

Statistics Canada was asked to develop a profile of the Canadian exporting community. This data showed that the 5,000th largest Canadian exporter in 1993 exported goods worth more than \$1.6 million. This export volume has now been accepted as the threshold figure for defining an active exporter.

Statistics Canada found that the number of exporters in this category grew significantly between 1990 and 1995:

Year	Company Count	Growth from Previous Year
1990	3,867	—
1991	3,826	-1.0%
1992	4,297	12.3%
1993	4,999	16.3%
1994	6,126	22.5%
1995	6,378	4.1%

Table 3

This indicates an average annual rate of growth of 10.84% so far this decade: a solid performance. If growth were to continue at this rate until the end of the year 2000, some 10,670 companies would be considered active exporters.¹

2.4 Investment

There are strong links between Canadian trade and investment: about 40 percent of Canada's exports represent intra-firm trade. While foreign direct investment in Canada is at record levels, we are losing global market share to the United States as a destination for such investment. Over the past decade, Canada has lost 6 percentage points of global FDI, while the U.S. has gained 5. Canadian direct investment abroad (CDIA) is increasing faster than FDI but is concentrated in a very limited base of companies. There are over 1300 Canadian-based transnational firms, but Canada has only 3 of the top 100 in the world.

Recently, Canadians have recognized the importance of international investment, and Canada's formal investment rules have been liberalized as a result. Canada has been a leader in promoting international rules for investment. These rules would protect Canadian investors and remove foreign barriers to investment in a variety of international fora.

While Canada has progressively undertaken investment liberalization, concerns remain over the restrictions on ownership investment. Investment policy initiatives therefore will continue to focus on providing an environment attractive for investment in Canada and on providing access and protection for Canadian investors abroad.

The planning environment is dominated by such considerations as:

- Canada's falling share of global FDI;
- a perception/reality gap on Canada's competitiveness;
- the need for more effective marketing tools to promote Canada's strategic partnerships and technology flows;
- cost-sharing between federal and provincial governments, municipalities and the private sector;
- unprecedented pressures on delivery capacity at embassies abroad; and
- the Red Book proposal for a Program for Export Market Development (PEMD) Investment fund for municipalities.

The challenge is to make Canada the NAFTA location of choice for new and expanded business investment. We must inform international investors of the economic renaissance so evident in Canada, and the extent to which Canada's international competitiveness ranking continues to improve. With Canada's dramatic and increasingly-acknowledged turnaround in its economic fundamentals, now is a good time to emphasize Canada's attractiveness to foreign investors.

¹ Statistics Canada does not include services exporters in their data on the composition of the Canadian export community.