

Canada's International Trade Agenda

International trade and investment today contribute more to Canada's gross national product than ever before. Over 40 per cent of Canada's goods and services are exported and almost the same percentage is imported. Further, Canada has always imported and now increasingly exports direct investment; in the past three years, Canada has become a net direct investor abroad.

The impact on the Canadian economy and society of this dramatic growth in trade and investment has been pervasive. The industrial structure, jobs and wages, and technology have all been influenced by the increasing integration of Canada's economy into the world economy, particularly since the Canada-U.S. Free Trade Agreement was implemented on Jan. 1, 1989.

By providing the challenge of international competition and by rewarding innovation and related skills, international trade has made Canada's economy stronger, more resilient, better able to create high paying, high skilled jobs, and has better prepared workers to compete. At the same time, it has required more discipline on the part of business and public policy makers. Above all, it has helped shape how Canadians think of themselves in today's world and how others see us, and influenced the interdependencies of Canada's provinces, territories and regions.

Canada's future economic and industrial policy includes a growing role for international trade, investment and technology. Economic growth and job creation prospects are dependent on success in the international forum. International trade and investment is a pipeline to and from the international economy for Canada, providing greater growth opportunities and access to a wider and less expensive range of goods, services, investment, technologies and skills. It has also brought with it the uncertainties of globalization, helping the economy to grow faster and create more jobs than most countries when international conditions are favourable and imposing slow growth, recession and job losses when world conditions are less favourable.

The present time is full of opportunity for Canada and for the international trading system in general. During the past 50 years, global and regional efforts to build up a rules-based global trading system and bring down trade barriers have gone a long way to repair the damage to world peace, prosperity and social cohesion done in the first half of this century. However, the world economy remains less open to trade and investment than it was at the end of the last century; much remains to be done through further international trade negotiations in the WTO and through regional agreements such as the Free Trade Area of the Americas. Because of the increasing interdependence of countries and people, there are more domestic issues and certainly more complex issues than those dealt with in previous rounds of multilateral or regional trade negotiations.