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
Conference Board of Canada

- 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.
2016

- Global demand for commodities now weak
- Chinese economy slowing
- Oil price has collapsed, post-sanctions Iran about to add to the glut of cheap oil
- Mining and energy sector now in recession in Canada
  - Especially Alberta and Newfoundland
2016

• Slow revival in manufacturing
• Ontario, Quebec, BC now lead Canada in job and economic growth
Mining

- A crucial part of the contemporary 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
- Invested $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.