

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 External Affairs and International Trade Canada. 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 U.S. industry.

The purpose of each report is to assist Canadian companies identify 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.

Electrical equipment is one of the sectors examined during the study. U.S. shipments of electrical equipment, based on information provided by the USDOC is a composite of U.S. shipments for power, distribution, and specialty transformers; switchgear; motors and generators and industrial controls. Total U.S. industry shipments in 1988 for these products is estimated at approximately \$19.3 billion (measured in 1982 U.S. constant dollars). Total U.S. industry shipments of lighting equipment are reported separately by the USDOC, and 1988 lighting fixture shipments are estimated to be approximately \$5.3 billion (measured in 1982 U.S. constant dollars). It is expected that the U.S. market for electrical equipment and lighting fixtures will not grow substantially over the longer term, largely due to reduced rates of investment in residential and non-residential construction and in projects to install distribution substation banks and line transformers. The lighting fixtures sector is likely to sustain some real growth over the long run as existing structures are replaced and modernized and appropriate lighting fixtures are installed to provide a suitable environment for office automation.

A survey of U.S. importers of electrical equipment was conducted to determine the effects of the devaluation of the U.S. dollar on these imports from major developed countries and potential