

CONCLUSION

The overall resources for international business development are under pressure as part of the overall policy of fiscal restraint of Canadian governments. Yet fiscal restraint implies that growth must be export-led, which will lead to increased pressure on international business development programs. At the same time the pressures for fiscal restraint are resulting in some retrenchment of the dispersion of international business development activities across the federal government and among the provinces that occurred in the 1980s.

Apart from the special case of Quebec, there is much more interest in a Team Canada approach to international business development. This may involve more private sector participation, either through contracting out or through fee for service activities. However in searching for the appropriate model or vehicles for international business development, it is important to recognize the strategic role of government in advocacy of Canadian commercial interests. Clearly Canadian governments have less capacity to engage in competitive export financing initiatives.

A number of factors, increased competition in the resource sectors, the need to reduce Canada's overall current account deficit, and the implementation of the Uruguay Round under the World Trade Organization are sources of pressure to expand and to diversify Canada's exports. This diversification pressure will be market-driven, but raises some challenges because of the strong role of multinational enterprises in the Canadian economy. Participation in multinational production networks may facilitate globalization of Canadian business, but foreign-based multinational firms may rely upon advocacy of their business interests by other trading powers. Sometimes this may work to the advantage of Canadian interests, other times it may not. For example a Canadian supplier to a multinational may suspect, or the Canadian subsidiary of the multinational may know, that its interests are being damaged by discriminatory practices in foreign markets, yet be unable, or unwilling to document the complaint about foreign practices.

The ability of Canadian enterprises to compete effectively in the global marketplace depends upon the capability of the federal government in conjunction with the private sector to make the new international trade agreements work for Canadian interests. This will require a reorientation of a trade commissioner service which is already subject to fiscal pressures. It will also require support from Ottawa to commit resources to document impediments to Canadian business and to build cases that can be used for advocacy, either through bilateral lobbying or through formal dispute settlement channels. Although domestic framework policies influence the overall competitiveness of the Canadian economy, it will be the vigilance of the federal government in monitoring the implementation of international trade agreements and the effectiveness in advocating Canadian interests that will make or break competitive opportunities for many Canadian enterprises in the global marketplaces.

23

24