

technological perspectives. These are divided according to those points to be emphasized/de-emphasized. Despite the long-standing Canadian tradition of minimizing the advantages of living in Canada, as the table suggests, there is much objective data which supports the choice of Canada as a superior investment locale. It is in this context that the trade commissioner would be able to help the foreign entrepreneur move from the general question of 'whether to invest in Canada', to the more specific strategic questions which follow.

Type of Investments to be Sought

Foreign investment may occur through various forms: acquisition (buy), greenfield (build), or joint venture. Given the suggested emphasis on job creation, investment by acquisition is clearly the least desirable form. Fortunately, there is new, large-sample, objective evidence to suggest that acquisition is the poorest-performing form of investment. This allows the trade commissioner to argue for other forms of investment, not on the basis of what is best from a Canadian public policy perspective, but according to what is in the best interests of the foreign investor.

Increased knowledge of the firm's industry -- in particular local production and market considerations -- increases the foreign firm's willingness to invest using a build (greenfield) mode. Thus any assistance the TCS can provide at the post and in Canada regarding the local market, distribution, labour practices, and capabilities, will have a positive influence on the selection of the greenfield mode. (See model below.)

