

## Minister Marchi Launches Free Trade Negotiations with EFTA

The first negotiating session for free trade with the countries of the European Free Trade Association (EFTA) — Norway, Switzerland, Iceland and Liechtenstein — was held in Ottawa, October 14-16. When complete, the negotiations will lead to the first transatlantic trade agreement between Europe and North America.

An agreement with the EFTA would reduce tariffs on exports of Canadian goods entering EFTA countries. Exports to EFTA countries were valued at \$1.2 billion in 1997.

An agreement would also put Canada on equal footing with competitors that already have their own free trade arrangements with the EFTA; enhance Canada's attractiveness as an investment location; and

offer the opportunity for more open and stable international investment rules and freer trade in services.

Canadian sectors that stand to benefit from a successful agreement include agricultural products, lumber, machinery and a variety of manufacturing industries.

In announcing the launch of the negotiations, International Trade Minister Sergio Marchi noted that

the Government has consulted extensively on this initiative and that any agreement reached would not interfere with vital Canadian interests, including Canada's ability to set policy in culture, health care, education, social programs, the environment, labour standards, supply management and natural resources management.

## NorthStar Shines New Light on Quebec Small Businesses

The national leader in providing innovative small-business export finance solutions, NorthStar Trade Finance Inc., is extending those solutions to businesses in Quebec with the opening of its new office in Montréal. That's good news for Quebec entrepreneurs, who will be able to expand their activities on world markets at a time when exports account for more than 50 per cent of provincial gross domestic product.

Quebec entrepreneurs will now be able to tap into the \$180 million in loan capital that NorthStar has been providing to small and medium-sized enterprises since 1994. Based in British Columbia, the 18-employee NorthStar also has offices in Calgary and Toronto.

"As a young and small company," explains NorthStar president Scott Shepherd, "we are very much attuned to meeting the specific requirements of small exporters, who may be new to international markets."

### Equal footing for Quebec exporters

NorthStar provides fixed-rate medium-term loans — ranging from

\$100,000 to \$3 million — to a Canadian company's foreign buyer. The loans are secured by a registered lien over the exported goods and are insured by Export Development Corporation (EDC).

"The key element," says Pierre McCann, NorthStar's vice president, Quebec Region, "is that exporters are able to offer buyer financing even for sales of relatively low dollar value." This capability puts small companies on more equal footing with larger international competitors.

### Teaming up with Team Canada

NorthStar was formed in partnership with the federal government

through EDC and Western Economic Diversification, the provincial governments of B.C. and Ontario, and the private sector through Dalhousie Financial Corporation and Bank of Montreal. Royal Bank of Canada later invested.

Earlier this year, the company provided 19 loans to participants of the Team Canada 1998 Trade Mission to Latin America.

For more information on NorthStar, contact Pierre McCann, vice president, Quebec Region, tel.: (514) 874-3366; or Scott Shepherd, president, tel.: 1-800-663-9288; Internet: <http://www.northstar.ca>