

new investment strategy in June 1996, with the following objectives:

- Focus on the world's top five foreign direct investment countries - United States, United Kingdom, Japan, Germany, and France - and Canada's eight investment priority sectors - information technology, life sciences (biotechnology, medical devices and pharmaceuticals), agrifood, automotive, aerospace, forest products, mining, and chemicals & petro-chemicals;
- Emphasize proactive investment development in other smaller markets;
- Increase international investors' confidence in Canada;
- Increase awareness of the advantages of doing business in Canada to serve the NAFTA market;
- Attract new job-bearing international investments to all regions; and
- Facilitate retention and expansion of existing investments.

The June 1996 Government investment strategy identified the following five elements of an effective investment program:

- International marketing of Canada's advantages as an investment location;
- Targeting and customized servicing of specific multinational enterprises (MNEs) in priority sectors, through the formation of a new unit: Investment Partnerships Canada (IPC), jointly financed by DFAIT and Industry Canada;
- Assisting an increased number of Canadian small and medium-sized enterprises (SMEs) to grow through international investment partnerships;
- Systematically identifying and dealing with the factors in Canada's investment climate of potential concern to investors; and
- Forging new partnerships across the three levels of government, and with the private sector, to attract and retain investment in all regions of Canada.

* United Nations, World Investment Report 1997, UNCTAD, Transnational Corporations, Market Structure and Competition Policy

Major Government Initiatives

Government emphasis on Jobs & Growth, the creation of IPC and the involvement of more federal departments have called for a more coordinated and collegial approach to investment development at the federal level, including closer liaison with DFAIT Posts in key investment markets. As part of

this strategy, interdepartmental working groups (Agrifood, Information Technologies, Life Sciences) will be used to guide and coordinate the promotion of investment from Asia, Europe and the U.S. in a systematic way.

This approach is already taking place in some sectors such as semiconductors, where a strong campaign has been launched to define Canadian interests. Five or six regions in Canada have been encouraged to prepare suitable sites and documentation to promote the establishment of chip fabrication plants by making representations to selected firms in these markets. Similarly, working groups are being used successfully as catalysts to promote international investment and trade in agrifood, aerospace, automotive, information technologies and life sciences.

1) The Corporate Liaison Program

Following the release of the KPMG study in November 1997, DFAIT launched a major campaign to disseminate the "good news" messages on Canada contained in the report. Aimed at more systematic "Canadian brand image" building with prospective international investors, the Corporate Liaison Program, which is the cornerstone of the investment development program at Canadian missions abroad, is perhaps the best vehicle to convey this important national message to international investors.

The program, supplemented by "back-to-back" visits to subsidiaries in Canada, consists of formal meetings between Heads of Mission or senior staff at Canadian posts abroad and executives of foreign companies. An effective corporate liaison program for a country like the United States, that already has many subsidiaries in Canada, includes calls on Canadian (or North American) affiliates followed by calls on the parent's head offices in the home country using the information and intelligence gathered from the subsidiaries in both countries.

The objectives of the corporate liaison program are to develop a dialogue with selected firms in order to: gather intelligence on the company's investment plans; gauge their interest in and knowledge of Canada; uncover perceived barriers to investing in and doing business with Canada; provide information on Canada and its sectoral and high-technology assets; facilitate investments and business partnerships and influence their views on Canada and important Canadian policy positions. The program also helps to develop long-term relationships with these companies before an investment decision is imminent.