

markets of Asia-Pacific and Europe. We see it as a stepping stone to all three markets, just as the Europeans see 1992 as a strategic necessity in the face of North American and Japanese competition. It is a key part of what Ontario Premier David Peterson has correctly described as 'a winning formula'.

However, we also recognise that the ability to compete and participate worldwide is irrelevant without opportunity. That's why we want to make multilateral progress in the GATT – progress on such difficult issues as agricultural trade, procurement, technical barriers and trade in services. It is hoped that this progress will maximise trade and investment flows among the three mega markets.

That is what we mean by a 'three-pillar strategy': the Free Trade Agreement is the key to Canadian competitiveness, and freer trade through the GATT is our door to opportunity in all three mega markets.

#### **Force for freer trade**

That's where 1992 exercise comes into play – because it is the link between the 1992 Community reforms and the external GATT commitments of the European Community that will determine what 1992 ultimately means for Canadian firms and Canada.

I strongly hope that 1992, like our own Free Trade Agreement, will be a force for freer multilateral trade, with the rules extended on the basis of most-favoured-nation and national treatment. It is in the interest of the Community to do so. But because of the disparities within the Community, I have no doubt that protectionist forces will be at work. They must not prevail.

It is our hope that the 1992 process does not

successfully roll back the frontiers of states within Europe, only to see them reimposed at the Community level.


#### **Three-fold plan of action**

In light of these economic realities, and the uncertainty over the details of 1992, our government action plan for 1992 is three-fold.

First, we will continue to use the GATT as a framework for Canadian-Community trade relations. We want to build on the existing GATT codes; to devise new rules for trade in services and investment; and to restore order in agricultural trade. The issues are, of course, difficult at the best of times. They will, we hope, be made easier by the architects of 1992. We must soldier on, building on the agreement reached earlier this year in Geneva.

Second, our government will continue to monitor 1992 developments closely, and alert Canadian firms about the opportunities and risks ahead. David Culver – Chairman and CEO of Alcan Aluminium Ltd, and a member of the International Trade Advisory Committee – is leading the task force on 1992 that is advising the government. Our missions and embassies are keeping their eyes peeled, and working groups have been created within the government to provide detailed analysis.

Third, we want to encourage strategic corporate alliances and promote two-way investment, recognising that the Community is already our most important overseas source of direct investment.

So that will be the basic Canadian trade strategy for the 1990s – three-pillar strategy, with the FTA as the key to competitiveness, and multilateral rules as the bridge between the three pillars of Asia, Europe and North America. 

## **UK company exploits new opportunities created by Free Trade Agreement**

The Free Trade Agreement between Canada and the US – which went into effect on January 1 this year – makes Canada an even more attractive base for UK Companies thinking of expanding overseas.

Not only does it help those companies win direct access to the entire North American market, but it also helps them participate in the new global economy which is now being shaped and which will fully emerge in the early 1990s.

One company that has recently invested in Canada – to a large extent because of the new Free Trade Agreement – is Laporte plc. It is Britain's second largest independent chemicals company (after ICI) and the only UK chemicals company able to claim an unbroken record of growth in profits since 1980.

In December last year, it acquired Terochem Laboratories Ltd of Alberta, as part of its on-going strategic programme to move into the

world's major markets for high-margin speciality chemicals.

The company now has six major speciality businesses – in addition to its original hydrogen peroxide business. Its acquisition of Terochem has given it the platform it needs for expansion into the North American market.

Terochem is one of the leaders in fine organic chemistry, enjoying worldwide recognition for the quality of its research, process technology and manufacturing skills. Its acquisition will ultimately enable Laporte to double the size of its operations in this field.

With that objective in mind, Terochem will soon be announcing the purchase of land just outside the city of Edmonton, where it plans to build major new facilities. When the expansion is complete, it will make Laporte one of the largest suppliers of high-grade pharmaceutical intermediates in the world.