

## 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 first part 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.*

### COMPUTER HARDWARE/SOFTWARE, INFORMATICS, DATA PROCESSING, OFFICE AUTOMATION

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In one decade, the personal computer (PC) has grown from being the preserve of a small group of hobbyists to threaten the existence of mainframe and mini-computer systems. The worldwide PC market in 1991 should exceed \$93 billion, almost double the market for mainframe/mini systems. The market for personal computer hardware and software in the United States alone should top \$US35 billion this year despite the sluggish economy. Expenditures on PCs are expected to rise by approximately 8 per cent in the U.S. and 15 per cent worldwide next year.

Industry analysts forecast MS-DOS/Windows to continue its dominance with a minimum 50 per cent share of total market. Unix and OS/2 are expected to gain share to an aggregate of 40 per cent split evenly, while Apple will retain 10 per cent.

The major market areas reflect demographic trends as PCs continue to be universally accepted. Hot product areas are projected to be multimedia, notebooks, enterprise computing, and the Windows environment.

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### ELECTRONIC COMPONENTS

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As the U.S. economy emerges from the recession, the component industry is forecast to grow at a compound rate of 6 per cent to 8 per cent through the mid-1990s. Forecasted growth for 1991 was at 9 per cent. The most active growth area will be in semi-conductor and related devices. More moderate gains of 5 per cent to 6 per cent are expected in components. 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.

Recession and a sluggish recovery have resulted in consolidation and increased competitiveness within the U.S. industry. However, significant market opportunities exist for a broad range of products from simple components, such as resistors and capacitors, to multi-layer circuit boards and chips.

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### FURNITURE

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The U.S. is an unlimited market for most types of furniture: residential and household; furnishings and accessories; bedding; office and contract. Residential furniture has become a "fashion" commodity as consumers on the move tend to dispose of furniture rather than take it with them.

North American office/contract manufacturers have been working to supply orders written in the late 1980s. However, because of current conditions, companies requiring new furniture are putting off major purchases until the economy improves. New or expanding office and public buildings (shopping centres, airports, health care facilities) requiring contract furniture are going ahead, although at a slower pace.

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### HARDWARE AND HOME IMPROVEMENT

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The U.S. industry is comprised of more than 2,000 establishments and employs some 130,000 workers. In 1990, the total hardware/home improvement market was valued at \$100 billion. That included money spent for additions, remodel-