

- the importance of investment capital;
- the value of a well-trained and motivated work force;
- managing both people and technology;
- the value of strategic partners;
- technology access and diffusion; and
- market access.

Your industry depends upon trade. Overall, exports represent 75 per cent of the information technology industry's total production. And the growth of exports of the Canadian software industry has kept pace with the rapid expansion of software markets around the world. Canada's prosperity is also founded upon trade. Canada earns over 25 per cent of its income from trade. This is twice the percentage for Japan and more than double the comparable U.S. figure. And in order to prosper in that fiercely competitive global marketplace, Canadian companies -- in this sector and throughout the economy -- are facing some very tough challenges.

The world doesn't wait for you. You have to go out and capture those markets. Those markets aren't going to sit by while you train your personnel, or complete your R&D program, or find that new source of financing. You have to move fast if you want to keep up with a marketplace that imposes new requirements and new demands every day. At the same time, as Canadian companies, you have been able to take advantage of one of the most competitive economies in the world. In fact, the Geneva-based World Economic Forum ranks Canada's competitiveness as fifth out of the Organization of Economic Co-operation and Development nations, but we have slipped slightly from fourth place two years ago. Canada was not always so well-regarded as a place in which to do business. In 1984, for example, we were ranked in eleventh place over all. That was before a new government created its Agenda for Economic Renewal -- an Agenda that has been at the heart of government economic policy since 1984.

The Agenda for Economic Renewal includes deficit reduction, deregulation and privatization. It includes modernizing and streamlining Canada's intellectual property laws. The Agenda also includes the Free Trade Agreement with the United States, which secured and enhanced market access to our largest trading partner. The Going Global initiative, that has opened markets in Europe and the Pacific Rim, is also a part of the Agenda and continues to expand its trade horizons through the proposed North American Free Trade Agreement. The Agenda for Economic Renewal has gone a long in providing a fiscal and regulatory environment for business to grow.

But there are other issues we have to look at if we are going to ensure Canada's future ability to compete. In my view, there are five key issues -- and I would like to look at each of them now.