

Sectoral Market Opportunities in the United States

Each year, to prepare their marketing strategy, Canada's Trade Commissioners assess the business opportunities in the countries in which they are stationed. Following is the third part (the second part was published in *CanadExport*, Vol. 10, No. 5, March 16, 1992) of sectoral market assessments made by Canada's Trade Commissioners in the United States. To obtain more information on the specific sectors, contact — as per the telephone number indicated — the officer whose name is shown for each sector.

ELECTRONIC COMPONENTS

Officer: D. Shaw
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The component industry is forecast to grow at a compound rate of 6 per cent to 8 per cent through the mid-1990s. With forecasted growth at 9 per cent for 1991, the most active growth seemed to be in semi-conductor and related devices. As the economic recovery continues, demand for electronic components, semi-conductor devices and integrated circuits will be driven by the information processing, telecommunications and automotive markets.

Significant opportunities exist for a broad range of products from simple components, such as resistors/capacitors, to multi-layer circuit boards and chips.

ENVIRONMENTAL PRODUCTS/SERVICES

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The present dollar value of Canadian exports to the U.S. in the environmental sector is approximately Cdn\$300 million and there is the potential to substantially raise this figure over the course of the next few years. Growth rates and expenditures in the sector are expected to double and even triple in the next 15 years. The commitment and amount of spending by firms, government and state are closely linked, as the process is largely legislatively driven. Estimates for the environmental products/services industry in the U.S. indicate a total market size currently in excess of US\$100 billion annually. By 1995, this figure is expected to increase to US\$200 billion because the overall environmental market is growing at a rate of 20 per cent to 30 per cent annually.

FISH, SHELLFISH, MARINE PRODUCTS

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Total U.S. imports of edible raw and processed fish

products in 1990 amounted to \$6.02 billion. Shipments in 1991 were expected to be at approximately the same level. At the retail grocery level, the North American seafood industry faces stiff competition for the consumer dollar from increasingly popular alternative products. Particular areas of growth in U.S. seafood consumption are to be found in the Asian and Latin American "ethnic" market niches, traditionally satisfied via off-shore imports, but increasingly through North American landings. Also, more U.S. consumers are eating their seafood outside of the household, with two-thirds of the U.S. seafood market accounted for by foodservices sales. There is particular growth in the lucrative upscale segment of this market, with distinct emphasis on fresh rather than frozen fish. Also, with the steadily increasing importance of institutional foodservices, there is a growing demand for frozen and further processed, or "value-added" seafood products.

GIFTWARE/ARTS AND CRAFTS/JEWELLERY

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This is a high-growth sector. Most giftware in the U.S. is sold at trade shows to retailers, wholesalers and distributors as opposed to sales calls on retail outlets. There is a developing interest in artwork produced by or representing Canadian aboriginal artists.

Giftware and crafts tend to be exported along geographic lines in a north-south alignment. Important considerations in these sectors are price points and item quality. The nature of the industry makes imported "knock off" souvenir goods easily available at much cheaper prices than authentic crafts or giftware. Price can be an impediment in marketing upscale pieces.

The U.S. imported jewellery market is split between fine jewellery (mostly supplied by France and Italy), and costume jewellery (brought in from East Asia). Much of the gems and gold used in the production of fine jewellery is imported into Canada, processed and exported at high costs. Canadian producers will sell their fine jewellery on style and price.
