

6.3.2 Related Analysis and Policy Issues

The creation of an extensive database providing detailed linkages between businesses and trade and investment performances allows for the analysis and policy considerations of a variety of issues. Statistics Canada has identified the following issues that could be addressed with this data:

- What is the performance (growth, profitability, capitalization, etc.) and characteristics (size, industry/commodity, province) of firms?
 - which are importers? exporters?
 - which have a foreign dimension of ownership and control?
 - which trade internationally?
 - which have no external links?
- Is there a relationship between goods and services trade? Does merchandise trade generate services trade and/or vice-versa? Does this relationship reflect vertical integration of firms? horizontal diversification?
- Is there a strong link between country of control and the country with which a transaction is made? Is there a difference for goods and services trade?
- Do Canadian-controlled businesses invest in the same industry abroad and vice-versa? What are the linkages between trade and foreign investment? Are they alternate forms of delivery of output to a market (perhaps characteristic of an industry) or is the relationship a function of size and age of firms?
- Is there any indication of a substitution between foreign direct investment and exports on an industry basis? For services trade, do parent-subsidiary links encourage imports?
- Is there a substitution between domestic investment on plant and equipment and direct investment abroad? What are the specific factors (input costs, resource availability, market proximity) which influence a corporation's decision on the location of investment in the domestic or foreign market? Is "industry" the key factor in answering these questions?
- What are the implications of the commodity and industry profile of exports, imports and foreign investment to the Canadian economy in terms of income generated, employment, etc.?
- Is there a concentration of any of these foreign activities in a relatively small number of firms?
- What are the geographical dimensions (international and provincial) of foreign direct investment (sources and destination), exports and imports?