

expansion of capital intensive industries such as smelting and refining in Third World countries. Hence, there should be no need in trade negotiations to preserve GSP margins for unwrought metals. With the help of the EC-EFTA free trade linkages, EFTA exporters have captured upwards to 24 per cent of the EC mineral and metal import market compared with 8 per cent from Canada.

There are other advantages that some of Canada's mineral and metal competitors enjoy, particularly Third World producers. These include bilateral and multilateral concessional financing for mining projects, export credit financing for mining machinery and equipment, less restrictive environmental regulations, and export incentives.

Industrial Minerals: Except for a few items (e.g. some clay and stone products in the U.S.A.), tariffs are not a major problem for industrial minerals. Most agro-chemical items trade worldwide duty-free and for many construction materials transportation costs are a more important factor than tariffs. Nevertheless, the removal of some residual tariffs, particularly in the U.S.A., could improve the profitability of some Canadian exporters (e.g., asbestos products, calcite and sequestite products).

A variety of NTMs are much more serious, mainly in the U.S.A. where the problems are often transportation related. For example, Buy-American provisions of the Surface Transportation Assistance Act initially restricted access for Canadian cement, and railway de-regulation (with alleged rebates and kick-backs) has put Canadian exporters at a disadvantage. Moreover recent U.S. anti-dumping investigations on commodities such as salt and potash have in large measure dealt with transportation parameters.

For asbestos, although there are some tariffs, the most serious market access threats are related to environmental and health regulations including a pending ban by Sweden on automobiles and motorcycles having asbestos brake linings.