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Canadian coal is fully competitive in electrical power generation plants in Nova Scotia, Saskatchewan and Alberta, where stations are located next to mines. It is less competitive in steelmaking and distant power generation plants because of long inland rail hauls. Ontario markets for metallurgical grade and for most thermal coals for power generation are supplied from the United States and Canada is the largest customer for U.S. coal exports (some of the Ontario thermal coal market is supplied from Western Canada). In offshore markets, Canadian metallurgical coals are meeting international competition, but 1987-88 thermal coal prices make it difficult to meet competition from low-priced suppliers such as South Africa. Canadian producers have nevertheless penetrated offshore coal markets and anticipate a continued presence abroad.

For nonmetallic minerals, it is useful to distinguish between broad groupings:

- (i) commodities that are traded worldwide in large volumes (e.g., potash, sulphur, cement and asbestos);
- (ii) minerals that have special characteristics and market niches at home and abroad (e.g., magnesite, nepheline syenite and pyrophyllite);
- (iii) items that trade worldwide in small volumes (e.g., fluorspar, mica and sodium sulphate); and
- (iv) the low-cost, high-volume minerals (e.g., construction materials) for very local markets.

Although some of the fourth group move across international boundaries, international competitiveness and liberalized trade are barely an issue. For the first two groups, Canadian industrial minerals currently in production are internationally competitive, at least at the primary stages. Canada's competitive position for the third group ranges from strong to weak.

Technological innovation has been important to the strength and well-being of the Canadian minerals and metals industry. Some improvements in productivity in the industry (see graph) derive from the introduction of new mining methods and mining machinery. Canadians have established an excellent worldwide reputation in geoscience and in research and development related to mineral exploration and production. Canadian geoscientific and engineering services are marketed worldwide and are strongly competitive in North America.