



business. The missions represent a significant investment by both government and the private sector. They are highly visible and they work. For this reason, DFAIT will establish a Team Canada Mission Unit to plan and coordinate all related events and to develop a longer-term strategic approach to such missions (timing, destinations, themes, participation, pre- and post-mission activities).

This Team Canada approach is harnessed at the sectoral level through the National Sector Teams which provide a vehicle through which to coordinate sector stakeholders' IBD efforts. Private sector members join public sector representatives at both the federal and provincial level to develop and implement coordinated, sectoral IBD strategies and action plans through Canada's International Business Strategy. Through extensive consultation among team members and Canada's Trade Commissioners abroad, plans and activities are identified that reflect the interests of Canadian companies, ensure focussed and coordinated use of IBD resources, and match Canadian capabilities with foreign opportunities. The National Sector Teams will pursue a renewal and revitalization program which will, during this planning period, result in Teams focussing on sectors where Canadian opportunities are the greatest.

Broadening the Export Product Range

An efficient and effective trade development programme must remain consistent with the changing composition of Canadian exports. Over the past 32 years, resource-based exports fell from 43% to 18% as a proportion of total merchandise exports. Meanwhile, end products and semi-manufactures increased from 57% to 82%. At the same time, the share of Canada's total services export represented by commercial services (telecos; computer and information services; insurance and financial services; and engineering, architectural and other services) expanded from 20% in 1969 to 37% in 1994. The shift from a resource base to a more advanced industrialized economy is set to continue as Canada's foreign trade pattern moves to a knowledge-based economy.

New initiatives are designed to tap this growing potential:

- Having established a network of Canadian Education Centres in Asia, we plan to establish additional centres in Latin America, the Middle East, Europe, South Africa and the USA to recruit more foreign students and to market Canadian education services.

- In partnership with the private sector, the government will market its public sector expertise more effectively abroad, in such areas as elections management and auditing practices.
- We will reinforce the ability of Canada's cultural sector to market its products internationally.
- We will capture adequate data for service industries.
- PEMD Trade Association agreements are targeted for expansion.
- World tourism is projected to grow 7% annually until 2005. We must capitalize on this and promote Canada as a top choice tourist destination.

These initiatives require funding from one of two primary sources: incremental resources for IBD program spending; or re-allocation of existing resources within the envelope. In the current climate of fiscal restraint, it is extremely difficult to formulate and implement new trade development strategies. Without new resources, we are faced with relying on better management and more effective implementation, focussed on sectoral and market priorities and improved delivery.

3.4.2 Performance Measurement

The performance measurement strategy for strengthening international markets is presented in Annex 1.

3.5 Investment Development

3.5.1 Initiatives

Between 1980 and 1994, Canada's share of global FDI fell from 11% to 5%, while the U.S. share increased from 17% to 22%. Canada's success in increasing its share of foreign direct investment is challenged by increased and intense global competition for international investment, particularly from rapidly expanding markets outside North America and Western Europe; increased competition among multi-national enterprise (MNE) affiliates for product and research mandates; and a wide range of generous incentives offered to foreign investors by competing jurisdictions, most notably by a number of states and municipalities in the United States.