

EXECUTIVE SUMMARY

This report addresses one of approximately 80 sectors reviewed as part of a broadly-based study commissioned by the U.S. Trade, Tourism and Investment Development Bureau of the Department of External Affairs. The objective of this study is to provide a preliminary indication of potential opportunities for the expansion of Canadian exports into the United States. The findings in each report are based on an analysis of U.S. trade statistics and a limited survey of U.S. importers and trade associations from a broad cross-section of the U.S. industry.

The purpose of each report is to assist Canadian companies in identifying potential export opportunities that may justify further investigation. While the reports do not provide analyses of Canadian export industries or their international competitiveness, they do provide other kinds of information that should be useful. For example, each report provides information on individual companies that have indicated an interest in new sources of supply, some of which are quite specific. Information on U.S. import market size and shares and on industry publications and trade fairs that the companies surveyed felt were most useful is also provided. As such, individual reports in the series should be of particular interest to small and medium-sized Canadian companies that either are not yet exporting or that would like to increase their level of exports to the United States.

Hardware (fasteners) is one of the sectors examined during the study. Shipments of hardware in the United States for 1987 exceeded \$7.4 billion (U.S.). This report focuses on products with a combined customs value of imports of \$928 million (U.S.) of which 45% is accounted for by major developed countries. The U.S. market for hardware is expected to grow modestly over the next five years. However, the opportunity for replacing U.S. offshore imports might allow Canadian manufacturers to achieve higher rates of growth.

A survey of U.S. importers of hardware was conducted to determine the effects of the devaluation of the U.S. dollar on imports from major developed countries and potential opportunities for Canadian manufacturers to replace these imports. The results of this survey illustrated the extent to which changing manufacturing techniques and specialized industry requirements have increased the demand for specialized hardware. The lower value of the U.S. dollar and the proximity of Canada to the United States are factors which could improve Canada's opportunities in the U.S. market. A