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# IMPORT ANALYSIS

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TUNGSTEN CARBIDE ROCK DRILL BITS

JANUARY TO JUNE 1985



Government  
of Canada

Regional Industrial  
Expansion

Gouvernement  
du Canada

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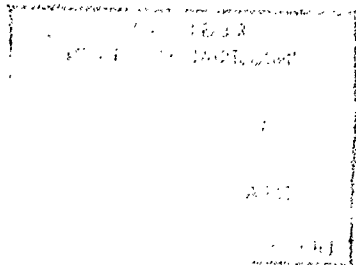


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## SECTION I - INTRODUCTION

### Scope of Analysis

This analysis of imports of tungsten carbide rock drill bits, both rotary and percussion, is based on a detailed examination of Revenue Canada, Customs import documents for the period January to June 1985. Tungsten carbide rock drill bits are classified to Canadian International Trade Classification import commodity codes 521-07-20 "Rock Drill Bits, Rotary, Tungsten Carbide" and 521-12-30 "Rock Drill Bits, Percussion, Tungsten Carbide".

Tungsten carbide rotary rock drill bits are mainly used in the exploration or drilling for oil and gas, and both rotary and percussion types are used in the mining and construction industries.

### Method

The data shown in this analysis were extracted from Revenue Canada Customs documents. These documents provide a description of the products, 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 41002-1
- (2) Canadian International Trade Classification  
(Cat. #65-502E, Statistics Canada)
- (3) Imports by Commodities  
(Cat. #65-007, Statistics Canada)  
Commodity Code(s) 521-07-20 and 521-12-30

SECTION II - ANALYSIS AND OBSERVATIONS

Analysis of Imports

Imports of rotary and percussion type tungsten carbide rock drill bits as reported on documents examined for the period January to June 1985 were valued at \$25,715,596.

Summary of Imports

<u>Type</u>	<u>Quantity</u> (No.)	<u>Value</u> (\$)	<u>% of Total</u> <u>Value</u>
Rotary	5,821	23,426,575	91
Percussion	88,918	2,289,021	9
Total	94,739	25,715,596	100

The analysis shows that tungsten carbide rotary rock drill bits accounted for 91 per cent or \$23.4 million of the total value of this report. Of these rotary type, some \$3 million were identified as tricone (see Table 1(b)). However, as proper description was lacking on some documents, this should not be regarded as the exact value of tungsten carbide rotary tricones.

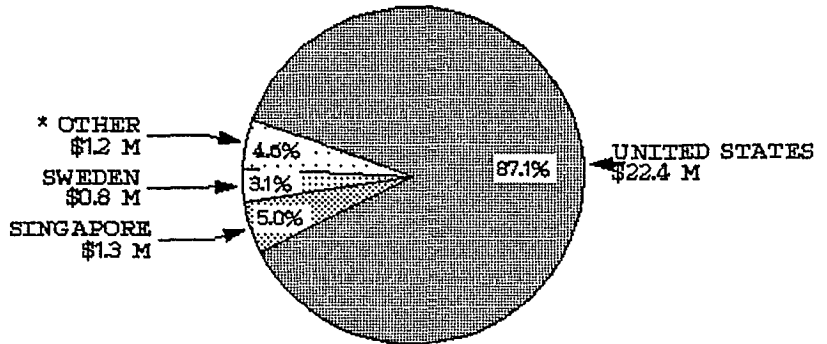
Table 1(a) and 1(b) show the largest proportion of imports of tungsten carbide rotary rock drill bits were identified as eight and a half and eight and three quarter inch sizes. These sizes by value were \$9.4 million or 40 per cent of the total value (\$23.4 million). The average unit price for this size range is \$4,300.

Imports of percussion type tungsten carbide rock drill bits (Table 2) up to the four inch size range amounted to \$1.6 million or 68 per cent of the total value (\$2.3 million).

With respect to import market concentration (Table 3), the top three importers of tungsten carbide rotary rock drill bits accounted for \$20.3 million or 87 per cent of the total value. The top three importers of percussion type tungsten carbide rock drill bits accounted for \$1.5 million or 67 per cent of the total imported value.

Imports originating from the United States of both rotary and percussion type tungsten carbide rock drill bits amounted to 87 per cent or \$22.4 million of the total imported value. Singapore followed with five per cent or \$1.3 million while imports from Sweden took third place with three per cent or \$.8 million. \*Other exporting countries, in descending order of value, were Ireland, Italy, the United Kingdom, West Germany, Japan, Switzerland, South Africa, The Netherlands, Australia and Belgium.

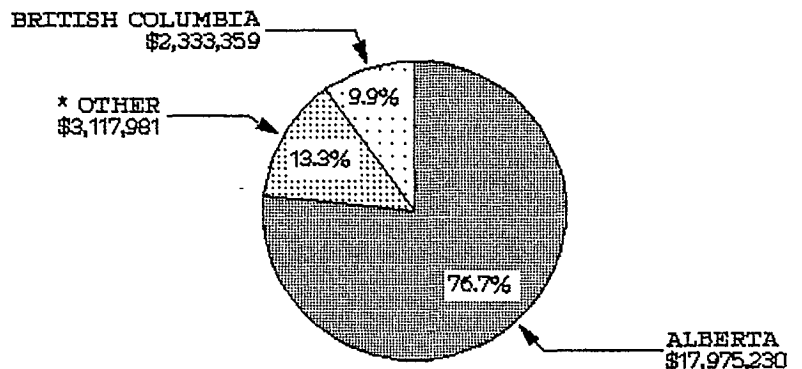
FIG.1 - COUNTRY OF ORIGIN



PERCENTAGE OF VALUE 100% = \$25,715,596

For tungsten carbide rotary rock drill bits, Alberta was the major area of entry accounting for \$18 million or 77 per cent of the total value of these imports. British Columbia was next with 10 per cent (\$2.3 million). The \*other provinces (which include Ontario, Quebec, Nova Scotia, Manitoba and New Brunswick) accounted for the remaining 13 per cent (\$3.1 million).

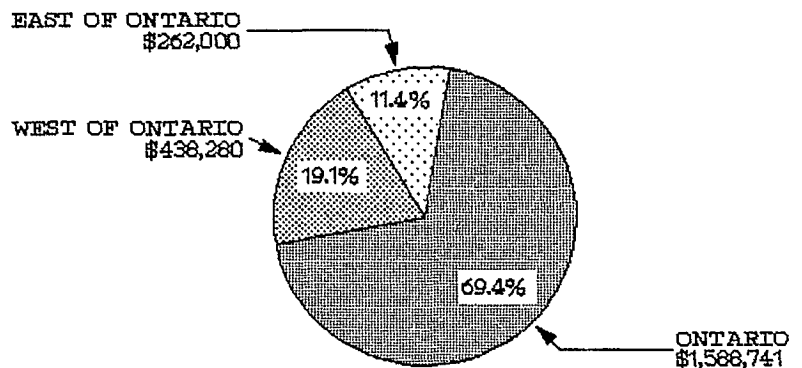
FIG.2 - PROVINCE OF ENTRY (ROTARY TYPE)



PERCENTAGE OF VALUE 100% = \$23,426,575

For tungsten carbide percussion rock drill bits, Ontario with 69 per cent or \$1.6 million, was the major region of entry of imports. The region west of Ontario accounted for 19 per cent (\$.4 million) and the remaining share of 12 per cent (\$.3 million) entered east of Ontario.

FIG.3 - PROVINCE OF ENTRY (PERCUSSION TYPE)



PERCENTAGE OF VALUE 100% = \$2,289,021

SOURCE: Own Survey

SECTION III - RESULTS

Canadian Importers

Importers of tungsten carbide rotary and percussion rock drill bits during the period January to June 1985, as indicated in this report, are listed below in alphabetical order.

<u>Name</u>	<u>Address</u>
Argus Drilling, Div. of Taro Industries	Calgary, Alberta
Atlas Copco Canada Inc.	Lachine, Québec
BIT Service Co. Ltd.	Saskatoon, Saskatchewan
Boart Canada Inc.	Mississauga, Ontario
Brunner (Canada) Inc.	Mississauga, Ontario
Canadian Timken Ltd.	Nisku, Alberta
	Mississauga, Ontario
Cecil Papke Sales & Rental	Spruce Grove, Alberta
Cold Spring Granite Canada Ltd.	Lac Du Bonnet, Manitoba
Computalog Gearhart Ltd.	Calgary, Alberta
Creighton Rock Drill Ltd.	Mississauga, Ontario
Cubex Limited	Winnipeg, Manitoba
	Calgary, Alberta
Dresser Canada Inc.	Mississauga, Ontario
	Sudbury, Ontario
	Ville Mont-Royal, Québec
	Dartmouth, Nova Scotia
	Dartmouth, Nova Scotia
Drill Rite Industrial	Dartmouth, Nova Scotia
Eastside Industrial Products Ltd.	Camrose, Alberta
Exploration Rock Bit	Edmonton, Alberta
Fagersta Secoroc Ltd.	Burlington, Ontario
Gardner-Denver Co. Canada Ltd.	Sudbury, Ontario
Golden Key Trading Co. Ltd.	Vancouver, British Columbia
H. Brett & Associates Ltd.	Lambeth, Ontario
Hertel Carbide Canada Inc.	Burlington, Ontario
Ingersoll-Rand Canada Inc.	Montréal, Québec
J. Seveigny Mining Supplies Inc.	Dorval, Québec
Kenroc Tools Inc.	Toronto, Ontario
Lounsbury Industrial Ltd.	Moncton, New Brunswick
Lusar Equipment Inc.	Sept-Îles, Québec
ML Air Driven Tool Co.	Montréal, Québec
MacLean Engineering & Marketing Co.	Collingwood, Ontario
MacLean's Industrial Supply	Halifax, Nova Scotia
Mitsubishi Canada Ltd.	Vancouver, British Columbia
National Compressed Air	Mississauga, Ontario
Norland Tool	Beaconsfield, Québec
Ontario Drilling Supply, Div. of Canrock Drilling Supply Ltd.	Atikoken, Ontario
Pembina Exploration Co. Ltd. (Murphy's Bit Service)	Port Colborne, Ontario



Canadian Importers (Cont'd)

Reed Tool Co., Div. of Baker Int'l (Canada) Ltd.	Calgary, Leduc, Alberta Kamloops, B.C. Sudbury, Ontario Dartmouth, Nova Scotia Perth, Ontario
Rideau Pipe & Drilling Supplies Rock Bit Industries of Canada Ltd. (Reed Tool)	Calgary, Alberta
Rotary Drilling Service	Sudbury, Ontario
Sandvik Canada Corp.	Mississauga, Ontario Montréal, Québec
Sicotte Drilling Tool Ltd.	Edmonton, Alberta
Simmons Drilling Ltd.	Calgary, Alberta
Smith International Canada Ltd.	Edmonton, Alberta Sudbury, Ontario Dartmouth, Nova Scotia
TRW Mission Drilling Products	Winnipeg, Manitoba
Underwater Gas Developers Ltd.	Sherkston, Ontario
Varel Canada Ltd.	Calgary, Alberta
Western Rock Bit Company Limited	Calgary, Alberta
Wm. C. Verrette	Sudbury, Ontario

Foreign Exporters to Canada

Major exporters to Canada of tungsten carbide percussion and rotary type rock drill bits as shown in this report are listed in descending order of dollar value. These exporters accounted for 97 per cent or \$25.2 million of the total value covered by this report.

<u>Name</u>	<u>Address</u>	
Smith International Inc.	Newport, CA	United States
	Mentor, OH	United States
	Ponca City, OK	United States
	Dallas, TX	United States
Reed Rock Bit Co (Reed Tool)	Houston, TX	United States
	Grand Prairie, TX	United States
	Traverse City, MI	United States
Hughes Tool, Div. Hughes Tool Co.	Houston, TX	United States
	Bristol, VA	United States
Reed Tool Company	Jurong	Singapore
Sandvik Central Service	Sandviken	Sweden
Boart Hardmetals Europe		Ireland
The Timken Co., Rock Bit Div.	Colorado Springs, CO	United States
Smith Tool International	Grafftring	West Germany
Oilfield Equipment Group	Dallas, TX	United States
Dresser Industries Inc. Security Div.	Hibbing, MN	United States
	Dallas, TX	United States
Superior Blasthole Bit Co.	Virginia, MN	United States
TRW Mission Mfg. Co.	Houston, TX	United States

Foreign Exporters to Canada (Cont'd)

Walker McDonald Mfg. Co.	Greenville, TX	United States
Smith Tool, Div. of Smith International Inc.		Singapore
Secoroc AB	Fagersta	Sweden
Smith Tool, Div. of Smith Int. S.P.A.	Bologna	Italy

Canadian Production

Statistics Canada reports shipments by Canadian manufacturers of a category described as "Rough drill bits, tungsten carbide", which includes tungsten carbide blanks. (These blanks are not included in the imports tabulated in this report.)

	<u>1981</u>	<u>1982</u>	<u>1983(1)</u>	<u>Average Annual Growth Rate</u> <u>1981-1983</u>
	(thousands of dollars)			(%)
Rough drill bits, tungsten carbide: (all industry)	47,824	45,287	34,639	-15%

(1) Latest year available

TABLE 1(a)

IMPORTS OF TUNGSTEN CARBIDE ROTARY ROCK DRILL BITS

JANUARY TO JUNE 1985

<u>Size*</u> <u>(In.)</u>	<u>Price Range</u> <u>(\$)</u>	<u>Quantity</u> <u>(No.)</u>	<u>Value(1)</u> <u>(\$)</u>
4.75 and 5.875	800 to 4,000	112	131,578
6.0 to 6.75	2,000 to 4,700	225	772,703
7.375 to 7.875	1,900 to 4,400	1,379	4,479,870
8.5	2,000 to 5,700	160	826,386
8.75	2,000 to 4,900	1,769	7,808,134
9.0 and 9.875	2,700 to 5,100	403	1,260,378
10.625 and 11.0	2,600 to 4,400	62	247,028
12.0 to 12.5	3,400 to 11,500	494	2,772,926
13.75	3,500 to 5,200	116	519,741
14.75 to 26.5	4,500 to 16,000	134	964,230
Unknown	3,600 to 8,400	143	682,567
TOTAL		4,997	20,465,577

(1) Excluding Tricone Type

TABLE 1(b)

IMPORTS OF TUNGSTEN CARBIDE ROTARY ROCK DRILL BITS  
IDENTIFIED AS TRICONES

JANUARY TO JUNE 1985

<u>Size*</u> <u>(In.)</u>	<u>Price Range</u> <u>(\$)</u>	<u>Quantity</u> <u>(No.)</u>	<u>Value</u> <u>(\$)</u>
5.875 to 6.75	2,200 to 4,700	29	76,638
7.0 to 7.875	2,600 to 4,400	232	637,779
8.5 and 8.75	1,800 to 4,500	226	724,563
9.0 to 9.875	2,400 to 3,200	68	183,347
10.25 to 10.625	2,900 to 5,400	24	91,883
12.25 and 12.5	3,300 to 6,200	103	535,270
13.75 and 14.75	3,000 to 7,600	15	90,916
15.0 to 26.0	4,000 to 13,000	16	134,735
Unknown	1,600 to 5,700	111	485,867
TOTAL		824	2,960,998
GRAND TOTAL		5,821	23,426,575

\*Grouped to preserve confidentiality.

TABLE 2  
IMPORTS OF TUNGSTEN CARBIDE PERCUSSION ROCK DRILL BITS  
JANUARY TO JUNE 1985

<u>Size*</u> (In.)	<u>Price Range</u> (\$)	<u>Quantity</u> (No.)	<u>Value</u> (\$)
Up to 1.375	12 to 25	50,000	751,329
1.4375 and 1.5	15 to 35	10,236	165,169
1.625 and 1.75	24 to 35	4,407	144,667
1.875 and 2.0	27 to 42	5,332	177,519
2.125 to 2.5	40 to 87	2,186	123,573
2.75 and 3.0	50 to 100	674	54,991
3.5 to 4.0	97 to 430	650	142,227
4.375 to 5.375	170 to 610	245	127,725
5.5 to 6.5	300 to 1,200	275	119,962
8.0 and 8.625	200 to 2,000	27	35,763
Unknown	20 to 6,800	<u>14,886</u>	<u>446,096</u>
TOTAL		88,918	2,289,021

\*Grouped to preserve confidentiality.

TABLE 3  
IMPORT MARKET CONCENTRATION

<u>Importers</u>	<u>Rotary Type</u>		<u>Percussion Type</u>	
	<u>Cumulative Value</u> (\$)	<u>% of Total Value</u>	<u>Cumulative Value</u> (\$)	<u>% of Total Value</u>
Top 3	20,345,905	87	1,540,936	67
Top 6	22,179,556	95	1,897,673	83
Top 10	22,888,578	98	2,114,264	92

Top importers are importers with the largest imports by dollar value.

Canadian and Foreign Tariffs

Canada

Tungsten carbide rock drill bits 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. &amp; Ireland</u>	<u>Most Favoured Nation Tariff</u>	<u>General Tariff</u>	<u>General Preferential Tariff</u>
41002-1	Core drill bits, non-diamond type: Rotary rock drill bits; Augers other than those used in the exploration or drilling for water; Air-operated mounted percussion type rock drills for underground use, and stoper drills, with a piston diameter in excess of 3.25 inches; Jumbo drills, pneumatic and electro-hydraulic, mounted on rubber-tired wheels; Cable tool rigs for drilling water wells, capable of drilling in excess of 1,250 feet; Coal-drilling machinery; Parts of all the foregoing.....	Free	Free	Free	Free	Free

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) 992-5798

Foreign Countries

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

Trade Information Centre  
 International Bureaux  
 External Affairs Canada  
 Ottawa, Ontario  
 K1A 0G2  
 Tel: (613) 993-6435

