

5. EXPORTS - OVERVIEW

Beginning in 1988, data on Canadian exports of bottled water became available. As figure 1 indicates, sales of Canadian bottled water are mostly to the U.S. with Japan taking a distant second place. So far, and certainly in 1988, other markets were not of any consequence for Canadian producers.

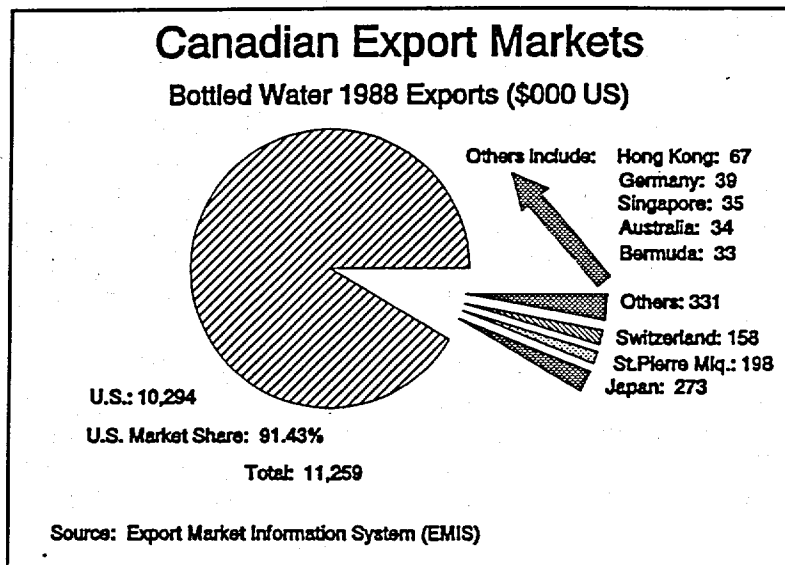


Figure 1

Some exporters have shown interest in other markets; as far as the statistics can reveal, success has not been flamboyant. The size of these markets, in some cases the distance involved, cultural differences that are difficult to overcome have all played a part in the lack of success.

In addition, most countries impose regulatory restrictions on the kind of containers, testing requirements, labelling laws and even the fumigation of pallets. It is hardly worth the effort for Canadian producers to engage in the considerable amount of work involved to find out about these requirements, and meet them, only to sell a few cases of products. Consequently, the expected benefits from export sales should be weighed against the efforts needed to reach these new markets. Regardless of the reasons, the fact is that Canada is far from being a major player in the bottled water world market. With the exception of sales made to the U.S., there is, or was in 1988, no Canadian trade in this commodity to speak of.

Yet, this country has the potential for significant earnings of foreign currencies from the sale of bottled water. As stated above, the product, the industrial capability, and the reputation of the country are favourable. However, it is sensible to concentrate on the fastest growing markets and these are undoubtedly the U.S., Japan, and probably Canada itself.