

1989, exports will increase over 1988 levels by 2.8%. It is expected that imports will decline in 1989 by 21% to \$153 million (U.S.).

The USDOC notes that the long-term prospects for the paints and coatings industry will depend on the demand for specialty coatings, competition from substitutes such as vinyl sidings, wall coverings, and paneling. In addition, environmental regulations will affect the composition of products in this sector, e.g., paint vehicles in aerosols and thinners and chlorinated methanes as propellants. The USDOC believes that the more promising growth markets will be those for specialty coatings used to pretreat polymer composite surfaces for bonding, formulations used in the manufacture of electronic components and vapor-deposition technologies. It is also expected that demand for coatings for prevention of corrosion and protection in severe industrial environments will increase as well.

This chapter has provided a definition of the products included within the scope of this report, the criteria used for their selection and a summary of U.S. imports of those products for 1982-88. Where available, a short-term outlook for the corresponding U.S. industry has also been provided. As this report is intended only to provide a sectoral overview and an indication of the opportunities that may exist for increased Canadian exports, individual readers are strongly encouraged to conduct more in-depth research on any potential opportunities identified.

Users of this report who are interested in undertaking further research into specific markets are also encouraged to contact any of the Canadian Government Trade Development offices listed in the final Appendix to this report, to determine what assistance may be available to them.