

MOST PROMISING SECTORS FOR CANADIAN EXPORTERS

figures are available), 22 per cent of the activity of venture capital firms was related to biotechnology. Canadian companies have the opportunity to capture some of this investment.

As well, the consolidation and restructuring of the industry — leading to the cooperation of biotechnology and pharmaceutical companies in research and development, trials, and marketing — will produce opportunities for Canadian companies in contract research and manufacturing.

Telecommunications

Telecommunications imports by the United States increased in 1994 to an estimated Cdn\$26 billion. While a large proportion of these imports were products which Canada does not produce, (e.g. facsimile machines), Canadian industry has, nonetheless, captured more than a 10 per cent share of the import market.

The United States is the primary export market for Canadian telecommunications companies. In fact, the vast majority of Canadian manufacturers in this sector export some of their production to the United States.

The United States will continue to offer numerous export opportunities for Canadian firms. For example: the trend toward the deployment of fibre optic cable at the local level will generate growth in both fibre optic equipment and new network equipment; the development of wireless personal communications services will increase demand for radio base-station equipment, satellite antenna systems, and new wireless customer premises equipment.

Canadian companies have developed strength in the growing field of computer-telephone integra-

tion. Growth continues strong at the grass-roots level, with expansion of Internet use increasing, cable TV subscribers increasing at two million per year, and cellular telephone subscribers increasing at 8 million per year.

Cultural Industries

The U.S. arts and culture industry is dynamic and complex. It includes cinema and video, recording, publishing, performing arts and visual arts. The cultural sector is a highly lucrative market for Canadian show business.

The most flourishing sectors are publishing — both royalties and finished product — which generated \$120 million in 1994, and cinematography, which is estimated at \$132 million (for U.S. television shows and films shot in Canada). The U.S. market is also interested in Canadian recordings, performing arts and visual arts.

This market is a natural extension of the Canadian market. Canadian companies have an advantage over other countries when it comes to doing business with Americans. The two countries' geographic and cultural proximity foster the formation of solid business relationships. Everything that sets Canada apart, in fact or fiction, from its southern neighbour seems to work to Canada's advantage. This observation applies to all cultural media. Consequently, this market offers Canadian show business highly attractive outlets for the years to come.

In its latest foreign policy statement, the Canadian government stressed the importance of projecting Canadian culture and values as a means of affirming Canada's presence and enhancing its influence in the world. This strategy will promote increased exports of Canadian cultural goods and services.

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