

1. International Business Development Goals and Challenges

There is no scenario for future economic and industrial policy in Canada that does not include a significant and growing role for international trade, investment and technology. Canada's economic growth and job creation prospects depend on our success in the international arena.

Recognizing the pre-eminent importance of trade and investment to Canada's economic growth and prosperity, the government has set three goals to guide its International Business Development (IBD) efforts:

- become the world's leading trading nation
- become the location of choice for investment in North America
- exercise leadership in global trade liberalization

By achieving these goals we will create the environment for new high-quality jobs.

To realize the above goals and not lose ground to our competitors, we must address five major challenges:

- improve access in key markets
- increase the number of firms exporting
- broaden our export product range
- diversify exports beyond the U.S. market
- improve our share of global inward investment

The government is addressing these challenges by focussing its activities on four main areas:

- market access
- export capability and preparedness
- international market development
- attracting foreign direct investment

2. Canada's Trade Performance

Building on the success of recent years, Canada's exports of goods and services for 1997 increased by 7.4% to reach a record level of \$343 billion. This represents an even stronger increase than in 1996, when export growth was 5.7%. Canada's trade surplus in 1997 was \$23.4 billion, down from the record surplus of \$41 billion in 1996, reflecting higher levels of imports. Higher imports, in turn, reflect Canada's booming domestic economy.