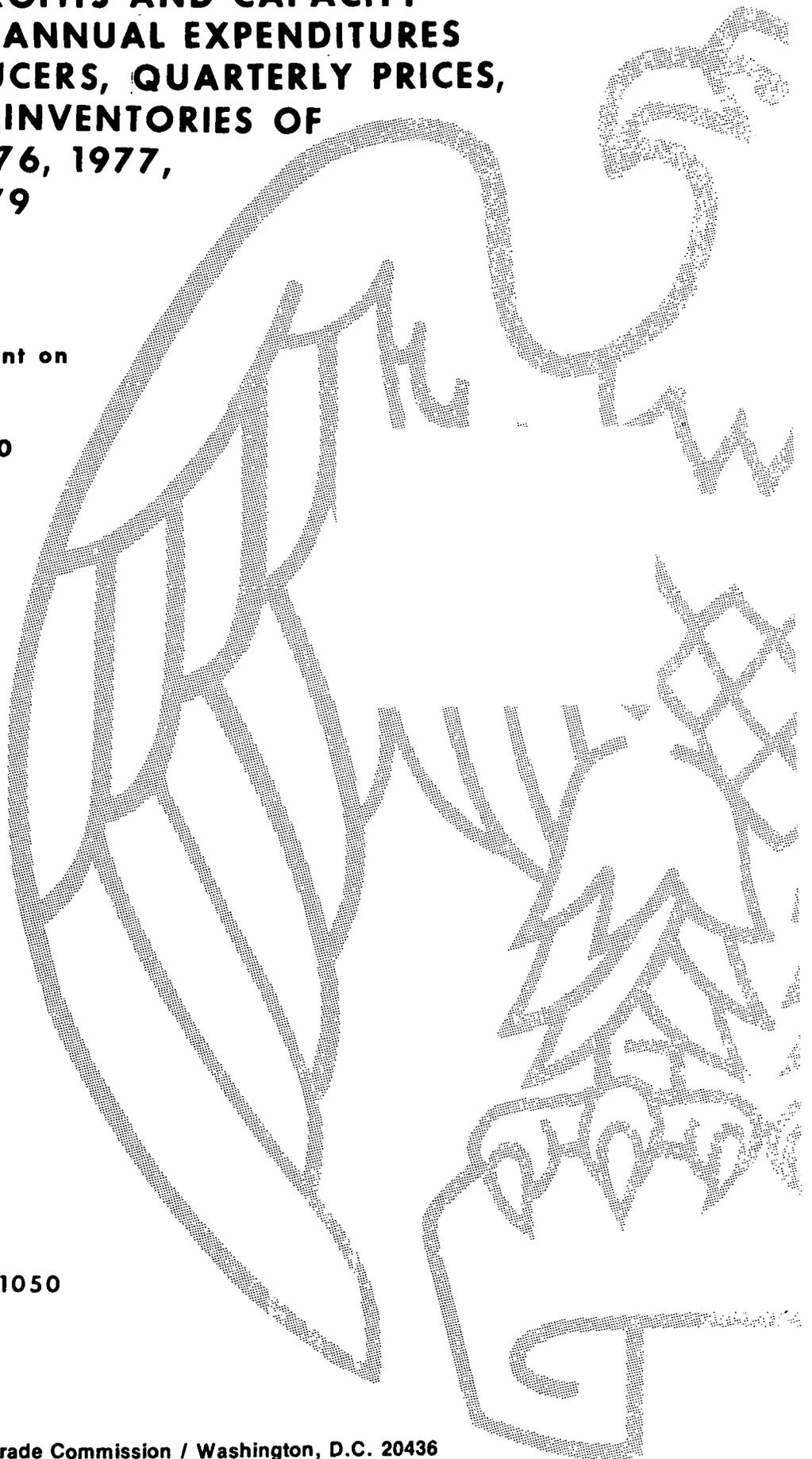


**COLOR TELEVISION RECEIVERS:  
QUARTERLY PROFITS AND CAPACITY  
AND CERTAIN ANNUAL EXPENDITURES  
OF U.S. PRODUCERS, QUARTERLY PRICES,  
ORDERS, AND INVENTORIES OF  
IMPORTERS, 1976, 1977,  
1978, AND 1979**

**Report to the President on  
Investigation 332-95  
Under Section 332 of  
the Tariff Act of 1930**

**USITC PUBLICATION 1050  
MARCH 1980**



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This report was prepared principally by  
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# NEWS

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FOR RELEASE  
March 31, 1980

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USITC 80-033

## USITC REPORTS RESULT OF ANNUAL SURVEY OF U.S. PRODUCERS AND IMPORTERS OF COLOR TV RECEIVERS

The United States International Trade Commission has completed its third annual survey of U.S. producers and importers of color television receivers to obtain data on certain economic factors indicative of conditions in the U.S. industry. The survey, required by Presidential Proclamation No. 4511, covers the calendar year 1979.

The Commission has submitted detailed data in confidence to the United States Trade Representative, who is responsible for monitoring the orderly marketing agreement implemented by the Presidential proclamation. For U.S. producers, the data show profit and capacity by calendar quarters in 1979, and capital expenditures and R. & D. expenditures for calendar year 1979. For importers, the data show prices, orders, and inventories by calendar quarters in 1979. Data for 1979 which do not reveal operations of individual firms have been aggregated and consolidated with information previously reported in the Commission's first and second annual surveys (USITC Publications 877 and 962), which covered calendar years 1976, 1977, and 1978. Copies of the report (USITC Publication 1050) can be obtained by calling (202) 523-5178 or from the Office of the Secretary, 701 E Street NW., Washington, D.C. 20436, or from the Commission's New York Office, 6 World Trade Center, Suite 655, New York, N.Y. 10048, telephone (212) 466-5599.



## Highlights

U.S. domestic producers of color television receivers operated at an aggregate net operating profit of \$37.0 million in 1979, representing a ratio of 1.2 percent of net operating profit to net sales. Reported one-shift capacity in color television receiver assembly plants was 11.3 million units. Capital expenditures by U.S. producers for building and leasehold improvements were \$11.4 million for facilities in the United States. Expenditures by U.S. producers for new machinery, equipment, and fixtures were \$43.4 million in the United States and \$11.3 million outside the United States. U.S. producers spent \$93.0 million in 1979 for research and development related to production or assembly of color television receivers.

Orders filled in 1979 by U.S. importers for imported color television receivers amounted to 952,000 units, valued at \$287 million. U.S. importers' ending inventories for 1979 amounted to 148,000 units, whereas average inventory for the four calendar quarters was 169,000 units. The average unit value of imported 13-inch color television receivers in 1979, as reported by U.S. importers, was \$223, \$278 for 16- and 17-inch receivers, and \$312 for 18- and 19-inch receivers.



## Capsulized Trend Analysis

U.S. producers reported a net operating profit of \$37.0 million in 1979, compared with \$44.7 million in 1978, \$81.0 million in 1977, and \$96.3 million in 1976. This represented a ratio of 1.2 percent of net operating profit to net sales in 1979, compared with 1.5 percent in 1978, 2.8 percent in 1977, and 3.7 percent in 1976.

Annual capacity in 1979 rose by more than 8 percent over 1978 with the greatest increase taking place in the first and fourth quarters of 1979. The reported one-shift industry capacity of 11.3 million units was 25 percent above the industry production of 9.0 million units in 1979.

Expenditures in 1979 by U.S. producers for building and leasehold improvements in the United States decreased by 6 percent compared with expenditures in 1978, but were still substantially above such expenditures in 1976 and 1977. Purchases of new machinery, equipment, and fixtures for U.S. plants were slightly greater in 1979 than in 1978 and were considerably higher than in 1976 and 1977.

In the 13-inch and the 16- and 17-inch screen-size categories, U.S. importers reported lower average unit prices for receivers in each quarter of 1979, as compared with the corresponding quarter of 1978. These decreases ranged from \$14 to \$53 for the 13-inch category and from \$2 to \$39 in the 16- and 17-inch categories. However, reported prices for the 18- and 19-inch screen-size categories increased by approximately \$7 in the first and fourth quarters of 1979, but decreased by \$17 and \$7 in the second and third quarters, respectively, as compared with 1978.

Importers' inventories were lower at the end of every quarter in 1979 compared with 1978. The most significant decline in 1979 occurred at the end of the fourth quarter. Importers' orders filled likewise experienced a significant decrease of 44 percent in quantity in 1979 compared with 1978.



Table 1.--Profit-and-loss experience of domestic producers of color television receivers on their color television receiver operations, by quarters, 1976-79

| Period              | Net sales     | Cost of goods sold | Gross profit | General, selling, and administrative expenses | Net operating profit (or loss) | Other expenses net | Net profit or (loss) before taxes | Ratio of net operating profit or (loss) to net sales |
|---------------------|---------------|--------------------|--------------|-----------------------------------------------|--------------------------------|--------------------|-----------------------------------|------------------------------------------------------|
|                     | 1,000 dollars |                    |              |                                               |                                |                    |                                   | Percent                                              |
| Quarter ended--     |               |                    |              |                                               |                                |                    |                                   |                                                      |
| Mar. 31, 1976-----  | 573,057       | 486,498            | 86,559       | 78,530                                        | 8,029                          | 10,051             | (2,022)                           | 1.4                                                  |
| June 30, 1976-----  | 615,471       | 508,380            | 107,091      | 80,193                                        | 26,898                         | 27,125             | (227)                             | 4.4                                                  |
| Sept. 30, 1976----- | 706,524       | 586,177            | 120,347      | 93,205                                        | 27,142                         | 10,170             | 16,972                            | 3.8                                                  |
| Dec. 31, 1976-----  | 730,376       | 594,241            | 136,135      | 101,953                                       | 34,182                         | 12,068             | 22,114                            | 4.7                                                  |
| Total, 1976-----    | 2,625,428     | 2,175,296          | 450,132      | 353,881                                       | 96,251                         | 59,414             | 36,837                            | 3.7                                                  |
| Mar. 31, 1977-----  | 639,778       | 538,082            | 101,696      | 90,254                                        | 11,442                         | 8,613              | 2,829                             | 1.8                                                  |
| June 30, 1977-----  | 674,009       | 560,789            | 113,220      | 87,495                                        | 25,725                         | 8,125              | 17,600                            | 3.8                                                  |
| Sept. 30, 1977----- | 766,505       | 644,115            | 122,390      | 101,204                                       | 21,186                         | ***                | ***                               | 2.8                                                  |
| Dec. 31, 1977-----  | 827,895       | 684,154            | 143,741      | 121,115                                       | 22,626                         | 4,942              | 17,684                            | 2.7                                                  |
| Total, 1977-----    | 2,908,187     | 2,427,140          | 481,047      | 400,068                                       | 80,979                         | ***                | ***                               | 2.8                                                  |
| Mar. 31, 1978-----  | 689,958       | 604,425            | 85,533       | 93,817                                        | (8,284)                        | 6,140              | (14,424)                          | (1.2)                                                |
| June 30, 1978-----  | 721,500       | 609,340            | 112,160      | 90,877                                        | 21,284                         | 10,580             | 10,704                            | 3.0                                                  |
| Sept. 30, 1978----- | 774,178       | 660,784            | 113,394      | 96,686                                        | 16,707                         | 16,497             | 211                               | 2.2                                                  |
| Dec. 31, 1978-----  | 832,761       | 703,164            | 129,597      | 114,632                                       | 14,965                         | 13,087             | 1,878                             | 1.8                                                  |
| Total, 1978-----    | 3,018,397     | 2,577,713          | 440,684      | 396,012                                       | 44,672                         | 46,304             | (1,631)                           | 1.5                                                  |
| Mar. 31, 1979-----  | 705,482       | 608,888            | 96,594       | 87,593                                        | 9,001                          | 14,540             | (5,539)                           | 1.3                                                  |
| June 30, 1979-----  | 728,675       | 638,652            | 90,023       | 84,992                                        | 5,031                          | 12,422             | (7,391)                           | 0.7                                                  |
| Sept. 30, 1979----- | 826,129       | 719,410            | 106,719      | 91,080                                        | 15,639                         | 18,028             | (2,389)                           | 1.9                                                  |
| Dec. 31, 1979-----  | 936,238       | 812,914            | 123,323      | 115,955                                       | 7,368                          | 16,715             | (9,347)                           | 0.8                                                  |
| Total 1979-----     | 3,196,524     | 2,779,864          | 416,659      | 379,620                                       | 37,039                         | 61,705             | (24,666)                          | 1.2                                                  |

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Asterisks indicate deletion of data which would disclose confidential operations of individual concerns.

Table 2.--U.S. color television receiver production: Capacity 1/of U.S. color television receiver assembly plants, by quarters and total, 1976-79

(In thousands of units)

| Year                            | Jan.-<br>Mar. | Apr.-<br>June | July-<br>Sept. | Oct.-<br>Dec. | Total  |
|---------------------------------|---------------|---------------|----------------|---------------|--------|
| Total capacity:                 |               |               |                |               |        |
| 1976 <u>2</u> /-----            | 2,465         | 2,484         | 2,340          | 2,992         | 10,281 |
| 1977 <u>2</u> /-----            | 2,485         | 2,576         | 2,582          | 2,652         | 10,295 |
| 1978 <u>2</u> / <u>3</u> /----- | 2,603         | 2,719         | 2,466          | 2,618         | 10,406 |
| 1979-----                       | 2,898         | 2,812         | 2,594          | 2,955         | 11,259 |

1/ Capacity based on operations of assembly plants 1 shift a day, 5 days a week, assuming no change in product mix.

2/ Revised Jan. 8, 1980, and announced by the Secretary, U.S. International Trade Commission.

3/ Revised March 1980.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 3.--Capital expenditures 1/ and research and development cost for facilities and services related to the production or assembly of color television receivers and/or parts thereof, by types of expenditures, 1976-79

(In thousands of dollars)

| Type of expenditure                          | 1976   | 1977   | 1978    | 1979   |
|----------------------------------------------|--------|--------|---------|--------|
| <b>Facilities in the United States</b>       |        |        |         |        |
| Land, land improvements-----                 | 1,110  | ***    | ***     | ***    |
| Building, leasehold improvements-----        | 9,235  | 3,889  | 12,133  | 11,409 |
| Machinery, equipment, and fixtures:          |        |        |         |        |
| New <u>2/</u> -----                          | 29,713 | 31,865 | 42,482  | 43,353 |
| Used-----                                    | 1      | ***    | ***     | ***    |
| Other-----                                   | 1,043  | 1,099  | ***     | ***    |
| <b>Facilities outside the United States:</b> |        |        |         |        |
| Land, land improvements-----                 | ***    | ***    | 0       | ***    |
| Building, leasehold improvements-----        | 2,596  | 1,746  | 1,876   | ***    |
| Machinery, equipment, and fixtures:          |        |        |         |        |
| New <u>2/</u> -----                          | 4,712  | 7,001  | 8 733   | 11,318 |
| Used-----                                    | ***    | 658    | 0       | 0      |
| Other-----                                   | 0      | 0      | 0       | 0      |
| Research and development-----                | 86,288 | 90,680 | 112,247 | 92,959 |

1/ Data do not include expenditures for administrative facilities, warehousing, or any other nonmanufacturing or nonassembly facilities.

2/ Includes only new machinery not previously employed.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Asterisks indicate deletion of data which would disclose confidential operations of individual concerns.

Table 4.--Imported complete color television receivers: Orders filled, by screen size categories and by quarters, 1976-79

| Period                | Screen size category   |                       |           |
|-----------------------|------------------------|-----------------------|-----------|
|                       | 17 inches<br>and under | 18 inches<br>and over | Total     |
| Quantity (units)      |                        |                       |           |
| 1976:                 |                        |                       |           |
| January-March-----    | 158,444                | 186,556               | 345,000   |
| April-June-----       | 193,648                | 198,814               | 392,462   |
| July-September-----   | 249,731                | 340,466               | 590,197   |
| October-December----- | 289,232                | 457,206               | 746,438   |
| Total-----            | 891,055                | 1,183,042             | 2,074,097 |
| 1977:                 |                        |                       |           |
| January-March-----    | 232,525                | 324,523               | 557,048   |
| April-June-----       | 232,487                | 254,983               | 487,470   |
| July-September-----   | 274,627                | 342,239               | 616,866   |
| October-December----- | 278,655                | 325,936               | 604,591   |
| Total-----            | 1,018,294              | 1,247,681             | 2,265,975 |
| 1978:                 |                        |                       |           |
| January-March-----    | 194,063                | 205,517               | 399,580   |
| April-June-----       | 217,746                | 156,044               | 373,790   |
| July-September-----   | 279,361                | 252,655               | 532,016   |
| October-December----- | 247,975                | 217,608               | 465,583   |
| Total-----            | 939,145                | 831,824               | 1,770,969 |
| 1979:                 |                        |                       |           |
| January-March-----    | 190,738                | 111,578               | 302,316   |
| April-June-----       | 146,251                | 70,005                | 216,256   |
| July-September-----   | 140,808                | 119,774               | 260,582   |
| October-December----- | 110,931                | 61,989                | 172,920   |
| Total-----            | 588,728                | 363,346               | 952,074   |
| Value (1,000 dollars) |                        |                       |           |
| 1976:                 |                        |                       |           |
| January-March-----    | 42,725                 | 60,811                | 103,536   |
| April-June-----       | 52,569                 | 62,910                | 115,479   |
| July-September-----   | 65,191                 | 110,020               | 175,211   |
| October-December----- | 77,436                 | 150,581               | 228,017   |
| Total-----            | 237,921                | 384,322               | 622,243   |
| 1977                  |                        |                       |           |
| January-March-----    | 61,630                 | 105,771               | 167,401   |
| April-June-----       | 61,195                 | 83,749                | 144,944   |
| July-September-----   | 73,761                 | 116,160               | 189,921   |
| October-December----- | 77,209                 | 116,091               | 193,300   |
| Total-----            | 273,795                | 421,771               | 695,566   |
| 1978                  |                        |                       |           |
| January-March-----    | 50,840                 | 64,531                | 115,371   |
| April-June-----       | 59,563                 | 50,656                | 110,219   |
| July-September-----   | 75,210                 | 78,809                | 154,019   |
| October-December----- | 68,821                 | 75,347                | 144,168   |
| Total-----            | 254,434                | 269,343               | 523,777   |
| 1979                  |                        |                       |           |
| January-March-----    | 47,610                 | 37,500                | 85,110    |
| April-June-----       | 42,059                 | 23,204                | 65,263    |
| July-September-----   | 41,197                 | 38,709                | 79,906    |
| October-December----- | 31,984                 | 24,788                | 56,772    |
| Total-----            | 162,850                | 124,201               | 287,051   |

Source: Compiled from data submitted in response to questionnaires or the U.S. International Trade Commission.

Table 5.--Imported complete color television receivers: U.S. importers' inventories, by screen size categories, on specified dates, Dec.31, 1975-Dec 31, 1979

|       |               | (In units)           |           |         |
|-------|---------------|----------------------|-----------|---------|
| Date  |               | Screen size category |           |         |
|       |               | 17 inches            | 18 inches | Total   |
|       |               | and under            | and over  |         |
| Dec.  | 31, 1975----- | 110,612              | 60,808    | 171,420 |
| Mar.  | 31, 1976----- | 82,960               | 82,287    | 165,247 |
| June  | 30, 1976----- | 184,287              | 198,885   | 383,172 |
| Sept. | 30, 1976----- | 219,845              | 309,390   | 529,235 |
| Dec.  | 31, 1976----- | 254,706              | 299,663   | 554,369 |
| Mar.  | 31, 1977----- | 257,988              | 268,876   | 526,864 |
| June  | 30, 1977----- | 280,484              | 299,145   | 579,629 |
| Sept. | 30, 1977----- | 214,868              | 263,756   | 478,624 |
| Dec.  | 31, 1977----- | 143,747              | 143,784   | 287,531 |
| Mar.  | 31, 1978----- | 143,478              | 116,143   | 259,621 |
| June  | 30, 1978----- | 186,673              | 131,200   | 317,873 |
| Sept. | 30, 1978----- | 192,683              | 134,858   | 327,541 |
| Dec.  | 31, 1978----- | 151,625              | 89,871    | 241,496 |
| Mar,  | 31, 1979----- | 113,802              | 51,047    | 164,849 |
| June  | 30, 1979----- | 133,880              | 47,192    | 181,072 |
| Sept. | 30, 1979----- | 126,998              | 55,979    | 182,977 |
| Dec.  | 31, 1979----- | 117,971              | 30,280    | 148,251 |

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 6.--Imported color television receivers: Average unit values, by screen size categories and by quarters, 1976-79

| Period                | Screen size category |                            |                            |
|-----------------------|----------------------|----------------------------|----------------------------|
|                       | 13 inches            | 16 inches<br>and 17 inches | 18 inches<br>and 19 inches |
| 1976:                 |                      |                            |                            |
| January-March-----    | ***                  | ***                        | \$325.97                   |
| April-June-----       | ***                  | ***                        | 316.43                     |
| July-September-----   | \$240.06             | ***                        | 323.15                     |
| October-December----- | 252.77               | \$312.65                   | 329.35                     |
| 1977:                 |                      |                            |                            |
| January-March-----    | 249.47               | 309.16                     | 325.93                     |
| April-June-----       | 237.86               | 291.64                     | 328.45                     |
| July-September-----   | 254.85               | 327.36                     | 339.40                     |
| October-December----- | 269.38               | 329.96                     | 353.79                     |
| 1978:                 |                      |                            |                            |
| January-March-----    | 241.21               | 298.67                     | 305.01                     |
| April-June-----       | 235.65               | 320.15                     | 314.28                     |
| July-September-----   | 242.52               | 284.65                     | 303.31                     |
| October-December----- | 278.81               | 264.61                     | 334.97                     |
| 1979:                 |                      |                            |                            |
| January-March-----    | 218.56               | 259.22                     | 312.38                     |
| April-June-----       | 221.86               | 311.89                     | 297.65                     |
| July-September-----   | 227.50               | 278.45                     | 296.15                     |
| October-December----- | 225.77               | 262.91                     | 342.50                     |

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Asterisks indicate deletion of data which would disclose confidential operations of individual concerns.

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