

pursuing IFI business and to exchange information concerning them. Further, the team will focus on integrating the CPAT initiative in the NSTs; and establishing new outreach initiatives (e.g. seminars, road maps, etc.) to more actively promote IFI business opportunities to Canadian exporters and manufacturers.

- **Target Exporters of Business Services**

The government is encouraging services industry associations to engage more actively in export promotion. To this end, a number of tools and training programs have been developed, and support is available to help associations set up export committees or awards programs to promote their members in new markets. A six-diskette self-help software package, *Take a World View*, has been developed specifically for exporters of services. It includes a one-stop resource guide listing public- and private-sector programs, contacts and publications.

Diversifying International Business Markets

While exports of goods and services account for more than a third of Canada's GDP, most are bound for a single market — the United States. In order to build on Canada's success in the U.S. market, and broaden its trade, technology and investment relations with other fast-growing priority markets (e.g. Latin America, Asia-Pacific), the government proposes to undertake the following initiative:

- **Play a Stronger Advocacy Role on behalf of Canadian Business**

In response to the enhanced importance of government advocacy as a competitive factor in international commerce, especially in emerging markets, and to the increased efforts of Canada's competitors in advocating their commercial interests, Canadian federal ministers, heads of missions, trade commissioners and trade officers, and private-sector decision makers will adopt a more aggressive approach to representing Canadian business interests abroad. To that end, a dedicated interdepartmental unit is being formed to co-ordinate appropriate advocacy support for Canadian firms. The unit is intended to mobilize high-level support to help Canadian companies achieve greater success in international markets.

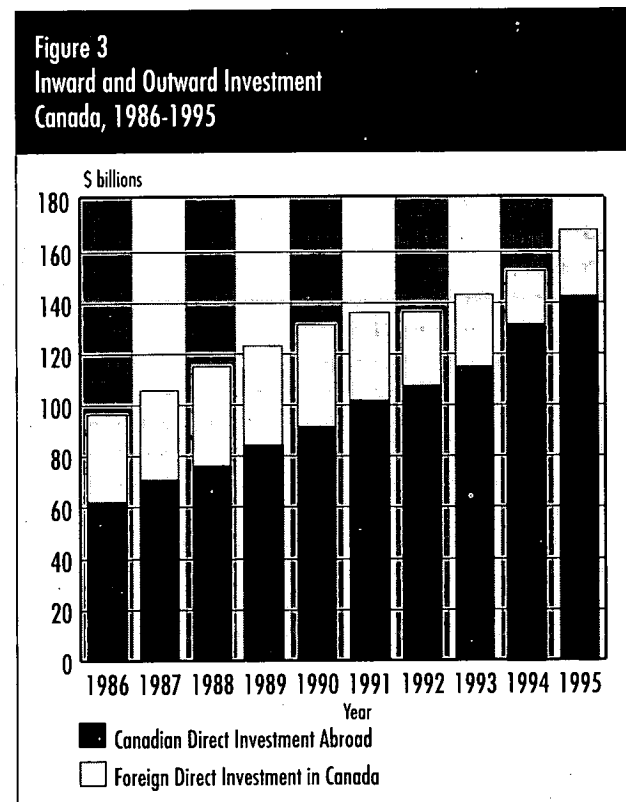
Investment Development

Increasing the level of international business investment in Canada is the objective of the government's strategy to support wealth and job creation across the country. Investment is a critical factor linking Canada and Canadian companies to an increasingly globalized world economy. Foreign direct investment (FDI) and Canadian direct investment abroad enhance Canada's global competitiveness by securing capital, jobs, technologies and market access for Canadians.

The government has committed itself, under its new Investment Strategy, to increase its efforts to attract FDI to Canada, and to facilitate the growth of Canadian-based, globally competitive companies.

In response to strong competition for investment, the government has developed clear priorities along with targeted, focussed programs. In pursuing these initiatives, it seeks opportunities to enhance co-operation with provincial and municipal governments and the private sector, in order to support the investment-attraction goals of local/regional economic development organizations.

Investment-attraction programs will focus on the following priorities:



Source: Statistics Canada 1995

Marketing Canada as an Investment Site to International Business Executives

To increase international awareness of the comparative advantages of Canada as an investment site within the North American Free Trade Agreement (NAFTA) region, potential investors must be made aware of specific opportunities and the positive aspects of Canadian policies. Each year, Canada responds to hundreds of inquiries from potential investors. The government will continue to increase the quality, timeliness and impact of its investment servicing capability, the primary objective being to convert inquiries into investment decisions that favour Canada.

Efforts to support this priority include:

- speeches and testimonials by Canadian chief executive officers (CEOs) to international business audiences regarding their confidence in Canada and the success they have enjoyed here;
- meetings with important investment clients involving the Prime Minister, other federal ministers and provincial premiers;
- a campaign that would include placing success stories in selected international media, briefings of international journalists, and forums on Canada as an investment site.

Sector/MNE-Specific Targeting and Customized Servicing

The government will continue its campaign to attract new investment from multinational enterprises (MNEs), which have been the major force behind the unprecedented growth of FDI in the last decade. The United Nations estimates that the world's largest 100 MNEs (outside the banking and finance sectors) account for approximately one third of the combined outward investment of their home countries, while each job in an MNE generates at least one additional job in a host economy through backward linkages. The concerned departments will focus efforts on those MNEs that can develop strong links with Canadian SME suppliers; bring capital and technologies to Canada; serve North American and global markets from Canada; and act as catalysts for technology diffusion within the country.

Efforts to support this priority include:

- meeting regularly with key corporate investors to communicate tailored investment cases to decision makers in foreign firms, and to influence their decisions in favour of Canada;
- targeting individual international corporations in selected major source countries, with regard to priority targets and arranging customized visits to Canada for potential investors; and
- promoting specific investment opportunities in Canadian priority sectors that offer investors a critical mass of specialized capability, skilled labour, research and development (R&D) strengths, and supply capacity.

Reinvested earnings by foreign subsidiaries account for a significant proportion of foreign investment in Canada — over 50 percent in recent years. Many MNEs have had to reorganize and rationalize their operations to find new ways to gain international competitive advantage. Subsidiaries, in turn, have had to seek out niches and mandates in their host markets as they compete with each other within parent MNEs. Government, in partnership with industry, will therefore work with foreign subsidiaries in Canada to develop custom business cases with a view to retaining existing operations and attracting new manufacturing and R&D mandates.

Investment Partnerships Canada (IPC), a joint venture between DEAIT and IC, is engaged in promoting investment in Canada by leading global companies. It undertakes research and intelligence collection to target priority investment prospects, and develops and manages investment campaigns directed at these companies. IPC also provides one-stop servicing of the investment interests of its client companies and other major investors.

Introducing More Canadian SMEs to International Investment Partners and Sources of Technology

Faced with escalating competitive pressures, companies of all sizes are looking more often to international alliances and investment opportunities to expand their reach. International strategic alliances are an important avenue by which Canadian companies can gain vital access