

Interviews with U.S. associations connected with the colours, dyes, paints and varnishes industry indicated that the Canadian industry is viewed as being competitive with its U.S. counterpart. The associations noted, however, that high transportation costs to ship goods across Canada may be a weakness of the Canadian industry.* The associations' views on the outlook for the industry were mixed.

The majority of the importers surveyed (77%) categorized their business as industrial, with the remainder of respondents engaged in retailing or trade, customs brokerage, freight forwarding, and distribution. The average annual sales dollar volume for these respondents was high (\$17.3 million [U.S.]). Their dollar volume of imports relating to colours, dyes, paints and varnishes was between \$1.75-\$2.5 million (U.S.). The motor vehicle and furniture industries were most often reported to be the end users of the colour, dye, paint and varnish products imported.

External Affairs and International Trade Canada recommends that Canadian firms should consult the Canadian Trade Commissioner located closest to each company being considered for contact prior to doing so in order to obtain advice, assistance and further company information. Canadian government contacts in Canada and the United States are provided in Appendix 7.

* It has been noted, however, that while higher transportation costs may be a concern, some customers are more willing to pay these incremental costs in order to obtain the quality of products required.