

The Europe 1992 drive has largely excluded the minerals and metals industries, mainly because minerals and metals are not normally subject to standards, testing, and certification. Only a very few of current EC Directives have any bearing on the minerals and metals sectors, and those Directives are chiefly concerned with environmental and health protection rather than with standards issues. These Directives specify the handling and use of a wide variety of minerals, metals, and related products largely because of their apparent carcinogenic properties. Current regulations cover a variety of minerals and metals, including asbestos, cadmium, lead, nickel, and titanium dioxide. The regulations range from prohibitions on the use of some minerals in specific products (e.g., a prohibition on the use of asbestos in defined products), through limitations on the disposal of hazardous waste (e.g., prohibitions on the discharge, disposal, and transport of hazardous goods, including lead and mercury), to product-specific guidelines that affect distinct products (e.g., regulations concerning the controlled disposal of batteries containing cadmium, lead, and mercury).

In general, the Directives proposed for Europe 1992 are not expected to have a major impact on the export of raw materials in the minerals and metals sectors. Regulations will, however, pose implications for the trade in processed products, particularly where the mineral or metal has been associated with an environmental or health concern. To ensure their continuing access both to the EC and to other world markets, Canadian companies will have to take account of new measures that relate to the environment and to health and safety concerns.

Motor Vehicles

Since 1970, the EC has adopted more than 50 measures harmonizing technical standards and type approval for motor vehicle components. As a result, a car approved in one member state can normally be marketed in another without further approval.

Just three standards remain unadopted: those concerning tires, safety glass, and weights and dimensions. Adoption of these standards has been blocked by France (with the tacit support of other member states) for more than ten years.

An "effective" European type approval may not materialize until agreement has been reached on a common commercial policy for the industry: that is, a solution for controlling imports of Japanese cars. Some European auto makers (notably the French) fear that their overseas competitors would reap the greatest cost savings from full harmonization and argue that completion of a European type approval should be delayed until EC cars have significantly penetrated the Japanese market (reciprocity).

Even after European type approval is achieved, some of the conflicting national standards could survive, as member states are allowed to maintain national standards in their domestic markets in parallel with the EC standards. A Canadian exporter may then face a choice of standards in a given market.

Economics

Economies of scale are expected in the car industry owing to the widespread rationalization of "platforms" based on designs shared by different manufacturers. The demand for larger quantities of identical components should result in a lower overall vehicle cost (estimated to be about 5 per cent).