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Conclusions

Canada's minerals and metals industry stands to gain important benefits from the Agreement. Mining and minerals and metals processing has long been a vital aspect of national and regional economic development as prospectors and developers explored the country in search of raw materials to serve export markets and expanding domestic markets. The industry is largely export oriented.

The Agreement is especially timely for the minerals and metals industry, not only for Canada but also for the United States. In the past 15 years, and especially the last five, the industry has been buffeted by severe international competition in the face of excess world supply and generally depressed prices. Canadian and other world mineral producers have taken strong measures to cut mining and processing costs, to rationalize their operations and to adjust to a more vigorous world trading environment. Liberalized trade in minerals and metals, both in North America and globally as the multilateral trade negotiations unfold, will go a long way in completing this rationalization and adjustment process and in securing Canada's place in world mineral markets.

Benefits from free bilateral trade in minerals and metals will accrue to most regions of Canada, especially those with abundant electrical energy needed to process certain minerals, as well as those with specialized mineral products and processing facilities. These benefits will take the form of increased income, profits, investment and output. On a commodity basis, there will be gains for Canada's iron and steel industry, for nonferrous metals, and for a range of nonmetallic minerals. For the sector as a whole, the most important elements of the Agreement are the dispute settlement mechanism and the elimination of tariffs. Other key elements include improved rights and obligations on technical standards and the greater ease of temporary entry of business persons trading in goods and services.

The Agreement will not alter the ability of Canadians to manage their mineral resources. The responsibility for determining the pace and conditions of mineral exploration, development and exploitation remains with the provinces. Undertakings and obligations with respect to investment are not expected to alter the pattern of domestic and foreign ownership of Canada's minerals and metals industry.