

Message from the Honourable Peter Van Loan, Minister of International Trade



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Minister of International Trade

As Canada's Minister of International Trade, I am pleased to present the 2010 edition of *Canada's State of Trade*. This report provides an overview of trends in Canada's international commercial performance over the past year.

Last year was a challenging year for the global economy. While Canadian exports, imports and foreign direct investment flows decreased last year, Canada did better than most. We had the mildest recession of any G7 country, and for the first time in a generation, Canada's unemployment rate is lower than that of the United States.

More importantly, Canada has emerged from the crisis in a strong position. Our government implemented the Economic Action

Plan to create jobs and stimulate our economy, and we showed leadership internationally by outlining our plan to return to fiscal balance. We generated results.

All of the major forecasts point to Canada leading growth among advanced nations in the coming years. The strength of Canada's financial system is the envy of the world. By 2015, Canada's debt-to-GDP ratio is projected to be less than half that of the next best G7 country. Furthermore, by 2013 Canada is expected to have the lowest statutory corporate tax rate among the G7.

While Canada remains committed to progress at the World Trade Organization, we are moving forward on an aggressive agenda of free trade negotiations with partners around the world. This includes negotiations with the European Union, Canada's most ambitious negotiations since the North American Free Trade Agreement.

This is in addition to recent successes on free trade agreements with the European Free Trade Association, Peru, Colombia, Jordan and Panama, and ongoing negotiations that include the Caribbean Community, the Dominican Republic, Ukraine and the Central American countries of El Salvador, Honduras, Nicaragua and Guatemala.

Canada is a world leader in promoting free trade and offers key competitive advantages for investors:

- Lowest taxes on new business investment in the G7
- Lowest budgetary deficit and debt-to-GDP ratio in the G7
- Fastest economic growth in G7 for 2010, 2011 and 2012 according to IMF