

### ...and to South/Central America in 1998



Source: DFAIT/Trade and Economic Analysis Division (EET)

Canadian exports to **Eastern Europe** are expected to grow by approximately 4 percent in 1999 – on the heels of average annual growth of nearly 30 percent from 1992 to 1997. The capital stock, which is largely obsolete, will need to be supplemented or replaced in order for a firm recovery to take hold. This will present significant opportunities for potential Canadian suppliers.

Troubles in **Russia** will continue to dampen Canadian exports to this country, which are expected to fall by 1 percent in 1999. A turnaround in investor confidence will be difficult to achieve as long as the quality of corporate governance remains low; the fiscal crisis continues to fester and the country's industrial machine remains virtually obsolete.

A further cooling of markets is expected in the **Middle East and North Africa**, principally owing to the fall in energy markets and unprecedentedly low prices for crude. However, Canadian exports to this region are expected to grow by an average annual rate of 8 percent for the duration of the planning period.

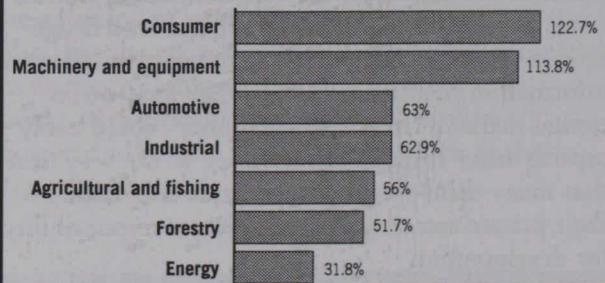
Economies in **Sub-Saharan Africa** continue to be affected by soft commodity prices, poor weather conditions, armed conflicts and economic mismanagement. There are some signs for optimism, with at least a few countries poised to gain economic momentum in the longer term.

## 2.2 INDUSTRY SECTOR HIGHLIGHTS

As all sectors of the Canadian economy export to some degree, the government engages in trade promotion initiatives across the broad spectrum of industry. Attention is focused, in particular, on twelve high-performance sectors in which government works with industry, through groups called Trade Team Canada Sectors (TTCSSs), to develop and implement trade promotion activities. These Trade Team Canada Sectors include both traditional, large exporting industries, and a number of new and emerging high-technology sectors, in both goods and services. They include the following:

**Trade Team Canada Advanced Manufacturing Technologies (AMT):** The AMT sector provides the key enabling technologies for firms to compete successfully and become world class. Canada has a growing and diverse community of suppliers, with some 550 companies making shipments of over \$3 billion annually – 70 percent of which is exported. Global exports are growing at a rate of more than 10 percent yearly, and now account for more than 6 percent of world trade. Almost three-quarters of industry exports are to the U.S.

### Canadian export growth between 1993 and 1998: the composition of exports continued to change...



Source: DFAIT/Trade and Economic Analysis Division (EET)

**Trade Team Canada Aerospace and Defence:** The industry is a leading advanced technology sector, with over 70 percent of its production sold in export markets. The Canadian aerospace industry includes suppliers of regional and business jets, helicopters, propulsion, major systems, electronics parts and components.