

STRATEGY



3.1 Overview

A main objective of the Government of Canada's foreign policy is to pursue Canadian prosperity and employment. To achieve this, the government intends to pursue several initiatives over the next few years as part of the Canada's International Business Strategy (CIBS). Initiatives will fall in four main areas:

- market access
- export capability and preparedness
- international market development
- investment development.

Since relatively few Canadian firms export, CIBS initiatives aim to increase the number of SME exporters by the year 2000, as well as increase the export volumes of existing exporters. To succeed internationally, SMEs require timely market intelligence and improved access to financing. The government is looking to the private sector and to its own agencies to facilitate SME access to financing.

Lack of market intelligence is still regarded as a major impediment to potential exporters. To overcome this barrier, the government will continue to improve services delivered by the International Business Opportunities Centre, created to respond to specific trade leads identified by posts abroad. As well, *ExportSource* the information dissemination network available on the Internet, will provide SMEs with international business information. The ATS Online serves agri-food exporters with trade and market information relevant to the sector. It is also expected that the government will continue to lead Team Canada missions abroad, which will provide opportunities for Canadian exporters to win potential contracts.

The government has announced that it will build on the successful Team Canada approach with a focussed strategy, developed in consultation with industry, to improve our international economic performance by expanding Canada's trade base and becoming a location of choice for global investment. The centrepiece of this strategy is Team Canada Inc which will provide better service to Canadian businesses by integrating international business development functions across various government departments and with other levels of government. It will serve as an information resource centre for Canadian firms by tapping into the federal government's international network of trade officials.

To focus its trade development resources even further, the government has developed a list of key sectors and markets for export promotion that have been identified as having a high

growth rate in the coming years. The priority sectors are identified in Section 2.2 above; and country action plans have been developed for the following markets: the USA, China, Japan, Mexico, United Kingdom, India, Hong Kong and Germany, Taiwan, Chile and France.

Further trade policy priorities include:

- managing the Canada-US economic relationship;
- strengthening the World Trade Organization as an institution capable of overseeing the operation of the multilateral trading system and conducting multilateral negotiations while providing a stable, transparent, rules-based international trading climate;
- expanding the network of free trade partners; and
- improving international rules governing foreign direct investment and anti-competitive behaviour.

For decades, the government has played an active role in international trade and investment, balancing the many considerations that have led to current policies and programming. The government is already committed to several elements of its policy agenda for the future, such as the WTO agricultural and services negotiations in 1999. Moreover, Canadian policy is already strongly committed to supporting international business development. Rather than endeavouring to change the direction of Canadian IBD policy, many of the strategic options focus on questions of scope, resources, process and timing, while meeting as effectively as possible domestic policy concerns. The top priority is to expand and defend Canada's international business interests.

3.2 Market Access

3.2.1 Initiatives

Canada's market access is best served by a system based on rules which can provide the certainty and predictability that enables long-term business planning. Before investors will commit to plants, equipment, services, and production investments, they look for guaranteed access to markets large enough to permit economies of scale and dynamic efficiencies. At the same time, increased import penetration and inward investment ensures competition at home that leads to competitiveness abroad for Canadian firms.