

representatives. Quality, the need to supplement domestic supplies with brands that are new or similar to established imports, availability, and price are the key considerations, in order of frequency reported, in the importer's decision to purchase offshore.

Representatives of the U.S. industry associations generally felt that Canada was not as competitive as the United States in this sector, and that Canada is not viewed as a major supplier of beauty products to the U.S. market. The U.S. price advantage over Canada may be a result of automation in the U.S. industry, a factor not yet warranted in the Canadian industry due to much lower levels of production.

Changing demographics in the U.S. population may be a source of potential opportunity for Canadian suppliers. With an aging female population, a growing ethnic work force and men's interest in personal care products, demand is expected to rise for skin and hair care products, ethnic and men's cosmetics. The ethnic market in particular appears neglected in the United States to date.