

EXECUTIVE SUMMARY

This report addresses one of approximately 80 sectors reviewed as part of a broadly-based study commissioned by the U.S. Trade, Tourism and Investment Development Bureau of External Affairs and International Trade Canada. The objective of this study is to provide a preliminary indication of potential opportunities for the expansion of Canadian exports into the United States. The findings in each report are based on an analysis of U.S. trade statistics and a limited survey of U.S. importers and trade associations from a broad cross-section of U.S. industry.

The purpose of each report is to assist Canadian companies in identifying potential export opportunities that may justify further investigation. While the reports do not provide analyses of Canadian export industries or their international competitiveness, they do provide other kinds of information that should be useful. For example, each report provides information on individual companies that have indicated an interest in new sources of supply, some of which are quite specific. Information on U.S. import market size and shares and on industry publications and trade fairs that the companies surveyed felt were most useful is also provided. As such, individual reports in the series should be of particular interest to small and medium-sized Canadian companies that either are not yet exporting or that would like to increase their level of exports to the United States.

Chemical specialties is one of the sectors examined during the study. The U.S. shipments of chemical specialties, as recorded by the USDOC, are a composite of U.S. shipments for cleaning preparations (including soaps and detergents, polishes and sanitation goods and surface-active agents) and pesticides. Total industry shipments in 1988 for these products is estimated at \$20.8 billion (U.S.). It is expected that the U.S. market for chemical specialties will experience growth over the longer term. The longer-term development of the cleaning preparations industry will depend on the demand for heavy-duty laundry detergents, optical brightness and fluorescent whitening agents, pre-measured cleaning chemicals, institutional and industrial cleaners and the increase in use of linear alkylbenzene sulfonates (LAS) in a variety of detergents. The longer-term development of the pesticides industry will depend on increased cultivation.

A survey of U.S. importers of chemical specialties was conducted to determine the effects of the devaluation of the U.S. dollar on imports from major developed countries and potential opportunities for Canadian manufacturers to replace these imports. The survey revealed that