff: Item 93902-47
- (2) Canadian International Trade Classification
(Cat. #65-502E, Statistics Canada)
- (3) Imports by Commodities
(Cat. #65-007, Statistics Canada)
Commodity Code(s) 423-37-25 and 423-37-90

SECTION II - ANALYSIS AND OBSERVATIONS

Analysis of Imports

Imports of expandable polystyrene beads during the period January to December 1984, as reported on documents examined, amounted to a total quantity of 123,893 cwt for a value of \$8,952,272 (selling price).

For the purpose of this report, imports of expandable polystyrene beads were classified to four "apparent end use" grades: (Graph 1 refers)



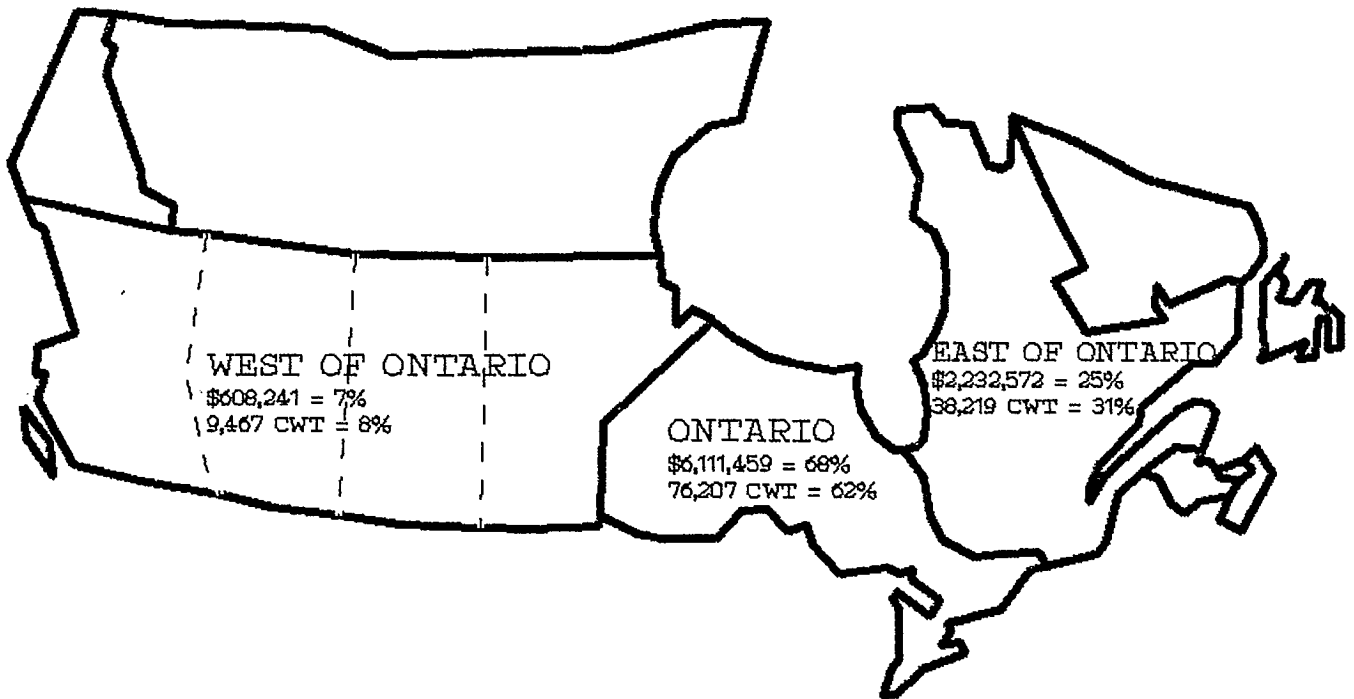
The United States was the major country of origin, accounting for approximately eighty-one per cent of the total value of imports.

Ninety-eight per cent of all shipments included in this analysis are apparently, in Statistics Canada terminology, "arms-length transactions," i.e., shipments between non-affiliated firms.

Analysis of Imports (Cont'd)

Ontario was the province through which most expandable polystyrene beads entered Canada, accounting for 62 per cent of the total quantity and 68 per cent of the total value. Provinces East of Ontario accounted for 31 per cent and 25 per cent of the total quantity and value, respectively. Provinces West of Ontario accounted for the remaining eight per cent and seven per cent of the total quantity and value, respectively (Graph 2 refers).

GRAPH 2 - REGION OF ENTRY



PERCENTAGE OF VALUE 100% = \$8,952,272
PERCENTAGE OF QUANTITY 100% = 123,893 CWT

ALL PERCENTAGE FIGURES ARE ROUNDED

Market Overview

The domestic demand for expanded polystyrene beads (EPS) decreased from 495,900 CWT. in 1981 to 462,840 CWT. in 1983. There was negligible production of cup-grade EPS prior to 1983, but it reached about 66,120 CWT. in 1984 which represented over half the domestic market.

The production of block or insulation grade, and shape or packaging grade, has been decreasing during the last few years due to reduced housing starts, increased imports, and competition from extruded polystyrene board, which is reported to have increased the market share of insulation at the expense of EPS.

In 1985 there were three firms manufacturing EPS beads in Canada: BASF Canada Inc. (block and shape beads), Huntsman Russtek Polymers of Canada Inc. (block, shape and cup-grade beads) and Texstyrene Canada (cup-grade beads). BASF Canada Inc. has announced that it will shut down their Laval, Québec, plant in February 1986, while Plasti-Fab Ltd. of Calgary has announced plans to build an EPS bead plant at Crossfield, Alberta by early 1987 having a capacity of 176,320 CWT. per year. Huntsman-Russtek and Plasti-Fab should have sufficient capacity to supply the Canadian block and shape EPS market. Texstyrene concentrates on cup-grade EPS beads and has capacity to satisfy the current market for this grade.

EPS beads are marketed directly to manufacturers of the end products: boards, packaging, and drinking cups.

Imports increased from 94,596 CWT. (\$6.8 million) in 1983 to 123,893 CWT. (\$9.0 million) in 1984 representing roughly 30 per cent of the domestic market. The increased volume appears to be due primarily to severe price competition from imports. Foreign suppliers are primarily the United States, France and other Western European countries.

The current tariff structure appears to allow Canadian firms to improve profitability by enabling them to charge higher prices than are found in the United States.

Source: Resource Processing Industries Branch
Department of Regional Industrial Expansion

SECTION III - RESULTS

Canadian Importers

Importers of expandable polystyrene beads during the period January to December 1984, as analyzed in this report, are listed below in alphabetical order.

<u>Name</u>	<u>Address</u>
BASF Canada Inc.	Montréal, Québec
Canada Cup Inc.	Toronto, Ontario
Consumer Glass Co. Ltd.	Waterloo, Ontario
D & F Foam Insulation Ltd.	Finch, Ontario
Dorcy-Ashflash Canada Ltd.	Niagara Falls, Ontario
Dow Chemical Canada Ltd.	Sarnia, Ontario
Elliott Polymers Ltd.	Brampton, Ontario
Emballage Peter Packaging Inc.	Montréal, Québec
Fibracan Inc.	Laval, Québec
Heat Sealing Equipment Canada Ltd.	Concord, Ontario
Legerlite Plastics Inc.	Pointe-Claire, Québec
Les Emballages Polyfoam Inc.	Granby, Québec
Lido Industrial Products Ltd.	Toronto, Ontario
Mars Styro Industries	Markham, Ontario
May and Baker Inc.	Mississauga, Ontario
Morval-Durofoam Ltd.	Kitchener, Ontario
Plasti-Fab Ltd.	Calgary, Alberta
Reach Plastics and Chemicals	St-Bruno, Québec
Ruco Inc.	Weston, Ontario
Soprem Inc.	Boisbriand, Québec
Stax Plastics Ltd.	Etobicoke, Ontario
True Foam Ltd.	Dartmouth, Nova Scotia

Foreign Exporters to Canada

Exporters to Canada of expandable polystyrene beads as analyzed in this report are listed below in descending order of dollar value.

<u>Name</u>	<u>Address</u>	
Arco Chemical Co.	Monaca, PA	United States
C.D.F. Chimie International	Paris	France
Dow Chemical International Inc.	Freeport, TX	United States
Cosden International Sales	Big Spring, TX	United States
Texstyrene Plastics	Fort Worth, TX	United States
Reach Plastics & Chemicals Inc.	Albany, NY	United States
American Polystyrene Co.	Waukegan, IL	United States
Ruco Inc.	Columbus, OH	United States
BASF Wyandotte Corp.	South Brunswick, NJ	United States
BASF Aktiengesellschaft	Ludwigshafen	West Germany
National Paper & Packaging	Hilliard, OH	United States
Minnesota Mining & Manufacturing	St Paul, MN	United States

TABLE 1 - IMPORTS OF EXPANDABLE POLYSTYRENE BEADS

BY APPARENT END USE GRADE: QUANTITY, VALUE, PRICE RANGE AND IMPORT MARKET CONCENTRATION

JANUARY TO DECEMBER 1984

<u>Apparent End Use Grade</u>	<u>Quantity (Cwt)</u>	<u>Value (\$)</u>	<u>Price Range Per lb</u>			<u>Import Market Concentration Market Shares</u>	
			<u>Low</u>	<u>High</u>	<u>Average</u>	<u>Top 3 Importers (% of Value)</u>	<u>Top 6 Importers</u>
Cup	53,852	4,355,584	.64	.97	.81	88	99
Packaging	31,393	1,984,020	.50	1.81	.63	98	100
Insulation	28,314	1,737,514	.38	.79	.61	98	100
Insulation and Packaging	<u>10,334</u>	<u>875,154</u>	.67	2.57	.85	<u>96</u>	<u>100</u>
TOTAL	123,893	8,952,272				58	83

All percentage figures are rounded

1
∞
1

Canadian and Foreign Tariffs

Canada

Expandable polystyrene beads included in this analysis were dutiable under the following most commonly applied tariff item.

<u>Tariff Item</u>	<u>Description</u>	<u>British Preferential Tariff</u>	<u>U.K. & Ireland</u>	<u>Most Favoured Nation Tariff</u>	<u>General Tariff</u>	<u>General Preferential Tariff</u>
93902-47	Acrylonitrile-butadiene-styrene type; styrene-acrylonitrile type; polystyrene type					
	n.o.p.....1984	11.6%	11.6%	11.6%	25%	7.5%
1985	11.4%	11.4%	11.4%	25%	7.5%

Tariff Arrangements and Foreign Countries of Export:

Most Favoured Nation: France, West Germany and United States

Tariff items and rates of duty are subject to change and need to be verified by direct reference to:

Tariff Programs
Revenue Canada
Customs and Excise
Ottawa, Ontario
K1A 0L5
Tel: (613) 996-1038

Foreign Countries

Inquiries concerning tariffs and other government trade regulations in foreign countries should be directed to:

Info Export
Export Programs and Services Bureau
External Affairs Canada
Ottawa, Ontario
K1A 0G2
Tel: (613) 993-6435

