

3. Federal and Provincial Programs and Policies

- this segment has sought limited use of IRDP assistance.

EXEMPT
15(1)

4. Evolving Environment

- no improvement is contemplated for the marginal long term real growth forecast.
- the overcapacity condition will remain, without some specific actions to withdraw some production capacity.
- modernization in pursuit of productivity gain and cost reduction carries inherently the risk of increasing capacity if replaced equipment is not scrapped or exported.
- the rate of product substitution will be maintained and may even be accelerated under the stimulus of packaging innovations targeted on the food and beverage industry, the major segment customer.

EXEMPT
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- the segment rate of capital formation is likely to remain low.

5. Competitiveness Assessment

- the segment not competitive, on average, in the U.S. market nor offshore.
- the segment is competitive, on average, in the domestic market against U.S. imports except when U.S. producers elect to use transfer pricing.
- in general the lack of capital resources is likely to constrain most of the producers from participating fully in any development opportunities that entail substantial capital outlay.