

Any emphasis on greenfield/joint venture investment must also incorporate an industry-specific context. For example, Travel and Tourism, already the largest industry in the world in terms of revenues, also creates twice as many jobs as the average of other industries for the same amount of investment.

### **The Use of Strategic Alliances**

Strategic alliances are among the most frequently utilized forms of foreign investment in Canada. Alliances are typically chosen when the investor requires local knowledge. While much more profitable than acquisitions for the investor, alliances are nonetheless less profitable than greenfield investments.

The Trade Commissioner can argue that Canadian firms may be the ideal alliance partner because of their demonstrated comfort and competence in dealing with firms from all three areas of the triad -- USA, Europe, and Asia. No other country can make that claim. Canadians know the American market better than any group of foreign investors. At the same time, Canada's historic European ties, and more recent Asian links, mean an ability to move easily between the various cultures. No where is this truer than in Toronto, which is the world's most multicultural city.

### **The Role of Technology**

Foreign investors look at technology from several perspectives. First, is there a sufficiently educated workforce to produce the particular technology? Canada has one of the most highly educated workforces in the world, with ample competence in CAD-CAM and other areas.

Second, do the development clusters of technical people exist? Canada has clear strengths in various regions in such areas as telecommunications and software, as well as certain market niches.

Third, is there a large domestic market for high technology goods and services? With a population of nearly 30 million high income consumers, the Canadian market is clearly large enough in many technical areas to justify investment. All of these points can be highlighted by the TCS to allay concerns and highlight opportunities for potential technology-oriented investors.

### **CONCLUSION**

Should Canada decide to move forward with the idea of having the trade commissioners facilitate investment, numerous organizational issues arise. For example, what will this mean for the organizational structure of the TCS? What will the new links be between the TCS and groups such as Investment Canada, and the provincial and municipal governments? Will the trade commissioner at the post who identified the potential investor have to be the same person who now organizes junkets to Canada? These organizational questions require resolution but are secondary to the strategic issue.