

Bans and Restrictions on Certain Non-ferrous

Metals: The European Commission has adopted directives on waste management for electrical and electronic equipment, including batteries and accumulators, and on end-of-life vehicles. These directives provide for restrictions and an eventual ban on the use of certain substances that Canada exports, including lead, mercury and cadmium. While Canada shares the Commission's commitment to the protection of health and the environment, it continues to question whether such product bans are proportionate to any attendant risks, and is concerned that such measures may be more trade-restrictive than necessary to achieve their intended objectives.

Recycling, Recovery and Management Directives:

Canada is concerned by the potential creation of a closed market for raw material resources to which access would be limited to those treatment facilities operating strictly within a closed "producers' network." The directives also appear to contain export restrictions that may be inconsistent with international trade rules. Canada will continue to monitor them and will convey its concerns to the European Commission.

Market Access Issues in Asia

Market access priorities in Asia Pacific and Southeast Asia for the minerals and metals sector include the following:

- continue to press for a reduction of largely nuisance duties applied to non-ferrous metals in Japan;
- promote the specific interests of Canadian companies in the market. In particular, Canada will try to ensure that proposed changes to Vietnam's Mineral Law correspond to the needs of the Canadian mining industry; and
- continue to advocate the benefits of a socially and environmentally responsible mining industry worldwide.

Focus on British Columbia

The focus on British Columbia is the fourth in a series of regional focuses. Last year's edition looked at Ontario and Quebec.

Overview

British Columbia has a small, open and resource-based economy, which trades extensively with the rest of Canada and other countries. In the 1990s, the province's economic performance lagged the Canadian average. The natural resource industries were subject to swings in commodity prices and demand changes in key international markets. Reduced demand in key Asian markets was a major factor affecting the performance of the sector, but internal factors such as weak productivity improvements and below-average investment in new capital equipment also played major roles.

Business investment in British Columbia picked up in 2001, growing 5.9% as spending on both residential (11.3%) and non-residential (6.6%) structures made solid gains. Consumer spending also remained robust, increasing 4.6% in 2001. Despite the strong domestic picture, however, the economy faltered in 2001, posting a marginal decline (-0.2%) in real GDP, which was largely due to weakness in the province's main export markets.

Consumer and business spending in the province remained healthy during 2002, boosting the province's economic performance and contributing to employment gains of 77,000 during the year. While domestic demand for goods and services was strong, external factors continued to hinder economic growth. Despite this weakness, the province's growing services sector (which accounts for three quarters of its GDP) has helped insulate the economy from some of the ups and downs in the natural resource industries.