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IMPORT ANALYSIS

COMPUTER ROOM AIR CONDITIONERS

JULY 1984 TO JUNE 1985



Government
of Canada

Regional Industrial
Expansion

Gouvernement
du Canada

Expansion industrielle
régionale

Canada 

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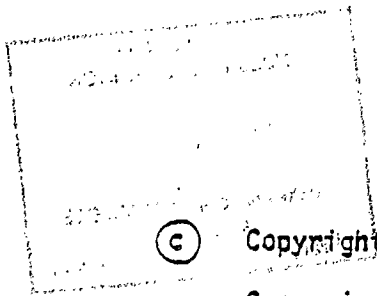
COMPUTER ROOM AIR CONDITIONERS

JULY 1984 TO JUNE 1985



Further information available from:

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SECTION I - INTRODUCTION

Scope of Analysis

This analysis of imports of computer room air conditioners is based on a detailed examination of Revenue Canada Custom import documents for the period July 1984 to June 1985. These air conditioners, designed specifically for computer rooms, were classified to the Canadian International Trade Classification in the following import commodity codes:

65519-30 "Air Conditioners, Combination Heating and Cooling"
65519-90 "Air conditioners, not elsewhere specified".

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 42700-1
- (2) Canadian International Trade Classification
(Cat. #65-502E, Statistics Canada)
- (3) Imports by Commodities
(Cat. #65-007, Statistics Canada)
Commodity Code(s) 65519-30 and 65519-90

SECTION II - ANALYSIS AND OBSERVATIONS

Analysis of Imports

Imports of computer room air conditioners as reported on documents examined for the period July 1984 to June 1985, totalled 947 units valued at \$6,290,924.

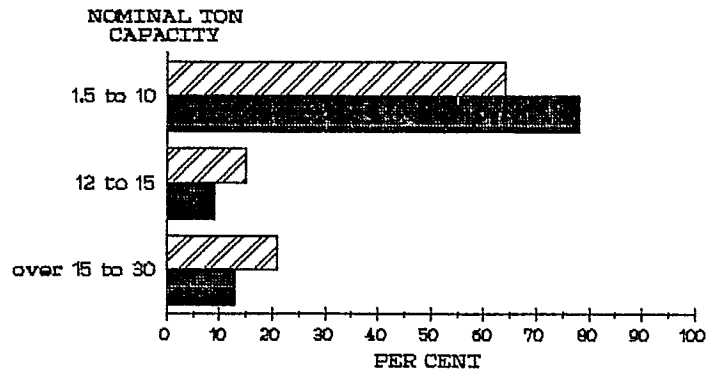
Summary of Imports

Price Range (\$)	Nominal Ton Capacity						Total All Capacities	
	1.5 to 10		12 to 15		17 to 30		Qty.	Value
	Qty. (No.)	Value (\$,000)	Qty. (No.)	Value (\$,000)	Qty. (No.)	Value (\$,000)	(No.)	(\$,000)
1,500 to 10,000	666	3,195	26	167	53	367	745	3,730
10,001 to 15,000)	69*	806*	53	616	)	962*	175	2,119
15,001 to 19,500)			11	178	)		27	442
Total	735	4,001	90	961	122	1,329	947	6,291

* Grouped to preserve confidentiality

Air conditioners for computer rooms with nominal ton capacities of 1.5 to 10 account for 78 per cent by quantity and 64 per cent by value of the import market. Units with capacities of 17 to 30 nominal tons accounted for 13 per cent of the quantity and 21 per cent of the value. The units between 12 to 15 nominal ton capacity accounted for the remainder.

FIG.1 - IMPORT DISTRIBUTION



■ QUANTITY 100% = 947
 □ VALUE 100% = \$6,290,924

SOURCE: OWN SURVEY

All imports originated from the United States, and 94 per cent of imports by value entered Ontario ports. The remaining provinces of entry in descending order of dollar value were Quebec, Alberta, British Columbia, Saskatchewan and New Brunswick.

FIG.2 - IMPORT DISTRIBUTION

As expected over 75 per cent of the lowest capacity air conditioners also fall within the lowest price ranges whereas a marked shift towards the higher price range occurs for the highest capacity air conditioners.

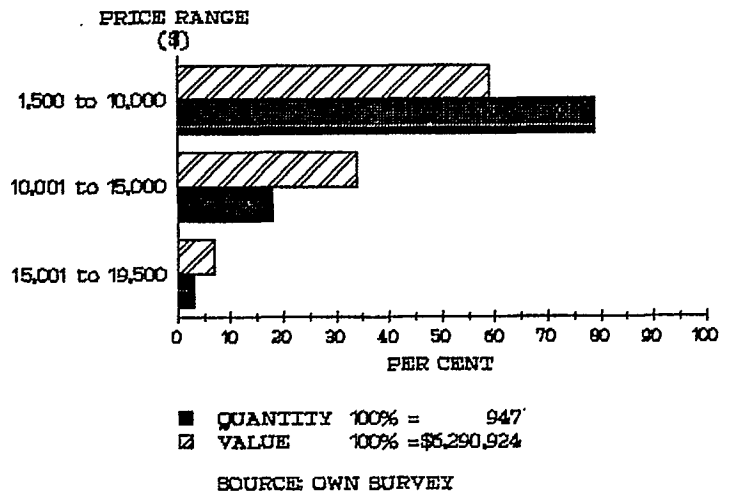


Table 2 shows no significant shifts in imports when comparing the July-December 84 with January-June 85 period except in the highest capacity air conditioners (over 12 nominal tons).

According to industry sources, unit prices varied significantly depending on the number of options included with the basic unit and the quality of the product (see table 1).

The top three importers accounted for \$5,463,712 or 87 per cent of the total value of imports at \$6,290,924 (see table 4).

During the period covered in this report, exchange rates for the U.S. dollar varied from \$1.295 to \$1.40.

SECTION III - RESULTS

Canadian Importers

Importers of computer room air conditioners during the period July 1984 to June 1985, as analyzed in this report, are listed below in alphabetical order:

<u>Name</u>	<u>Address</u>
Beaver Engineering Ltd.	Mississauga, Ontario
Billings Mechanical Ltd.	Fredericton, New Brunswick
Broadway Refrigeration	Vancouver, British Columbia
Canadian Envirotemp Equip. Ltd.	Scarborough, Ontario
Coast Air Conditioning Ltd.	Vancouver, British Columbia
Datasphere Sales Ltd.	Mississauga, Ontario
George Evans Co. Ltd.	London, Ontario
Hiross Canada Inc.	Mississauga, Ontario
J.W. Swanson Ltd.	Fort Erie, Ontario
Jo-Ad Industries	Mississauga, Ontario
Kehoe Equipment Ltd.	Edmonton, Alberta
Lapointe Polytechnique Equip. Inc.	Chambly, Québec
Mécanique Valvo	Ste-Thérèse, Québec
Mechanical Trade Sales	Ottawa, Ontario
Remington Air Conditioning	Toronto, Ontario
Systeme de Support Informatique Inc.	Laval, Québec
Tower Industries	Winnipeg, Manitoba

Foreign Exporters to Canada

Exporters to Canada of computer room air conditioners shown in this report are listed below in descending order of dollar value. All exporters were located in the United States:

<u>Name</u>	<u>Address</u>
Liebert Corporation	Columbus, OH
Airflow Co. Datac Div.	Frederick, MD
Hiross Inc.	Niagara Falls, NY
Data Aire	Garden Grove, CA
Edpac FSC Inc.	Horsham, PA
Contempo Engineering Co.	Glendale, CA
Liskey-Aire, (A Subsidiary of Donn Co.)	Baltimore, MD

Canadian Production

Computer room air conditioners as described in this report are made in Canada. However, Statistics Canada does not provide separate data on shipments of these products by Canadian manufacturers.

TABLE 1

IMPORTS OF COMPUTER ROOM AIR CONDITIONERS - BY CAPACITY

JULY 1984 TO JUNE 1985

<u>Capacity</u> (Nominal Tons)	<u>Price Range</u> (\$)	<u>Quantity</u> (No.)	<u>Value</u> (\$)	<u>% of Total</u> <u>Value</u>
1.5	1,500 to 4,900	198	477,151	8
2	2,400 to 6,700	106	340,526	5
3	2,900 to 8,900	86	444,755	7
4	4,400 to 6,800	5	27,613	**
5	2,800 to 11,800	161	932,186	15
*6 and 7.5	7,000 to 16,400	48	461,334	7
*8, 9 and 10	4,800 to 14,100	131	1,317,979	21
*12, 13 and 14	5,100 to 17,800	37	377,796	6
15	3,200 to 16,800	53	582,867	9
*17, 18 and 20	13,300 to 19,500	78	1,017,029	16
*21, 22, 24, 25 and 30	6,200 to 17,100	44	311,688	5
Total		947	6,290,924	100

* Grouped to preserve confidentiality

** Less than one per cent

TABLE 2

IMPORTS OF COMPUTER ROOM AIR CONDITIONERS - SIX-MONTH PERIOD

<u>Capacity(1)</u> (Nominal tons)	<u>July to December 1984</u>		<u>January to June 1985</u>	
	<u>Quantity</u> (No.)	<u>Value</u> (\$)	<u>Quantity</u> (No.)	<u>Value</u> (\$)
1.5 and 2	156	410,800	148	406,877
3 and 4	50	241,068	41	231,300
5	90	498,146	71	434,040
6 and 7.5	19	172,487	29	288,847
8, 9 and 10	66	673,007	65	644,972
12, 13 and 14	14	134,548	23	243,248
15	41	429,936	12	152,931
17 and over	84	840,956	38	487,761
Total	520	3,400,948	427	2,889,976

(1) In most instances capacities have been grouped for reasons of confidentiality.

TABLE 3

IMPORTS OF COMPUTER ROOM AIR CONDITIONERS - BY PRICE RANGE

JULY 1984 TO JUNE 1985

<u>Price Range</u> (<u>\$</u>)	<u>Quantity</u> (<u>No.</u>)	<u>Value</u> (<u>\$</u>)	<u>Average</u> <u>Unit Price</u> (<u>\$</u>)
1,500 to 5,000	381	1,150,630	3,020
5,001 to 10,000	364	2,578,712	7,084
10,001 to 15,000	175	2,119,340	12,111
15,001 to 19,500	27	442,242	16,379
Total	947	6,290,924	6,643

TABLE 4

IMPORT MARKET CONCENTRATION

<u>Importers</u>	<u>Cumulative</u> <u>Quantity</u>	<u>Cumulative</u> <u>Value</u>	<u>% of Total</u> <u>Value</u>
Top 3	841	5,463,712	87
Top 6	920	6,052,081	96
Top 10	937	6,210,716	99

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

NOTE: All percentage figures are rounded

Canadian and Foreign Tariffs

Canada

Computer room air conditioners 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>
42700-1	Machines, n.o.p., and accessories, attachments, control equipment and tools for use therewith; parts of the foregoing....1984	2.5%	9.2%	11.4%	35%	2.5%
	.....1985	2.5%	9.2%	10.7%	35%	2.5%

Tariff Arrangements and Foreign Countries of Export:

Most Favoured Nation: 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) 996-6595

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

