

II. MARKET OPPORTUNITIES BY SECTOR

A. PRIORITY SECTOR IDENTIFICATION

The analysis of the U.K. market has resulted in the identification of a number of priority sectors where requirements match Canadian expertise and capabilities. Marketing efforts in those priority sectors should produce increased sales of Canadian products.

Each chapter of this report focuses on a different portion of the U.K. market as follows: Resource Products; Manufactured Products; Agriculture, Fish and Food Products; Third Country Marketing Capital Projects; Tourism. An overview of opportunities is provided at the beginning of the first three; the latter two are in effect overviews in themselves. Specific sectoral opportunities are outlined in each of the first three chapters.

The sectors included in this market report are not, of course, the only areas of opportunity for Canadian exports to the U.K. As in the past, many of Canada's established exports will continue to flourish with minimal direct government trade promotion or assistance. This is particularly true with regard to the export of Canadian metals and minerals in the raw and semi-processed state, and with Canadian newsprint. The public sector has a particular role to play in the promotion and maintenance of a more stable and open international trading environment in which both Canadian and foreign firms are encouraged to plan, invest and grow with confidence.

As noted in this export market report, the affluent and diverse British market holds the potential for improved Canadian sales in many other product areas not highlighted specifically in this report. Canadian companies are encouraged to conduct market research on their own and to seek the advice of the

Department of External Affairs, of Canadian trade representatives in the U.K., and those in the Department of Regional Industrial Expansion (DRIE) regional offices or in provincial trade offices about specific sectoral opportunities.

B. OVERVIEW: CANADIAN RESOURCE EXPORTS TO THE UNITED KINGDOM

In terms of value, resource products have traditionally occupied a dominant position in Canadian exports to the United Kingdom. It is expected, moreover, that such products will remain among the leading Canadian export items to the U.K. in the foreseeable future.

Patterns of Canada-U.K. trade in these materials are well established as a result of Canadian producer/exporter relationships with U.K. consumers, traders and merchants built up over many years.

Prices are in general subject to free market influence, and all of the materials are in plentiful supply from many sources around the world. In important instances, prices are determined in international commodity exchange trading, for example, at the London Metal Exchange and at its counterpart, COMEX, in New York. Trading at these exchanges takes place with confidence since the materials traded conform or relate specifically to internationally agreed standards of quality. (See Appendix E for more details on Canada's minerals and non-ferrous metals exports.)

Canadian trade policy objectives encouraging the export of further processed (higher value-added) resource-based products require that Canadian trade representatives work with private interests to identify new areas of opportunity. For example, efforts are being undertaken to expand markets for processed or fabricated metal and mineral products where

Table 1
Canadian Resource Exports to the United Kingdom, 1981-1983

	(\$000)		
	1981	1982	1983
Newsprint	351,716	350,291	274,115
Lumber and wood products	256,380	233,727	257,618
Iron ore	191,747	160,445	225,525
Pulp	176,113	144,339	115,313
Copper and brass	158,786	136,110	96,722
Lead and zinc	71,903	86,844	46,744
Nickel	170,637	53,075	116,718
Platinum metals (ores and scrap)	111,327	55,887	58,601
Other papers	65,225	45,840	45,508
Iron, steel and alloys	11,858	33,129	6,612
Asbestos	29,960	27,735	25,582
Aluminum	7,340	6,539	5,916
Non-metallic minerals	7,077	3,673	246
TOTAL	1,610,069	1,327,634	1,275,220
Per cent of Total Canadian Exports to U.K.	48.9%	49.8%	52.1%

Source: Statistics Canada