continue to experience a trade deficit in hardware components in 1988 despite relatively higher growth in exports of approximately 9%.

The major hardware component imports are industrial fasteners, which were valued at $977 million (U.S.) in 1987. The major suppliers, Japan, Canada, Taiwan and Korea, accounted for more than 80% of these imports. Japan is the largest supplier with 36% of the import market in 1987. However, Japan had not increased its exports between 1986 and 1987. For the same two years, Canada, Taiwan and Korea increased exports to the United States by 20 to 30%. Imports have traditionally dominated the "standard" (multipurpose products) segment of the U.S. market. Domestic goods normally supply the market for custom-made fasteners.

In the medium term, between 1988 and 1992, total U.S. hardware shipments are forecast to increase at an annual rate of about 2 to 3% based on moderate overall growth in the major U.S. consumer industries and a further rise in exports due to favourable relative exchange rate movements. Imports are expected to continue to account for a significant share of the U.S. domestic market, although the increase in demand for these imports will be lower as a result of the higher relative import prices. The USDOC considers that ongoing trade negotiations, as well as the Canada-United States Free Trade Agreement, may result in increased trade through the reduction of trade barriers.

This chapter has provided a definition of the products included within the scope of this report, the criteria used for their selection and a summary of U.S. imports of those products for 1982-87. Where available, a short-term outlook for the corresponding U.S. industry has also been provided. As this report is intended only to provide a sectoral overview and an indication of the opportunities that may exist for increased Canadian exports, individual readers are strongly encouraged to conduct more in-depth research on any potential opportunities identified.

Users of this report who are interested in undertaking further research into specific markets are also encouraged to contact any of the Canadian Government Trade Development offices listed in the final Appendix to this report to determine what assistance may be available to them.