

Europe 1992: Services

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their size and work methods. The major firms have a strong corporate culture, well-structured work methods and a size enabling them to invest in consulting activities.

The report suggests two options which are available to Canadian firms in the face of globalization and the challenges of Europe 1992:

- integrate into the networks of the "big six;" or
- opt for a more decentralized strategy aimed at certain target niches.

The first option has several advantages: It simultaneously pro-

vides firms with a national and international dimension; it gives them the benefits of the recognized international signature; and it offers them access to years of experience operating in international networks.

Niche strategies are specifically oriented towards developing a strong regional presence and personalized services adapted to the needs of medium-size businesses, and targeting international development in certain areas with common denominators.

In this regard, Quebec firms are concentrating their international

development efforts on New England, France and Mediterranean Europe which, business-wise, have more in common with their province.

To obtain a copy of *Implications of a Single European Market: Professional and Consulting Services*, contact the European Community Trade and Economic Relations Division (REM), EAITC, 125 Sussex Drive, Ottawa K1A 0G2. Tel: (613) 995-8297. Fax: (613) 995-1277 or call Info Export, toll-free: 1-800-267-8376 (Ottawa area: 993-6435). Fax: (613) 996-9709.

Government's New Studies Examine Canada-U.S.-Mexico Free Trade

The federal government has just released four studies on various aspects of the proposed free trade agreement between Canada, the U.S. and Mexico.

The preliminary working papers were tabled by International Trade Minister John C. Crosbie when he appeared before the House of Commons Standing Committee on External Affairs and International Trade last month.

The first paper, by the Department of Finance, *Canada and a Mexico-United States Trade Agreement*, examines the prospects for future U.S.-Mexico trade and economic relations and sketches some of the possible implications for Canada.

Among the implications studied for Canada are those that would arise from Canada's participation in any trade liberalizing negotiations that might be held.

A second paper, *North American Trade Liberalization Sector Impact Analysis* by Industry, Science and Technology Canada, explores the possible impact of further trade liberalization on a number of industry sectors in Canada.

A third paper by Investment Canada, *Canada-U.S.-Mexico Free Trade Negotiations: The*

Rationale and the Investment Dimension, describes recent reforms in Mexico in relation to foreign investment.

This paper also examines the level of foreign investment directed at Canada, particularly from the United States, and concludes that "Whereas a bilateral agreement between Mexico and the United States might result in negative consequences for Canada, there is little reason to believe that a trilateral agreement would yield a zero sum result. On the contrary, productivity gains from greater economies of scale, lower cost inputs, and industry rationalization based on different comparative advantages should enable Canada to better compete in markets in North America, Asia and Europe."

A fourth paper by Agriculture Canada, *Canadian Participation in USA-Mexico Free Trade Discussions: Preliminary Agricultural Perspectives*, examines Mexico's agricultural industry as well as that country's capacity to absorb future Canadian agricultural exports.

Canadian agri-food exports to Mexico are valued at about \$150 million per year while Canadian imports from Mexico —

mainly complementary fresh and processed fruits and vegetables — are valued at \$110 million a year.

In addition, Labour Canada is in the final stages of completing a preliminary study titled *A Comparison of Labour Legislation of General Application in Canada, the U.S. and Mexico*. This study will review existing legislation affecting labour conditions in the three countries.

The working papers are not a formal statement of government policy but are intended to add to the public discussion of the issue of trilateral trade talks.

The Standing Committee, under Chairman John Bosley, is currently holding hearings on Canada's participation in trilateral consultations with the United States and Mexico with a view towards negotiating a comprehensive North American Free Trade Agreement.

To obtain copies of these studies, contact External Affairs and International Trade Canada (EAITC)'s Info Export. Tel. (toll-free): 1-800-267-8376 (Ottawa area: 993-6435). Fax: (613) 996-9709.