



*A Message from the
Honourable Pierre S. Pettigrew,
Minister for International Trade*

CANADA'S ECONOMY IN 2000 reached a number of significant milestones — the highest growth rate in 12 years, the ninth consecutive year of growth, the longest period of uninterrupted growth in more than 30 years, our best employment record in nearly a quarter of a century, and the best job creation record of any of the leading industrial countries. Simply put, in 2000, Canadians had more jobs, better opportunities, and more income. It was trade that drove our growth, providing the means for the Government of Canada to re-invest in education and innovation, in our universal health care system, and in our youth.

Trade Update 2001, the second annual report on Canada's State of Trade, documents new records in Canada's trade and investment performance. Our exports increased by nearly 15 percent, and are now equivalent to 45.6 percent — nearly half — of our gross domestic product. Overall, Canada traded close to \$2.5 billion per day, on average, with the rest of the world, every day of the year. Our net external indebtedness fell to the lowest level in 50 years. We attracted a record \$93.2 billion in new foreign direct investment, a massive vote of confidence in the future of Canada's economy. And Canadians looked confidently abroad for new business opportunities, investing nearly \$62 billion to expand our global business presence.

Success in global markets is at the heart of Canada's continued technology orientation, fuelling innovation and financing Canada's evolution from a reliance on primary resources to a more knowledge-intensive economy. High technology exports rose 30 percent in 2000, nearly twice the rate of our overall exports. Similarly, our exports of knowledge-intensive services are the

