

COMPETITIVE FACTORS

When executives were asked to rate the importance of several factors that would help their organizations compete in world markets, their responses were as follows:

EXTERNAL COMPETITIVE FACTORS
(in percentages)

	EXTREMELY/ VERY IMPORTANT		MODERATELY/ SOMEWHAT IMPORTANT		NOT IMPORTANT		UNDECIDED	
	TOP 1,000	FASTEST 100	TOP 1,000	FASTEST 100	TOP 1,000	FASTEST 100	TOP 1,000	FASTEST 100
LEVELS OF GOVERNMENT TAXATION	55	51	22	33	10	6	13	10
AVAILABILITY OF SKILLED EMPLOYEES	44	57	27	21	18	9	11	13
VALUE OF THE CANADIAN \$	43	54	31	33	15	6	11	7
COMMUNICATION FACILITIES	39	42	34	45	16	6	11	7
TRANSPORTATION FACILITIES	32	30	34	39	22	21	12	10
MARKET PROXIMITY	32	33	36	51	18	9	14	7
INTEREST RATES	30	30	33	30	22	33	15	7
PROXIMITY OF HIGH-QUALITY EDUCATIONAL INSTITUTIONS	30	21	36	45	21	18	13	16
LABOUR COSTS/WAGES	28	51	42	27	16	15	14	7
EXPORT FINANCING	16	21	31	45	37	18	16	16
COST OF COMMERCIAL/ INDUSTRIAL REAL ESTATE	14	21	39	39	32	33	15	7
TRADE DEVELOPMENT PROGRAMS	14	21	36	33	32	30	18	16
TRADE COMMISSIONER SERVICE	11	15	35	39	34	27	20	19
CLIMATIC FACTORS	8	9	34	33	43	45	15	13

IMPACT ON CANADA

ECONOMY

A majority of executives believed that NAFTA will very likely increase Canadian exports to Mexico. Major corporations suggested that Canada will experience growth in GDP. Respondents from both categories agreed that NAFTA will lead to increased competition in Canadian and U.S. markets. Executives also suggest that plant closures or plant relocations

might occur in some sectors of the economy. This view was stronger among smaller businesses.

A significant majority from the *Top 1,000* (84 per cent) suggested that NAFTA is mostly good for Canada. This percentage decreased to 64 per cent for respondents in the *Fastest 100*.

COMPETITIVENESS

Both groups agreed that NAFTA will

improve Canadian business competitiveness in the long term. Eighty-nine per cent from the *Top 1,000* and 76 per cent from the *Fastest 100* believed NAFTA will increase Canadian competitiveness in world markets.

INVESTMENT

With respect to investment, 50 per cent of respondents from the *Top 1,000* and 33 per cent from the *Fastest 100*