

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

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

**USITC PUBLICATION 962**

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# UNITED STATES INTERNATIONAL TRADE COMMISSION

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# NEWS

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

The United States International Trade Commission has completed its second 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 1978.

The Commission has submitted detailed data in confidence to the Special Representative for Trade Negotiations, who is responsible for monitoring the Orderly Marketing Agreement implemented by the Presidential Proclamation. For U.S. producers, the data show profits and capacity by calendar quarters in 1978 and capital expenditures and R&D expenditures for calendar year 1978. For importers, the data show prices, orders, and inventories by calendar quarters in 1978. Data for 1978 which do not reveal operations of individual firms have been aggregated and consolidated with information previously reported in the Commission's first annual survey (USITC Publication 877), which covered calendar years 1976 and 1977. Copies of the report (USITC Publication 962) can be obtained by calling (202) 523-5178 or from the Office of the Secretary, United States International Trade Commission, 701 E Street NW., Washington, D.C. 20436.



## Highlight

U.S. domestic producers of color television receivers operated at an aggregate net operating profit before taxes of \$44.7 million in 1978. This represented a net-operating-profit-to-net-sales ratio of 1.5 percent. Reported one-shift capacity in color television receiver assembly plants was 17.9 million units. Capital expenditures by U.S. producers for building and leasehold improvements were \$12.1 million for facilities in the United States and \$1.9 million for facilities outside the United States. Expenditures by U.S. producers for new machinery, equipment, and fixtures were \$42.5 million and \$8.7 million for facilities in and outside the United States, respectively. U.S. producers spent \$112 million in 1978 for research and development related to production or assembly of color television receivers.

U.S. importers' orders filled by imported color television receivers amounted to nearly 1.8 million units, valued at \$524 million in 1978. U.S. importers' ending inventories for 1978 amounted to approximately 241,000 units. U.S. importers' ending inventory average for the four quarters of 1978 was approximately 287,000 units. The average unit value of imported 13-inch color television receivers as reported by U.S. importers was approximately \$249.00; it was \$292.00 for 16- and 17-inch receivers; and it was approximately \$314.00 for 18- and 19-inch receivers.

### Capsulized Trend Analysis

U.S. producers reported a net operating profit before taxes of \$44.7 million in 1978 compared with a net operating profit before taxes of \$81 million in 1977 and \$96 million in 1976. This represented a net operating profit to net sales ratio of 1.5 percent compared with a net operating profit to net sales ratio of 2.8 and 3.7 percent in 1977 and 1976, respectively.

Annual capacity in 1978 rose by almost 10 percent over 1977 with the greatest increase taking place in the latter half of the year. The reported one shift industry capacity of 17.9 million units was more than double the industry production of 8.3 million units in 1978. Capacity has been more than double U.S. production since 1976.

Investment expenditures, particularly those related to facilities in the United States, continued to increase in 1978 over 1977. Expenditures by U.S. producers for building and leasehold improvements in the United States increased by 212 percent over 1977 and by 31 percent over 1976. Purchases of new machinery, equipment, and fixtures for U.S. plants increased by 43 percent and 33 percent from 1976 and 1977, respectively, to 1978.

U.S. importers generally reported lower average unit prices for receivers in 1978 as compared with 1977. Quarterly average decreases ranged from \$14 to \$36 for the 18- and 19-inches screen-size category; from \$2 to \$12 for the 13-inches category; and from \$10 to \$65 in the 16- and 17-inches category. Average fourth quarter 1978 prices for the 13-inches category and average second quarter 1978 prices for the 16- and 17-inches category increased by approximately \$9 and \$29, respectively, over comparable 1977 periods.

Importers' inventories were lower at the end of every quarter in 1978 compared with 1977. The most significant declines in 1978 occurred at the end of the first and second quarters. Importers' orders filled likewise experienced a significant decrease of 22 percent in quantity and 25 percent in value in 1978 compared with 1977.

Table 1.--Profit-and-loss experience of domestic producers of color television receivers on their color television receiver operations, by quarters, 1976-78

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
	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>Percent</u>
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

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, 1976-78

(In thousands of units)						
Year	Jan- Mar.	Apr.- June	July- Sept.	Oct.- Dec.	Total	
Total capacity:						
1976-----	4,030	4,057	3,788	3,990	15,865	
1977-----	4,031	4,087	4,037	4,183	16,338	
1978-----	4,230	4,494	4,485	4,704	17,913	

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

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 costs for facilities and services related to the production or assembly of color television receivers and/or parts thereof, by types of expenditures, 1976-78

(In thousands of dollars)				
Type of expenditure	1976	1977	1978	
Facilities in the United States:				
Land, land improvements-----	1,110	***	***	
Building, leasehold improvements-----	9,235	3,889	12,133	
Machinery, equipment, and fixtures:				
New <u>2</u> /-----	29,713	31,865	42,482	
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	
Machinery, equipment, and fixtures:				
New <u>2</u> /-----	4,712	7,001	8,733	
Used-----	***	658	0	
Other-----	0	0	0	
Research and development-----	86,288	90,680	112,247	

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, 1976-78

Period	Screen-size category			Total
	17 inches and under	18 inches and over		
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-----	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

Source: Compiled from data submitted in response to questionnaires of 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, 1978

(In units)				
Date	Screen-size category			Total
	17 inches and under	18 inches 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

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, 1976-78

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

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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