The report also notes that although steel consumption in the domestic market has grown since 1983, the growth has been uneven. While market demand in the automotive sector has increased sharply, demand in the capital goods sector has failed to return to former levels. Uneven activity in the oil and gas sector has failed to return to former levels. As a consequence, the financial performance of various Canadian manufacturers has been mixed and few producers have returned to pre-recession levels of profitability.

The share of imports in Canada's domestic market has increased from 14.5% in 1976 to 22.7% in 1985. Over the same period, imports from the USA have maintained a steady share of total imports (35% in 1985). Imports from Japan, while sizeable, have declined in absolute terms (13% in 1985), while the EEC shipments have increased dramatically to become the dominant foreign source to Canada in the last two years (36% in 1985). Imports from the developing countries have more than doubled their share of imports since 1976, but their share of Canadian imports (11% in 1985) is still small.

By contrast to most European and developing countries where capital spending programs are being undertaken with massive government support which places comparatively less financial burden on their steel companies, modernization of the Canadian industry is being underwritten by the private sector. The industry has declared capital spending plans which could total in excess of $2.5 billion through 1990. Most of this capital investment is aimed at improving productivity and lowering cost rather than adding new capacity. This suggests that the industry will be maintaining the high standards which already make it one of the most efficient steel producers in the world. Such an industry would be fully capable of competing successfully with fairly-traded imports but the current unstable environment could well inhibit the implementation of these necessary modernization program.

In carrying out its report the Tribunal drew upon a wide range of published and unpublished data in the private and public sectors, both foreign and domestic, as well as material produced by international organizations. In addition, it received submissions from some 33 parties, reflecting a wide range of interests, from those of domestic producers, importers, distributors, steel service centres, fabricators, and foreign producers and exporters.