Export financing and capital projects

The Department's Export Finance and Capital Projects Division continued to ensure that export financing facilities available to Canadian business are competitive and are used effectively to advance Canada's trade interests while satisfying international obligations. It reviewed proposals for the use of official funds to support Canadian export sales and monitored Canadian procurement under projects financed by development banks and other international financial institutions. It harmonized Canada's trade development and aid programs and advised exporters on export financing matters.

During the last fiscal year, the Division's mandate was expanded to include issues pertaining to procurement through International Financial Institutions (IFIs) as well as capital projects. Under this mandate, it developed and implemented an action plan aimed at improving Canada's performance with respect to IFI procurement which, among other things, led to the establishment of an Office for Liaison with International Financial Institutions in Canada's Washington embassy. The Division was also actively involved in discussions with the trade development divisions in External Affairs and with DRIE to find ways of improving the dissemination of information on capital projects to the business community and working with exporters to pursue specific opportunities.

The Division played a major role in preparing the consultation paper on export financing which was released jointly by the Minister for International Trade and the Minister of Finance in January 1985, and in organizing the ensuing consultative process with the private sector and the provinces. As part of its responsibility for export financing policy, the Division represented the Department at international meetings in 1984 which led to a decision by OECD ministers, supported by Canada, to strengthen the guidelines governing the use of concessional financing by official export credit agencies.

In its role as the Department's principal link with the Export Development Corporation (EDC) and the Canadian Commercial Corporation, the Division was actively involved in policy and operational issues concerning budgets, corporate plans and specific export transactions.

Tourism program abroad

Tourism plays a significant part in Canada's international trade. The Department has responsibility to deliver Canada's tourism program through officers at posts abroad, in the two distinct world markets — overseas and the United States.

To expand Canada's share of the world travel market, efforts were focused in 1984 on increasing both the numbers and the expenditures of foreign tourists in Canada. Priority markets were Japan, the United Kingdom, West Germany, France, Mexico, Australia, the Netherlands, Italy, Hong Kong, Switzerland and Sweden. Particularly in these markets, the tourism thrust was directed towards the affluent, special interest traveller. As well, travellers visiting friends and relatives were encouraged to extend their stay in Canada.

In 1984, tourism from both the United States and overseas markets increased. Long-term visits from the US (i.e. over 24 hours) rose 3.5 per cent to 11.3 million, while expenditures grew 18.5 per cent to $3.5 billion. From overseas, visits increased 6 per cent to 1.9 million and expenditures were up 8 per cent to $1.3 billion.

Special trade relations

Textiles and clothing

In 1981, Canada announced a policy for the textile and clothing sectors which had the objectives of fostering a viable and competitive domestic industry and revitalizing those communities most vulnerable to foreign competition. Together with domestic measures to stimulate modernization and adjustment, the policy involved the negotiation of bilateral restraint arrangements with low-cost exporting countries to limit imports into Canada during the period 1982-86. By March 31, 1985, Canada had concluded bilateral arrangements with 21 suppliers of low-cost textile and clothing products. These bilateral arrangements were in keeping with the Multi-Fibre Arrangement (MFA), to which most major developing and industrialized countries are parties.

The levels of imports of textile and clothing products into Canada were subject to ongoing surveillance to ensure that low-cost products do not cause excessive disruption in the Canadian market, yet to allow a gradual increase in the quantity and variety of low-cost imports. In 1984-85, this monitoring program resulted in the negotiation of two new arrangements with Indonesia and Mauritius, as well as the addition of 11 new product restraints to previously negotiated arrangements. In total, 90 per cent of clothing imports from low-cost sources were subject to restraint under the bilateral arrangements.

The current MFA expires on July 31, 1986, while Canada's bilateral arrangements terminate on December 31, 1986. Against this background, the government initiated, during the year, a full review of Canada's textile and clothing policies with a view to considering new approaches for strengthening the competitive position of these important industries in the post-1986 period.

Footwear

In 1984, the government announced that quotas on imports of footwear would be extended for one year from December 1, 1984, to November 30, 1985, and that the Anti-Dumping Tribunal would conduct a thorough examination of the Canadian footwear industry, including the need for continuation of special measures of protection. The Tribunal is to report to the government in June 1985.

Beef imports

In response to a large increase in imports of low-priced beef, primarily subsidized imports from the EC, the government announced, on December 21, 1984, that imports of beef and veal would be restricted in 1985 pursuant to the provisions of the Meat Import Act. A global quota of 66 500 was established, with individual country allocations being set for the EC, US, Nicaragua, Australia and New Zealand.

Motor vehicles

Discussions with the Japanese government led to the renewal by Japan for a fourth year of its undertakings regarding restraint of motor vehicle exports to Canada.

Telecommunications

Work continued on a proposed multilateral agreement which would liberalize the terms of access for telecommunications