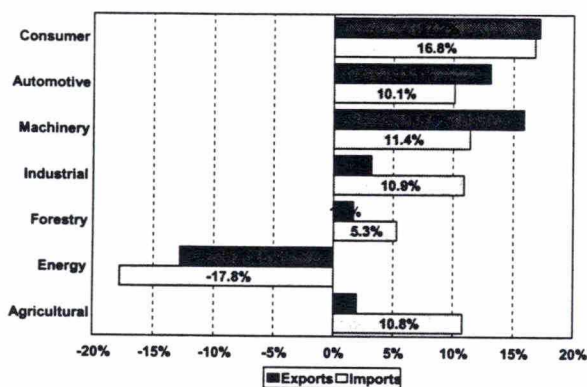


based exporters. Exports are shifting from goods to services and from primary products to value-added products. The government is pursuing new partnerships and developing innovative programs and services to help accelerate the shift toward value-added exports which is a trend that helps to create many high-paid and high-skill jobs in Canada.

### EXPORTS BY SECTOR 1998



#### Exporting beyond the U.S. market

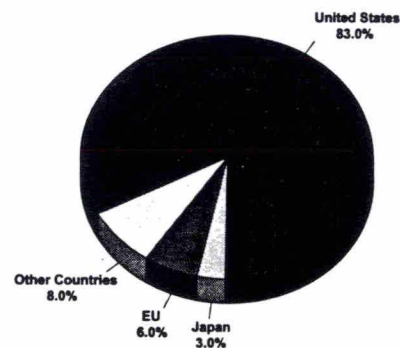
Over 80% of Canada's exports go to the U.S., a proportion that continues to increase due in part to the continued robust performance of the U.S. economy. However, there are lucrative opportunities for Canadian goods and services in other, emerging high-growth markets. The Government of Canada is working to do more to help diversify Canada's trade base by targeting high-growth markets, promoting them to Canadian business and working with export-ready firms to take advantage of the opportunities they present.

#### Improving our share of global investment

Canada must capture more foreign direct investment (FDI), particularly investments directed at the NAFTA region. FDI allows

Canadian firms to undertake additional research and development, expand their production capacity, introduce new, more competitive products, and create more jobs. While net foreign direct investment in Canada remains at healthy levels, Canada's share of FDI in the North American market has fallen from 25% to below 15% since 1985. Part of the challenge facing Canada is our image abroad: we are still often seen as a resource-based economy even though nearly three-quarters of all our exports are manufactured and processed goods. The Government of Canada is working to enhance our image among global investors and to promote Canada's competitive advantages over European, Japanese and U.S. locations, particularly in manufacturing and knowledge-based industries.

### EXPORTS BY MARKET 1998



#### Exploiting the potential of Team Canada missions

Team Canada trade missions are a very effective tool for marketing Canadian products and services to the world's fastest-growing markets and for introducing foreign investors to the advantages Canada offers. The missions also help raise awareness in Canada of the importance of trade to job