

Canada is sometimes difficult. How best can government programs abroad complement private sector activity? Would Canadian industry lend experienced personnel to the government to identify important new technologies abroad and to direct this information to the companies who need it?

Not all advanced technology is available simply for the buying. In some fields, unless we have our own, complementary programs and can make a contribution to the advancement of the technology, we cannot get access to the most advanced foreign knowledge. This is particularly true where research abroad is stimulated by government programs. Defence programs are one means for Canadian industry to develop high-technology products, particularly in the electronics and aerospace sectors, and to participate in advanced "state-of-the-art" projects. How best can government, industry (including multinational enterprises) and other research centres cooperate to keep abreast of leading-edge technology?

International marketing initiatives, along with efforts to improve our international competitiveness and ensure access to foreign markets, form the principal elements of a national trade strategy. The federal government and the provinces have agreed to work together with the private sector and labour to ensure a more focussed, consistent and dynamic approach to export development. Better sharing of information on trade development activities and better coordination of federal and provincial resources in Canada and abroad will be achieved. Other activities of a longer-term nature, such as the identification of markets of concentration and the development of appropriate mechanisms to assist companies to acquire new technology, will be the subject of further federal-provincial-private sector dialogue over the coming months.

Our approach to trade development must be built on the needs and commitment of the private sector. Together, industry and government must focus on large and dynamic markets. We must also develop better ways of measuring the effectiveness of our trade and investment development activities. The government is moving to bolster trade promotion resources in the areas where trade prospects are most promising, particularly in the Asia-Pacific region. Should more be done? For example, should new posts be opened and, if so, where? And, given budgetary realities, from where should these resources be reallocated?

*Our approach to trade development must be built on the needs and commitment of the private sector.*

It is necessary to have a clear idea of the nature and composition of our trade if government programs are to be effective. As multinational enterprises have grown, there has been a corresponding increase in the proportion of international trade conducted within one company. Although figures are difficult to come by, it is estimated that in Canada-U.S. trade over 50% may be intra-corporate and, therefore, not directly affected by government export promotion activities. Trade volumes by themselves may, therefore, be imperfect guides to where the government should focus its efforts. Should we distinguish between that portion of our trade which genuinely requires government support and facilitation and that portion which takes place (and will continue to take place) without any reference to government export programs and activities?

A recently released report\* found that trading houses account for 13% of total Canadian exports. How can greater use be made of this sector's

---

\*Trading House Task Force Report entitled "Promoting Canadian Exports: The Trading House Option".