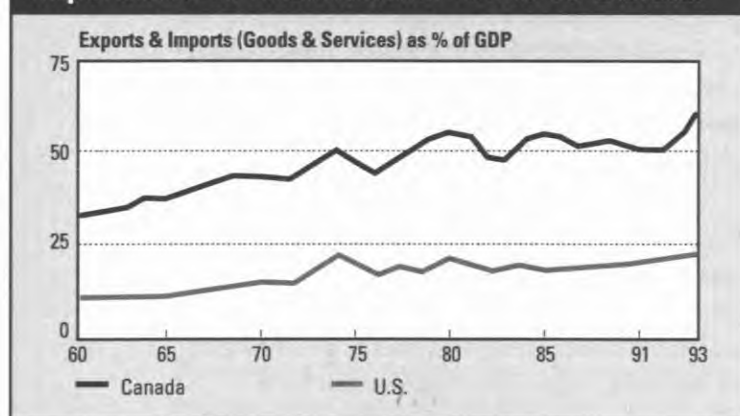


## Strategic Overview

### Introduction: The International Business Imperative

Canada must succeed in international markets. Our prosperity and standard of living depend on our ability to sell globally competitive products and services abroad, attract international investment and acquire global leading-edge technologies. Economic growth, fuelled by our international business performance, will also play an important role in restoring Canada's fiscal health, and is essential to address this country's growing current account deficit (the combination of our merchandise and non-merchandise trade balances). In 1993 alone, this deficit amounted to more than \$30 billion.

#### Importance of International Trade to Canada



Source: Statistics Canada & International Monetary Fund

For most Canadians, however, Canada's success in international markets means one thing — jobs. Exports and investment are key instruments of job creation. Already, some three million working Canadians (one out of every four) owe their jobs

to international trade. By some estimates, each additional \$1 billion in exports creates about 11 000 new jobs — jobs that are likely to provide the kind of rewarding, high value-added employment that Canadians want. Improving Canadian export performance is therefore central to the Government's jobs and growth agenda.

Fortunately, the trade, technology and investment opportunities open to Canadians today are unprecedented. Large potential new markets are emerging for Canadian goods and services in areas of the world that have seen rapid economic growth in recent years, such as Latin America and Asia-Pacific (particularly China and India). In addition, the successful completion of the Uruguay Round and the implementation of the North American Free Trade Agreement (NAFTA), together with the expansion of the European Union, and political and economic transformations in Russia and Central and Eastern Europe, will generate new international business opportunities for Canadian companies.

But seizing these opportunities will not be easy. Growing world markets and further progress in trade liberalization will not automatically translate into additional export sales — or jobs — for Canadians. Indeed, competition will be fierce. Like Canada, other industrialized countries are looking to international markets to provide them with the kind of robust economic growth that their domestic economies can no longer generate.

While the private sector must clearly lead the way, the Government has a vital facilitating role to play in improving the fundamental conditions for attracting investment, exploiting international technologies and expanding exports for growth and job creation.

The priorities identified in this **Strategic Overview** are premised on four broad objectives: diversification, partnership, participation and efficiency.