

SECTOR: Industrial Machinery, Environmental & Related Equipment

SUB-SECTOR: HARDWARE AND HOME IMPROVEMENT

Officer: R. McNally

U.S. Market Opportunities: The U.S. industry is comprised of more than 2000 establishments and employs some 130,000 workers. In 1990, the total hardware/home improvement market was \$100 billion. That included money spent for additions, remodelling and repairs made on homes. Over 75% of all do-it-yourself (DIY) sales were made through primary hardware/home centre channels.

The demand for hardware/DIY products closely follows the level of activity in the residential and nonresidential construction industry and the home renovations market, with significant and growing sales to consumer do-it-yourself retail outlets.

Canadian Capabilities: In 1990, there were 165 hardware/home improvement manufacturers in Canada employing more than 7,000 people. Hardware exports in 1990 were estimated at over \$200 million, up from \$112 million in 1983.

Principle products exported include locks, keys and parts, basic hardware such as hinges, fittings and casters, files and rasps, and miscellaneous hand tools. Canada also has strengths in do-it-yourself (Home Centre) and Lawn and Garden products. The industry has gained an excellent reputation on world markets for well-designed and high quality products.

An important and competitive advantage for Canadians is delivery. US buyers do not face the same long supply lines when buying from Canada as they do when buying offshore. However, delivery must be reliable and consistent. Targeting specific products and merchandising niches are areas where Canadian suppliers must concentrate.

Strategy: With the two largest dealer owned wholesalers, four of the six major merchandising groups, and the world's largest retailer, Chicago is a major centre for the industry in the U.S. Canadian manufacturing in this sector is in close proximity to this large concentration of buying power with 60 percent of establishments located in Ontario and 22 percent in Quebec. In addition, the industry's two largest shows are held in Chicago - the National Hardware Show and the National Home Centre Show.

- To take advantage to this market proximity, participate in both these key national events.