



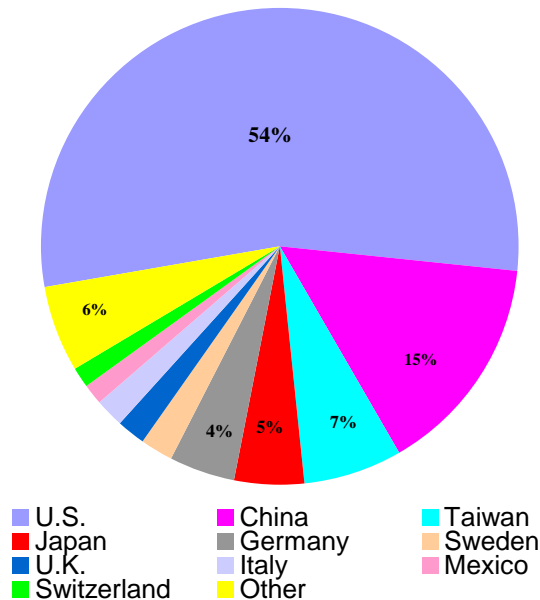
Hand & Power Tools

Continued consumer spending, strong residential construction starts, and a booming home renovation market support the forecasted annual real growth rate of 2% in Canada's hand and power tool market over the next three years.

MARKET OVERVIEW

- ▶ Imports of hand and power tools totaled approximately CDN\$ 2.2 billion in 2006, or 70% of Canada's total demand.
- ▶ Favorable mortgage interest rates, strong job creation, an unabated demand in Canada's housing market and rising net disposable income, will, combined, boost consumer confidence and consumer spending. The combination of an economy that is currently forecast to outperform other G-8 economies this year and next, continued consumer spending, strong residential construction starts, and a booming home renovation market support the forecasted annual real growth rate.
- ▶ Canada imported over 50% of its hand and power tools from the United States in 2006. The majority of these imports consist of interchangeable hand tools and electric, pneumatic, hydraulic and cordless power tools.
- ▶ The Province of Ontario is the largest market for exporters with total imports topping CDN\$ 1.4 billion in 2006.

CANADIAN IMPORTS - HAND & POWER TOOLS (2006)



U.S. PRESENCE

- ▶ U.S. exports of hand and power tool to Canada accounted for 54% of Canada's total imports for this category in 2006.
- ▶ Canadian imports from U.S. suppliers are forecast to grow at 3% through 2007.
- ▶ The majority of Canadian imports from the United States consist of interchangeable hand tools and electric, pneumatic, hydraulic and cordless power tools.
- ▶ All major U.S. manufacturers of power tools, such as Black & Decker and Porter-Cable Delta, operate distribution and service centers in Canada, complete with local sales and technical staff which provide training and support services to meet the needs of the Canadian retail market.

THINK BIG! THINK CANADA!

U.S. companies are well positioned to increase their market presence from the growing demand for new, innovative and easy to use products such as cordless and pneumatic power driven tools as well as ergonomically designed and laser measuring tools. We encourage U.S. companies to contact the U.S. Commercial Service to receive more information on how to increase their export potential in this growing segment of the Canadian hardware/home improvement and professional markets.

When you think of exporting... Think Big! Think Canada!

COMMERCIAL OPPORTUNITIES

- ▶ According to The Conference Board of Canada's Canadian Outlook-Summer 2006 real gross domestic product (GDP) growth in Canada's economy will be solid in each of the next two years at a real growth rate of 3% in 2006 and 3.2% in 2007. This will exceed the economy's long-term potential.
- ▶ The market for hand and power tools in Canada will experience annual real growth of 2% annually over the course of the next three years and will be supported by the continued healthy and steady pace of most of Canada's major industrial and non-industrial sectors.

We hope that you find this information useful. If you would like further information contact CS Canada National Sector Specialist for Building Products & Tools, Viktoria.Palfi@mail.doc.gov or phone (416) 595-5412, ext. 229. Visit our website www.buyusa.gov/canada to discover other commercial opportunities in Canada.