

through wine bars. There are some seven million vending machines in the U.K., and the recent introduction of the £1.00 coin will likely provide a strong boost to vending sales over the medium term.

The British catering industry is well organized, with a national association and two internationally known trade fairs — HOTELYMPIA and Cefex — held in alternate years. There is a notable import penetration — almost 30 per cent — mainly coming from the EEC and the U.S.

Canadian export sales in this sector were about £3 million of total U.K. imports of almost £90 million. Some Canadian successes have been achieved in this sector over the years by several companies.

Canadian marketing initiatives to date have focused on the HOTELYMPIA (International Hotel and Catering Exhibition) Show in London. Canadian producers participated actively in the last three shows held in 1980, 1982 and 1984. In January 1984, nine Canadian food preparation and service equipment firms participated in HOTELYMPIA and realized on-site sales of some \$270,000, with a potential for an additional \$10 million in sales (most of which go to various countries other than the U.K.). In addition, four Canadian firms were represented at the 1984 HOTELYMPIA by their U.K. agents or subsidiaries.

In the cleaning equipment segment in 1982, Canadian sales amounted to £500,000, almost all of which were of cleaning supplies rather than equipment.

Canadian marketing initiatives in the past in that sector have consisted of company participation in a government-sponsored stand at Europaclean, Birmingham in 1978 and 1980, and in 1982 with PEMD assistance; HOTELYMPIA in 1982 and 1984; and InterClean, Amsterdam in 1981 and 1983.

At present there is no British industry-wide cleaning equipment association, nor is there an internationally known trade fair in the U.K. Some efforts have been made to establish an association, and plans were made to hold a trade fair. InterClean London was held in May 1984 with Canadian participation. It was organized by the Dutch RAI organization and will be held on alternate years at InterClean, Amsterdam.

Canadian cleaning and catering equipment companies having the capability will need to demonstrate their products and services in the U.K. more forcefully and frequently in order to gain entry to the U.K. and to obtain a share of the British cleaning and catering equipment market.

2.2 Automotive Parts and Accessories Opportunity

The U.K. vehicle population, year end 1982, totalled 17.9 million — passenger cars 16.0 million, and commercial vehicles 1.9 million. Since 1979 imported cars have accounted for more than 50 per cent of new registrations.

The U.K. automotive components industry is one of the country's leading industrial sectors, as well as being a major exporter in its own right. However,

imports of parts and accessories for motor vehicles are quite considerable and in 1982 amounted to £1.5 billion. Imports from Europe, mainly Germany, France, Belgium and Luxembourg, Italy and Spain represent £1.2 billion or 80 per cent of this total.

The main opportunity for Canadian manufacturers is in the aftermarket, estimated to be valued at £1.8 billion, and particularly the rapidly growing do-it-yourself (DIY) market. In 1970, only 35 per cent of car owners engaged in any DIY activity, whereas today some 85 per cent of Britain's car owners carry out some servicing, repair and maintenance work. This has been brought about by the increasingly high cost of motoring in terms of gas, oil, tires, servicing and repairs.

The retail value of the DIY aftermarket is estimated at £1 billion. Replacement parts account for 55 per cent of this total, followed by accessories (28 per cent), maintenance and repair products (11 per cent) and car care products (6 per cent).

A further breakdown of the replacement market (AM) reveals that electrical parts comprise 25 per cent of the market, steering and transmission parts (21 per cent), engine parts (20 per cent), suspension and brake parts (20 per cent) and chassis and body parts (14 per cent).

As the size of the DIY market for replacement parts and accessories has grown, new wholesale and retail distribution patterns have emerged. Whereas the "cash and carry" outlets at one time accounted for 30 per cent of the trade, their share is diminishing as more business is now being done by manufacturers direct to the retail trade. In addition to the rapid growth in the number of independent accessory shops, there has been an expansion of chain accessory shops specializing in AM products, as well as a growth in non-specialist retail outlets, hypermarkets, supermarkets, superstores and mail-order houses.

Recent Canadian Marketing Initiatives

In 1981, Canada exported \$9.6 million in Canadian auto parts to the U.K. Successes have been recorded in the following segments: light bulbs, spark plugs, lighting and signalling equipment, windshield wipers, hose clips, disc brake pad assemblies, shock absorbers and automotive hand tools. Several U.K. distributors continually seek Canadian products.

Particular success stories include Tridon Ltd. (windshield wipers and hose clips) which has established a British subsidiary at Thame, Oxon and Certified Brakes (disc brake pads), which operates its own warehousing facility in Tunbridge Wells, Kent.

The thrust of Canadian efforts in the aftermarket has been centred on the biennial Automechanika show in Frankfurt which most U.K. agents and distributors attend. The 1982 show attracted 25 Canadian exhibitors. Potential U.K. buyers have been encouraged to attend the 1984 Automechanika show:

Canadian companies are also encouraged to exhibit under PEMD at various automotive shows held in the