

CANADIAN STEEL POLICY

Industry Overview

The Canadian industry is internationally competitive and generally profitable but there are companies from coast to coast experiencing problems.

In contrast, major integrated U.S. companies are in financial difficulty while companies operating mini-mills accounting for about 35 percent of U.S. production are doing well.

Ontario accounts for 80 percent of primary steel production while about 9 percent is produced in Quebec. About 9 percent is produced in Western Canada (2 percent in Manitoba, 3 percent in Saskatchewan, over 2 percent in Alberta and 1 percent in British Columbia) while Nova Scotia accounts for under 2 percent.

In contrast, about half of secondary steel production occurs in Ontario, while Quebec accounts for 25 percent, western provinces 18 percent, and Nova Scotia 2 percent.

About 65,000 persons are employed in the steel industry across Canada.

Canadian steel exports to the U.S. account for 25 percent of total production and 95 percent of our total steel exports.

In 1986 there were about 670 companies exporting steel products to the U.S. of which about 45 percent entered the market since 1985.

Canada/U.S. Steel Trade

Trade in steel between Canada and the U.S. is unique and mutually beneficial. A number of steel markets in the U.S. have opened up for Canadian steel as a result of the integrated nature of the North American economy, e.g. auto industry and mill-to-mill shipments of semi-finished steel, the latter accounting for about 20 percent of total Canadian steel exports to the U.S. in 1986.