



Commercial Security Equipment

MARKET OVERVIEW

- ▶ The US \$1.5 billion Canadian commercial security equipment market is expected to grow 22-25 percent between 2004 and 2005.
- ▶ Imports control 94 percent of the market. Japan has almost 31 percent of the market, with the United States holding 28 percent. U.S. suppliers have the reputation of leading the technological development in this industry.
- ▶ Ontario, the seat of Canada's federal government, accounts for 50 percent of the market, followed by 13-15 percent each for British Columbia, Alberta and Quebec.
- ▶ Commercial and governmental end-users are the most important source of demand for commercial security equipment. Increased security awareness since the September 11, 2001 attacks has driven demand for increasingly sophisticated security in new construction and renovations.
- ▶ The Canadian government has recommended that corporations, airports, hospitals, universities and other organizations implement advanced security technologies to improve safety.
- ▶ The best prospects for market growth are surveillance equipment such as television and still image cameras and camera recorders; access control equipment such as access control readers, door controllers, biometric identification technology, smart cards, and proximity access controls; and alarm systems.

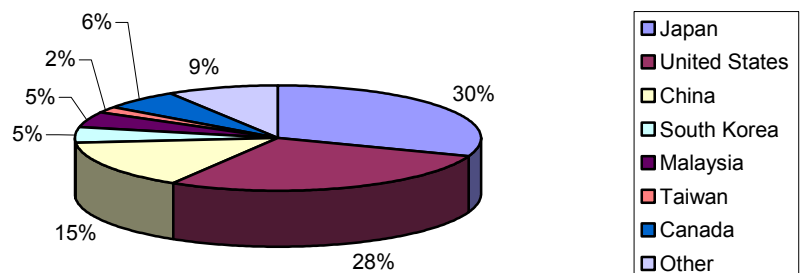
U.S. PRESENCE

- ▶ American companies have advanced technology to offer to detect chemical or biological warfare agents and to improve identification techniques at border crossings.
- ▶ With US \$387 million in U.S. imports into Canada in 2004, U.S. suppliers will have almost doubled their shipments to Canada since 2001.
- ▶ Industry experts forecast that U.S. imports should grow slightly faster than the overall market at a real rate of approximately 23-26 percent between 2004 and 2005.

COMPETITORS

- ▶ While Canadian manufacturers control only a small part of the domestic market, they are generally quite sensitive to customizing products to meet consumers' needs and preferences. However, product selection, technological sophistication and price ranges are limited with Canadian products, creating an opportunity for U.S. firms to attract Canadian end users.
- ▶ Japan's leading market share of approximately 31 percent is concentrated in sales of access control keypads, proximity cards and security cameras.
- ▶ Imports from the other suppliers to Canada's market, China, South Korea, Malaysia, and Taiwan, are concentrated in sales of still image video cameras and other video camera recorders.

**Canadian Commercial Security Equipment Market
Sources of Supply**



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