

The report to the United States Congress of the Trade Promotion Coordinating Committee states:

...the limitations of the current advocacy process adversely affect the ability of U.S. companies to compete...The goal of improved advocacy is consistent with U.S. interests and objectives, to provide appropriate U.S. government support to large as well as small and medium-sized U.S. firms as they face foreign competitors who are aggressively backed by their governments.<sup>2</sup>

Both trade development and trade policy are being transformed by globalization. Trade development is becoming international business development -- the export of goods and services frequently requires market presence in the form of direct investment, joint ventures, or technology licensing. Indeed, both inward and outward direct investment can facilitate trade and access to technology through participation in multinational production networks. Trade policy is encompassing an ever broader array of non-tariff barriers and new issues such as rules for investment, rules for trade in services and intellectual property rights are being brought within the ambit of trade policy.

The third section provides a quick overview, in the form of a case study, of the structure in recent years of government-business cooperation in international business development. This case study highlights some points about the strategic policy implications as governments and trade associations experiment with different modalities in the search for more cost effective approaches to international business development. In this process, it is important that the strategic role of representation and advocacy of Canada's market access and economic interests receives sufficient attention and priority. The final part of the paper outlines some options for the future of the trade policy /international business interface in Canada.

It is not the objective of this paper to provide detailed analysis of the structure of Canada's international business development programs. This has already been done by both public and private sector commentators.<sup>3</sup> Nor does the paper seek to answer the question of how much resources Canadian governments ought to devote to a wide range of international business development activities and various export incentives. Rather, this paper seeks to emphasize the impact of a changing global economy on what is often thought of as a symbiotic relationship between international business development and trade policy. In doing so, the paper expands on the recent analysis and debates.

<sup>2</sup> Trade Promotion Coordinating Committee, *Toward a National Export Strategy*, Report to the United States Congress/ September 30, 1993.

<sup>3</sup> Andrew Griffith, "Straight Talk on Why Canada Needs to Reform its Trade Development System," *Canadian Foreign Policy*, Volume 1, No. 1 (Winter 1992/93), pp. 61-85; and Tim Reid, "Challenging Canada's International Business Paradox: A Private Sector Perspective," *Canadian Foreign Policy*, Vol. 1, No. 1 (Winter 1992/93), pp. 87-101.