Trade and investment

The Canadian private sector is now recognizing Africa as a new horizon for Canada's trade and investment efforts. Canada's direct investment in Africa grew from $233 million in 1989 to $687 million in 1996. This is a trebling of direct investment in seven years. Fifty per cent of new mining activity in Africa involves Canadian firms.

Canadians want assurances that mining investments contribute to developmental goals. The Mining Policy Research Initiative at the International Development Research Centre will focus research on mechanisms to ensure that the extensive mining activity in Latin America and the Caribbean promotes sustainable development. The goal is to maximize the mining industry's contribution to growth and distributional equity. Canadian companies have also taken the initiative to develop a voluntary code of conduct related to their activities abroad.

Canada's General Preferential Tariff is among the most generous regimes in all the industrialized countries. This preferential regime is unconditional, transparent and predictable and has been recognized by the UN Conference on Trade and Development (UNCTAD) as a model. In 1996, 81 per cent of exports from all least-developed countries entered Canada duty-free; of these exports, 98 per cent were exports from African least-developed countries.

Canada is committed to working with the poorest countries to improve their capacity to take advantage of preferential access to world markets. Without such capacity, providing market access has little impact. The Trade Facilitation Office of Canada assists developing countries to find markets for their goods in Canada. During last fall's Commonwealth Heads of Government meeting in Edinburgh, Canada announced it would contribute $1.4 million to the new Trade and Investment Access Facility, which will assist developing countries to adjust to, and take advantage of, the opportunities presented by globalization.

A World Trade Organization/UNCTAD/International Trade Centre high level meeting was held in Geneva in October 1997 to address the problem of marginalization for least-developed countries. The meeting was initially proposed by Canada and was a significant success. It resulted in an integrated framework for trade-related technical assistance which will be the basis for the activities of the multilateral and bilateral donor agencies. In total, needs assessments and integrated responses of 34 countries have been completed and plans are under way to hold seven round tables in 1998 to discuss the implementation of individual country programs.