

Shield have attracted the attention of prospectors in search of massive deposits of base metal sulphide and lode gold for more than 70 years. The Shield is also the repository of Canada's world-class nickel, uranium and diamond deposits. Atlantic Canada contains a significant portion of the Appalachian-Caledonian-Hercynian mountain belt, which has been the source of much of the mineral wealth of the eastern United States and western Europe. Western Canada contains a major segment of the resource-rich Cordillera that stretches southward from Alaska, through the United States, to Mexico and Central and South America. The Cordillera is richly endowed with porphyry copper, sediment-hosted lead-zinc, volcanogenic massive sulphides, precious metal lodes and placers, and skarn deposits. Finally, the sedimentary basins of the Canadian Prairies and Arctic Islands are best known as Canada's principal source of fossil fuels and potash. However, these basins also have good potential for Valley Type and Sedimentary Exhalative (SEDEX) lead-zinc deposits.

A Global Presence

As a result of globalization and the liberalization of mining codes around the world, Canadian companies are now operating in more than 100 countries and have an interest in more than 2,600 properties abroad. Canadian companies also have an interest in over 200 mines, smelters, refineries, plants under construction, or projects awaiting final approval in almost 60 countries. In addition, over 70% of the world's mining companies are listed on Canadian stock exchanges, no doubt reflecting the industry's wish to be located close to securities brokers and investment bankers, mining analysts and mining legal professionals, who are able to organize and raise new financing. In 2001, Canadian financial institutions were responsible for approximately 34% of all equity raised on major world exchanges for global mineral exploration and development. In the same year, Canadian-based companies accounted for approximately 30% of the world's total large-company exploration expenditures.

The world mining industry consumes approximately \$300 billion worth of goods and services yearly. Canada, with its varied geology and its great mining tradition, has developed a supply sector that supports

the extractive sector in its drive to become more efficient, provide a healthy and safe workplace, and operate in an environmentally sustainable way. More than 2,200 Canadian-based companies sell specialized scientific or technical products for use by mining companies operating in Canada and abroad. Almost three quarters of suppliers are based in Ontario, British Columbia and Quebec, all of which have a large mining sector. However, there are suppliers of mining goods and services located in over 400 urban or remote communities in all provinces and territories.

Canadian-based companies are strong competitors in the world market for airborne geophysical equipment, and Canadian geophysical equipment manufacturers, related software developers and data companies also hold a significant share of the global market. Canadian suppliers provide thousands of different products. They have developed considerable knowledge and expertise in products used in surface mining, underground mining, environmental protection, exploration, feasibility studies, mineral processing and mine automation. Canadian suppliers have followed the mining industry to international markets and currently supply goods and services to more than 100 countries. Exports account for 30% to 50% of Canadian suppliers' revenues.

MARKET ACCESS ISSUES FOR THE SECTOR

Market Access Issues in the European Union

Aluminum and Magnesium: Reduced tariffs on aluminum ingot and other non-ferrous metals remain a priority for Canada. With regard to aluminum, the Canadian industry, with government support, has seen some success in its efforts to encourage like-minded producers and users of ingot in the European Union to urge the European Commission to reduce or suspend the 6% tariff. The European Union has announced that it sees its aluminum tariffs as items for potential negotiation at the World Trade Organization during the Doha Round. Similarly, the current equivalent duty on pure and alloy magnesium of 5.3% could also be considered for reduction.