

The modest number of regional events in October 1999 is seen as a transition to a full-blown "Canada Export Week," scheduled as a millennium event in the spring of 2000. EDC will take the lead in establishing the export concept nationally in partnership with its corporate sponsors, Team Canada Inc, Chambers of Commerce, The Alliance of Manufacturers and Exporters Canada, and the provinces. Three key elements of Canada Export Week are:

- export seminars, workshops and round-tables across Canada targeting SMEs, young entrepreneurs and educational institutions;
- an Executive Trade Symposium targeting executives of major Canadian enterprises, senior government trade, finance and industry officials and the academic community;
- the Awards gala, an evening of tribute to Canada's top exporters and an annual celebration of Canada's success as one of the world's leading trading nations. This will target a business and government audience.

These elements will seek to create a critical mass of related activities to focus awareness and attention on the importance of trade and investment to Canada's current and future prosperity.

3.4.2 PERFORMANCE MEASUREMENT

The performance measurement strategy for international market development is presented in Annex 1.

3.5 INVESTMENT DEVELOPMENT

3.5.1 INITIATIVES

The continuing process of globalization has brought about substantial changes in international business trade and investment. This is contributing to a pattern whereby sources of goods, services, and materials are increasingly global, but delivery of end products is becoming increasingly localized. For successful global companies, investing abroad has become critical to securing and enhancing markets. Investment and trade are thus complements, not substitutes.

One critical dimension of the ongoing process of globalization has been the tremendous growth in FDI. Between 1980 and 1995, global FDI stock as a percentage of world GDP doubled to 10 percent. In 1996 the stock of FDI-in reached US\$3.2 trillion, a 13-percent increase over 1995.

Canada is heavily integrated into the global economy, and its continued economic well-being is highly dependent on both FDI in Canada by foreign-owned enterprises, and increasingly on FDI outside Canada by Canadian-owned companies. While Canada continues to draw large amounts of inward FDI in absolute terms, our relative share has either stagnated or declined. For example, Canada's share of global FDI-in has remained constant at 4 percent of world total, after falling from 11 percent between 1980 and 1995. Canada's decline in share of world FDI-in is the result of intense competition for international investment not only from such emerging markets as China, India, Mexico and Brazil, but also from developed countries like the U.S., the U.K. and Ireland.

The factor has been compounded by increased competition among TNC affiliates in various countries for Global Products Mandates (GPMs), as well as generous incentives offered to foreign investors by competing jurisdictions, particularly by a number of states and municipalities in the U.S. One key factor in reversing this trend is attracting and building GPMs within Canada. GPMs, under which a subsidiary undertakes a range of activities for the world market, are fundamental to TNCs' long-term growth prospects. These are becoming increasingly common as TNCs rationalize and merge their operations.

The strategy to attract and build GPMs could be juxtaposed to the federal government's strategy, begun in 1996, to attract, retain and expand international investment in Canada. This strategy, an integral part of the government's Jobs and Growth Agenda, provided a broad framework for federal foreign investment promotion activities and involved a focused marketing approach in respect of priority markets, target sectors and specific firms in the world's top investing countries.

The strategy has five elements:

- marketing "Brand Image Canada" as the cost-competitive NAFTA location of choice, and highlighting the country's investment strengths;
- vigorously pursuing the attraction, expansion and retention of investment from Canadian and foreign MNEs in priority sectors and key markets;
- continuously evaluating Canada's investment climate with a view to addressing potential concerns from foreign investors;
- assisting Canadian SMEs to pursue appropriate partnering opportunities with foreign companies in selected sectors and venues;