

The product group demonstrating the highest growth, at an average annual rate of 31.7%, is "Overhead Traveling Cranes" (Schedule A 7442200). The major supplier is Europe with 47.6% of the 1988 U.S. import market. This share has grown by 70% over the 1982-1988 period from the 1982 level of 27.7% of imports. "Other Countries" have also demonstrated dramatic growth in their share of U.S. imports of this product increasing from less than 1% of the market in 1982 to 26.2% in 1988. However, the market shares of Canada and Japan have fallen over the 1982-1988 period. Canada's share has fallen by 50% from 31.2% in 1982 to 16.7% in 1988 while Japan's share of has dropped from 40.4% in 1982 to 9.4% in 1988.

It appears that there may be opportunity for further growth in Canada's market share of U.S. imports of selected material handling equipment. Tariffs on material handling equipment are 2% on all products except those certified for use in civil aircraft or which are original motorvehicle equipment and, hence, are duty free. Thus, the Free Trade Agreement between Canada and the United States may have an impact on trade in material handling equipment. Provisions in the Agreement will eliminate tariffs by January 1, 1993, with duties removed in five equal stages commencing on January 1, 1989. A complete list of tariffs is found in Appendix 6.

## U.S. INDUSTRY OUTLOOK

This section is based on the 1989 *U.S. Industrial Outlook* published by the USDOC. This information provides a general forecast of short-term prospects, and gives an indication of expected trends and developments in the U.S. material handling equipment sector. While such information may be of interest, readers should proceed with caution in utilizing the data for the following reasons:

Firstly, although the USDOC is the source of both the "U.S. Imports 1982-88" (summarized above) and the "U.S. Industry Outlook", two different systems of product classification are used. Differences may not be obvious. In some cases, slightly different titles reflect very similar sets of products; in others, similar titles for sectors or product groups encompass a slightly different mix of products. Thus the market forecasts in the "U.S. Industry Outlook" section may cover a slightly different mix of products than the rest of this report.