

fluctuations in exchange rates and rapid changes in demand and supply patterns for products associated with the leading edge of technological change. The relative weight of these factors in the trading environment varies across Canadian markets.

17. For Canadian exporters, especially in the area of resource products, world market prospects are for slow growth, with existing oversupply and new competition coming on stream. For example, in agriculture, the pursuit of self-sufficiency policies in major importing countries, the entry of new exporters and the shortages of foreign exchange in developing and centrally-planned economies, may continue to have a dampening effect on world market prospects. In metals and minerals, Canadian producers are, on the one hand, frequently competing against new materials and products. On the other hand they are confronted by competition from developing countries which often have lower costs and, in some cases, enjoy preferential access to markets in a developed country. Competition for advanced technology products is especially tough but there is scope for Canada to increase exports in areas such as urban transportation, telecommunications and power generating equipment. Canada can compete in the changing international trade environment if our export industries are competitive and enjoy secure and enhanced market access.

18. Over the past several years, there has been a shift in Canada's export picture in terms of market concentration and market opportunities. Three distinct elements characterize this trend.

19. First, the United States has become overwhelmingly our most important export market. Canadian exports to the U.S., including those under the Autopact, are 14 times our exports to our next most important market. The growth in the U.S. market for Canadian exports in 1984 was more than