



Canada: The City of Ottawa's Cycling Boom

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Summary

Bicycle commuting is increasing across Canada and as a result is creating increased opportunities for U.S. companies exporting cycling equipment. Canada's capital city, Ottawa, has the fourth largest number of bicycle commuters in the country and boasts facilities that are already among the top 10 percent in the world in an urban setting. With city council's recent approval of a twenty-year master plan for an additional 2,500 kilometres (1,553 mi) of on-an-off road cycling paths, local businesses are expecting a boost for Ottawa's already booming cycling industry. U.S. manufacturers should therefore consider Ottawa as a destination for exporting bicycles, parts, accessories and other bicycle related supplies.

Market Overview

Long known as a cyclists' paradise, the city of Ottawa, located in the eastern portion of the province of Ontario, currently has 540.8 km (336 mi) of cycling paths that run through the city, along wooded areas and down long expanses of river tying suburban areas to the city's core. Increasingly used by commuters, Ottawa's health conscious citizens are also using their bikes for leisure and as an alternative to running or rollerblading.

The City of Ottawa has approved a [master plan](#) to expand Ottawa's already extensive pathways. The cycling plan's goal is to link and expand existing cycling networks and to triple the number of person-trips by bike from 4,500 per day in 2001 to 12,000 in 2021. The plan calls for a twenty-five million dollar expenditure over the first ten years to expand bicycling paths to 896 km (557 mi) from the current 540.8 km (336 mi). During this time, eight million dollars will be spent on 81.6 km (51 mi) of bicycle lanes, nine million dollars for 165.7 km (103 mi) of paved shoulders, six million dollars for multi-use pathways and one and a half million for new initiatives and enhancements to existing programs. The facilities would be a combination of on-road cycling lanes on major streets and signed routes on collector streets, with the goal of building a spine network on main roads which would connect to parks, schools, community centers and other community facilities.

The second phase is expected to cost approximately sixty million dollars, and will add more facilities such as bike parking and lockers, as well as allowing cycling paths to be built on an as-needed basis rather than on the current opportunity based approach in conjunction with other road work.

The province of Ontario and the City of Ottawa are both encouraging the increased use of bicycles. Effective December 1, 2007, bikes with a price tag of less than \$1,000, bike helmets and select bike safety equipment were made exempt from the Ontario Provincial Sales Tax (PST). The new path connections and added infrastructure from the city's cycling plan coupled with the zoning and building codes that require bike parking and incentives for firms that provide showers for their employees who bike to work, will further boost Ottawa's cycling industry. These efforts are being made to encourage local residents to travel more via bicycle, which will in turn increase sales for local bike shops, bike tour companies (who generally replace their equipment yearly), bike repair shops and other service providers. In fact, one local bike shop is estimating that his revenue will increase 15 percent in the next five years from new bicycle sales alone.

U.S. Business Opportunities

In 2007, the United States was the third largest exporter of bicycle and bicycle parts and accessories into Canada behind China and Taiwan. The bicycle and bicycle parts and accessories market can be broken into two subsections, bicycles and other cycles (HS 871200) and parts and accessories (HS codes 401150, 401320, 650610, 871491, 871492, 871493, 871494, 871495, 871496 and 871499).

The bicycle market has been growing steadily in Canada for the last five years. Imports of bicycles have increased by 14.7 percent since 2003, from \$155 million to \$177 million in 2007. Due to the lower cost of products from China and Taiwan, imports from the U.S. during this time have decreased almost thirty one percent. It is expected that the increasing costs of gas and transportation will offset the lower cost of products from Asia and that this trend will shift in the coming years back to Canadians purchasing from the U.S.

Imports of bicycle parts and accessories into Canada have been on the rise since 2004. The market for U.S. imports of parts and accessories has seen an increase of eleven percent over the last four years, from thirty-six million dollars to forty-three million dollars.

U.S. companies will find a market in Ottawa for assembled or unassembled bicycles (particularly hybrid or comfort bikes), bicycle parts (the frame, drive train, wheels, seat, handlebars and brakes), safety equipment and aftermarket accessories including horns, bells, and water bottles. In addition, manufacturers may also find a market for bicycle lockers, bicycle racks (specifically ribbon racks, ring racks, ring & post racks and bike racks for use on public transit) and bicycle actuated signals as Ottawa's cycling plan rolls out. New materials and technical developments are always of interest to the Canadian consumer.

Resources & Contacts

[Ottawa Business Journal](#)

[Bicycle Trade Association of Canada](#)

[City of Ottawa](#)

Canada First – Building Bridges to Prosperity

For More Information

The U.S. Commercial Service in Ottawa, Canada can be contacted via e-mail at: Tracey.Ford@mail.doc.gov; Phone: 613-688-5406; Fax: 613-238-5999; or visit our website: www.buyusa.gov/Canada.

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