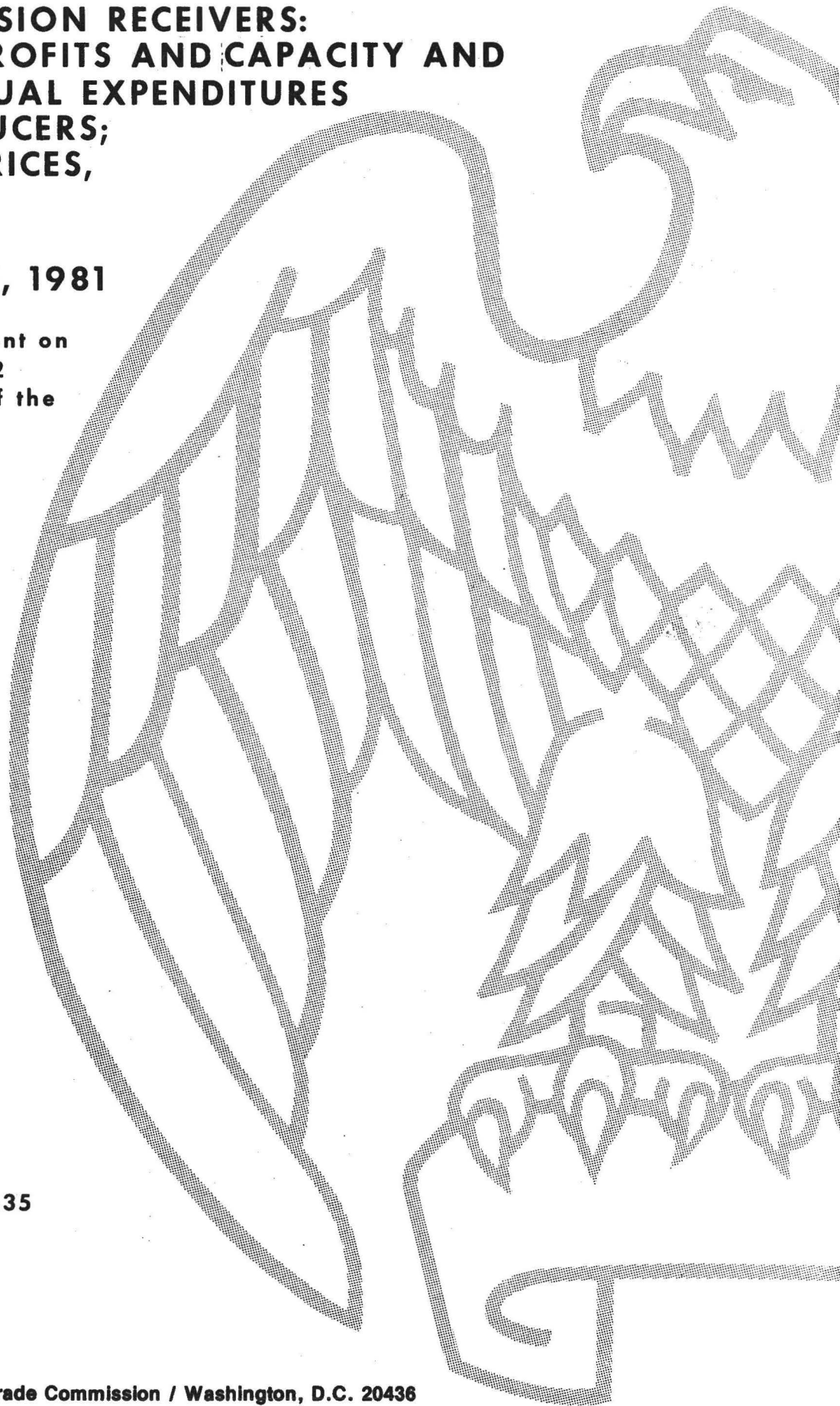


**COLOR TELEVISION RECEIVERS:  
QUARTERLY PROFITS AND CAPACITY AND  
CERTAIN ANNUAL EXPENDITURES  
OF U.S. PRODUCERS;  
QUARTERLY PRICES,  
ORDERS, AND  
INVENTORIES  
OF IMPORTERS, 1981**

**Report to the President on  
Investigation 332-112  
Under Section 332 of the  
Tariff Act of 1930**

**USITC PUBLICATION 1235**

**MARCH 1982**



# **UNITED STATES INTERNATIONAL TRADE COMMISSION**

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## Summary of Trends

### Highlights

The following are highlights of economic data collected on color television receivers for calendar year 1981. These data are compared with data reported for calendar year 1980.

- o U.S. DOMESTIC PRODUCERS of color television receivers operated at an aggregate net operating loss of \$2.3 million in 1981, compared with a net operating profit of \$67.2 million in 1980.
- o THE CAPACITY of U.S. Producers, on a one-shift basis, was 12.6 million units, representing an increase of 3.7 percent.
- o CAPITAL EXPENDITURES by U.S. producers for building and leasehold expenditures and for new machinery, equipment, and fixtures were \$98.2 million, representing an increase of 22.4 percent.
- o RESEARCH AND DEVELOPMENT EXPENDITURES by U.S. producers related to the production or assembly of color television receivers totaled \$74.1 million, an increase of less than 1.0 percent.
- o THE AVERAGE UNIT VALUE of imported 13-inch color television receivers sold by U.S. importers was \$244.51, representing a decrease of 8.0 percent, and that of 18- and 19-inch receivers was, \$261.92, representing a decrease of 20.2 percent.
- o ORDERS FILLED by U.S. importers for imported color television receivers amounted to 1.4 million units, representing an increase of 69.5 percent.
- o U.S. IMPORTERS' YEAREND INVENTORIES of imported color television receivers were 463,000 units, representing an increase of 400 percent.

### Annual statistics

U.S. producers' operating results.--U.S. producers reported a net operating loss of \$2.3 million in 1981, compared with a net operating profit of \$67.2 million in 1980. Net operating loss was less than 0.1 percent of net sales in 1981, compared with a 1.9-percent net operating profit in 1980. Net operating profit decreased from 3.7 percent in 1976 to 1.2 percent in 1979.

U.S. producers' capacity.--Annual capacity in 1981 rose by 3.7 percent over that in 1980. The reported one-shift industry capacity of 12.6 million sets was 20.0 percent above the industry production of 10.5 million units in 1981. Some firms started production operations or increased their capacity, while the capacity of other firms was reduced. In some cases, capacity for projection television receiver production was obtained by reducing that for regular color television receiver production. In 1976 the annual one-shift capacity was 10.3 million receivers, and this capacity increased in each succeeding year.

U.S. producers' capital expenditures.--Expenditures in 1981 by U.S. producers for building and leasehold improvements in the United States were \$15.4 million, compared with \$9.3 million in 1980, representing an increase of 66.1 percent. This was the first increase since 1978. Such expenditures outside the United States amounted to \$6.3 million in 1981, compared with \$3.1 million in 1980, representing a 100-percent increase. Purchases of new machinery, equipment, and fixtures for U.S. plants amounted to \$50.3 million in 1981, compared with \$53.0 million in 1980, representing a decrease of 4.9 percent. Such purchases for facilities outside the United States in 1981 totaled \$26.2 million in 1981, compared with \$14.9 million in 1980, representing an increase of 75.7 percent.

U.S. producers' R. & D. expenditures.--Research and development expenditures of \$74.1 million by U.S. producers in 1981 were almost the same as the \$73.8 million expended in 1980. Between 1976 and 1979, such expenses ranged between \$86.3 million and \$112.2 million.

U.S. importers' orders filled.--Importers' orders filled for imported color television receivers amounted to 1.4 million sets, compared with 819,000 sets in 1980, representing an increase of 69.5 percent. This reflects the sharp increase in orders filled for receivers with screen sizes of 17 inches and under. Such orders filled increased by 67.0 percent, and orders filled for receivers with screen sizes of 18 inches and over increased by 76.7 percent.

U.S. importers' inventories.--Importers' inventories were higher at the end of every quarter in 1981 than at the end of every quarter in 1980. Total inventories in 1981 increased from 218,000 sets on March 31 to 463,000 on December 31.

U.S. importers' unit value.--Average unit values reported by U.S. importers for imported color television receivers in 1981 indicate decreases for both 13-inch and 18- and 19-inch sets, compared with those in 1980. In the 13-inch screen-size category, U.S. importers reported lower average unit prices for receivers in each quarter of 1981, compared with prices in the corresponding quarters of 1980. These decreases ranged from \$7.44 in the first quarter to \$30.16 in the second quarter. Reported 1981 prices for the 18- and 19-inch screen-size categories decreased from a minimum of \$40.22 in the second quarter to a maximum of \$107.33 in the third quarter, compared with prices in the corresponding quarters of 1980.



Table 1.--Profit-and-loss experience of domestic producers of color television receivers on their color television receiver operations, by calendar quarters, 1976-81

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
Mar. 31, 1980-----	858,461	749,012	109,449	99,836	9,613	1/	1/	1.1
June 30, 1980-----	804,966	700,063	104,903	88,027	16,876	1/	1/	2.1
Sept. 30, 1980-----	958,204	829,486	128,718	103,228	25,490	1/	1/	2.7
Dec. 31, 1980-----	945,511	809,329	136,182	120,987	15,195	1/	1/	1.6
Total, 1980-----	3,567,142	3,087,890	479,252	412,078	67,174	1/	1/	1.9
Mar. 31, 1981-----	923,412	798,057	125,355	117,304	8,051	1/	1/	3.2
June 30, 1981-----	887,827	769,950	117,877	116,754	1,123	1/	1/	0.1
Sept. 30, 1981-----	999,102	875,795	123,307	128,773	(5,466)	1/	1/	(0.6)
Dec. 31, 1981-----	929,769	816,742	113,027	118,989	8,103	1/	1/	2.6
Total, 1981-----	3,740,110	3,260,544	479,566	481,820	(2,254)	1/	1/	(0.1)

1/ This data not requested by the USITC for 1980 and 1981 because they are non-operating expenses.

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 business confidential operations of individual concerns.

Table 2.--U.S. color television receiver production: Capacity 1/of U.S. color television receiver assembly plants, by calendar quarters 1976-81, and by annual totals, 1976-81

(In thousands of units)						
Year	Jan.- Mar.	Apr.- June	July- Sept.	Oct.- 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> /-----	2,603	2,719	2,466	2,618	10,406	
1979-----	2,898	2,812	2,594	2,955	11,259	
1980-----	3,058	3,092	2,936	3,084	12,170	
1981-----	3,292	3,319	2,932	3,077	12,620	

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

2/ Revised.

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



Table 3.--Capital expenditures <sup>1</sup>/and research and development costs for facilities and services related to the production or assembly of color television receivers and/or parts thereof, by types of expenditures, 1976-81

(In thousands of dollars)							
Type of expenditure	1976	1977	1978	1979	1980	1981	
Facilities in the United States:							
Land, land improvements-----	1,110	***	***	***	***	***	***
Building, leasehold improvements-----	9,235	3,889	12,133	11,409	9,266	15,391	
Machinery, equipment, and fixtures:							
New <sup>2</sup> /-----	29,713	31,865	42,482	43,353	52,965	50,350	
Used-----	1	***	***	***	***	***	***
Other-----	1,043	1,099	***	***	***	***	***
Facilities outside the United States:							
Land, land improvements-----	***	***	0	***	***	***	***
Building, leasehold improvements-----	2,596	1,746	1,876	***	3,125	6,295	
Machinery, equipment, and fixtures:							
New <sup>2</sup> /-----	4,712	7,001	8,733	11,318	14,915	26,208	
Used-----	***	658	0	0	0	0	0
Other-----	0	0	0	0	0	0	0
Research and development-----	86,288	90,680	112,247	92,959	73,785	74,117	

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

<sup>2</sup>/ 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 color television receivers: Average unit values, by selected screen-size categories and by quarters, 1976-81

Period	Screen-size category		
	13 inches	16 inches and 17 inches	18 inches 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
1980:			
January-March-----	225.19	***	308.34
April-June-----	253.39	***	307.78
July-September-----	253.25	***	373.52
October-December-----	238.66	***	308.31
1981:			
January-March-----	217.75	***	251.48
April-June-----	223.23	***	267.56
July-September-----	229.05	***	266.19
October-December-----	228.07	***	260.46

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

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

Table 5.--Imported complete color television receivers: Orders filled by U.S. importers, 1/ by selected screen-size categories and by calendar quarters, 1976-81

Period	Screen-size category		
	17 inches and under	18 inches 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
	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-----	194,063	205,517	115,371
April-June-----	217,746	156,044	110,219
July-September-----	279,361	252,655	154,019
October-December-----	247,975	217,608	144,168
Total-----	939,145	831,824	523,777

See footnote on following page.

Table 5.--Imported complete color television receivers: Orders filled by U.S. importers, 1/ by selected screen-size categories and by calendar quarters, 1978-81--Continued

Period	Screen-size category		
	17 inches and under	18 inches and over	Total
Quantity (units)			
1979:			
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
1980:			
January-March-----	118,229	57,501	175,730
April-June-----	119,585	39,579	159,164
July-September-----	187,423	62,344	249,767
October-December-----	178,137	55,868	234,005
Total-----	603,374	215,292	818,666
1981:			
January-March-----	231,866	72,312	304,178
April-June-----	283,492	96,376	379,868
July-September-----	256,985	96,510	353,495
October-December-----	235,145	115,161	350,306
Total-----	1,007,488	380,359	1,387,847
Value (1,000 dollars)			
1979:			
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
1980:			
January-March-----	34,528	21,286	55,814
April-June-----	37,794	15,501	53,295
July-September-----	56,691	25,953	82,644
October-December-----	54,043	21,668	75,711
Total-----	183,056	84,408	267,464
1981:			
January-March-----	66,076	21,925	88,001
April-June-----	79,446	32,902	112,348
July-September-----	69,934	33,299	103,233
October-December-----	61,838	39,905	101,743
Total-----	277,294	128,031	405,325

1/ Does not include imports of U.S. producers which were imported into their manufacturing facilities and other imports accounting for about 25 percent of total U.S. imports in 1981.

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

Table 6.--Imported complete color television receivers: U.S. importers' inventories, by selected screen-size categories, for specified dates, Dec.31, 1975-Dec. 31, 1981

(In units)				
Date	Screen-size category			Total
	17 inches and under	18 inches and over		
1975:				
Dec. 31-----	110,612	60,808		171,420
1976:				
March 31-----	82,960	82,287		165,247
June 30-----	184,287	198,885		383,172
Sept. 30-----	219,845	309,390		529,235
Dec. 31-----	254,706	299,663		554,369
1977:				
March 31-----	257,988	268,876		526,864
June 30-----	280,484	299,145		579,629
Sept. 30-----	214,868	263,756		478,624
Dec. 31-----	143,747	143,784		287,531
1978:				
March 31-----	143,478	116,143		259,621
June 30-----	186,673	131,200		317,873
Sept. 30-----	192,683	134,858		327,541
Dec. 31-----	151,625	89,871		241,496
1979:				
March 31-----	113,802	51,047		164,849
June 30-----	133,880	47,192		181,072
Sept. 30-----	126,998	55,979		182,977
Dec. 31-----	117,971	30,280		148,251
1980:				
March 31-----	80,538	31,290		111,828
June 30-----	67,877	38,690		106,567
Sept. 30-----	52,812	32,091		84,903
Dec. 31-----	65,643	27,170		92,813
1981:				
March 31-----	127,227	90,692		217,919
June 30-----	190,012	136,127		326,139
Sept. 30-----	234,569	154,084		388,653
Dec. 31-----	297,022	165,584		462,606

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





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WASHINGTON, D.C. 20436

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