

II - CONCLUSIONS OF THE PEAT MARWICK STUDY ON PLASTICS

The plastics industry encompasses a wide range of consumer, commercial and industrial products in an even greater number of sectors. The products which are the focus of this report, however, are the miscellaneous plastic products group. They include: hose, pipe and tubing, ns^{pf}*, of rubber or plastic, with or without attached fittings; household articles, ns^{pf}*, of rubber or plastics; containers, ns^{pf}*, of rubber or plastics for packaging merchandise; gaskets of rubber or plastics; and articles of rubber or plastics, ns^{pf}*. A separate study on plastic film and sheet, including bags, is ongoing and will be released at a later date.

After a growth of 12% (in real terms) in 1987, which was fueled by strong demand for plastics in motor vehicles, construction, consumer goods, packaging and electrical/electronic equipment, the outlook for the plastic products industry as a whole appears promising. The miscellaneous plastics products industry (Schedule A 891.0), which is the focus of this study, is expected by the U.S. Department of Commerce to grow at a real annual rate of 8% in 1988.

A survey of U.S. importers of the products covered by this study found that more than 80% faced rising costs for their imports due to the devaluation of the U.S. dollar. As a result of this, the majority expressed an interest in receiving information about Canadian plastic companies and their products. A list of those importers, including name, address and telephone number is presented in Appendix 1. In addition, three of every ten importers interviewed indicated that they would increase their imports of Canadian products as a result of the implementation of the Canada-U.S. Free Trade Agreement. A list of importers generally interested in knowing more about Canadian sources of supply of plastic products has been compiled in Appendix 2.

U.S. importers interested in learning more about Canadian product offerings indicated they prefer to receive their information through a number of sources including direct mailings of brochures, advertisements or articles in industry publications, personal contact with manufacturers' representatives, and/or visits to Canadian manufacturing facilities. The most important factor influencing the purchase decision is a personal recommendation from a business associate. Price and limited availability of domestic sources of supply are the most common reasons for U.S.

* not specifically provided for