Mining

Cyclonic Forces
Since 2000 Canada has shifted major trading partners

- 2000: traded mainly with the USA
- 2013: mainly trades with USA and China
  - Canada losing its US market to Chinese imports
  - US losing its Canadian markets to Chinese imports
• Top Canadian export categories in 2000:
  – Transportation equipment
  – Pulp & paper
  – Electronics
  – Plastics
  – Wood products

• Much of this rooted in the manufacturing industries of the Windsor-Quebec corridor
Conference Board of Canada

• Top Canadian exports in 2013:
  – Oil & gas
  – Mineral products
  – Chemicals
  – Primary metals
  – Food products

• Much of this based in the west and north
Conference Board of Canada

• Canada being challenged by shifts in global markets
  – Rise of China, India, relative decline of the US as a trading partner.
  – Has hurt the Windsor-Quebec corridor especially.
Mining

• A crucial part of the present Canadian economy
• Supplying minerals to export markets is presently important
• Asian investors active in Canadian mining sector
Labrador Trough

- Offers high-quality iron ores with access to a deep-water port at Port Cartier QC for global shipping
- Has attracted major Asian investment
Tata

• An Indian industrial giant
• Is investing $5.5 billion in the Labrador Trough
  – 80% share of an ore shipping facility at Port Cartier
  – Has acquired major portions of new and projected ore mines in the Trough
3 Jan 2013

• China Steel of Taiwan spends US$270 million to acquire a 3.68% stake in ArcelorMittal Canada
  – Mining iron in the Labrador Trough
• Gets China Steel 1 mT of ore annually
  – Adds Labrador to its ore assets in Brazil, Australia
Mining Downturn

• In 2014 low iron ore prices lead to the closure of the mine at Wabush NL
• Slowdown of investment in the Labrador Trough
• Labrador City’s boom comes to a (temporary) end.
Izok Corridor

- In the Canadian Arctic
- **China and Canada exploring a mineral development deal**
- Would lead to open-pit mines for zinc and copper, oil tank farms, ports and roads in the calving grounds of the Bathurst caribou herd
  - Izok Lake, High Lake
Canada-China Trade Treaty

• Negotiated and ratified without consulting Canada’s parliament
• A sign of the developing connections between the economies of China and Canada
  – Chinese investment developing in BC coal mining, Alberta tar sands
Cyclonic Forces

• The mining industry tends to boom and bust with the rise and fall of mineral prices

• Canada’s mining communities must face these cyclonic forces.