
Section Ten: Using Your Existing Contact Base

Canada represents the largest export market for the United States, receiving 22 percent of all U.S. exports. Similarly, the U.S. is Canada's largest export destination, receiving some 72 percent of Canadian goods and services exports. Literally thousands of Canadian companies have some form of daily business interaction with Americans - interaction and contacts which the engineering community could conceivably draw upon in some manner in entering the U.S. market.

Similar patterns are displayed in the direct investment area, where Canada is resident to 18 percent of all U.S. foreign direct investment, and in turn represents the fourth largest foreign investor in the United States after the United Kingdom, Japan, and the Netherlands.

Given this degree of interaction, it would be unusual for a Canadian engineering firm to not have among its existing client base a selection of companies with some form of connection to the United States. In our view, Canadian firms interested in penetrating the U.S. market should be more active in drawing upon these contacts in order to advance their own interests. Such contacts would be most beneficial in those instances where Canadian engineering firms have provided services, where the client is pleased with the services, and where U.S. contacts of the client may be undertaking similar activities and have a need for similar services. This then represents a natural means of opening a door to a potential opportunity.

These and other similar channels are discussed in the following paragraphs.

10.1 Foreign Companies with Canadian Investments

Canada has the heaviest reliance upon foreign investment of any of the world's industrialized nations. This characteristic was established during the 1890-1930 period, when the nation's Industrial Policy caused many foreign companies to establish in Canada to avoid paying high tariffs. The characteristic was reinforced during the period following the Second World War, as Canadian policy-makers emphasized the benefits of foreign investment.

Presently, some 175 of the largest 500 corporations in Canada are foreign-controlled. Of the entire manufacturing industry asset base in Canada, approximately 55 percent is controlled by foreign interests. Within manufacturing, the following industries have substantial levels of U.S. direct