

Industrial co-operation policy towards developing countries

During recent years, a new pattern has appeared in the conduct of international trade. In contrast to isolated transactions involving relations between buyer and seller, there has been a growing tendency for firms to pool their capabilities in common industrial endeavours. These arrangements typically cover sets of complementary activities and often extend across the entire spectrum of capital-formation, research and development, financing, production, marketing and distribution.

Within Canada, increasing attention has been given to the stimulation of industrial co-operation between Canadian firms and those of Canada's trading partners to achieve a number of the government's purposes, including: upgrading exports; providing Canadian firms with the most modern technologies; rationalizing the manufacture of Canadian products through the expansion of markets; and helping Canadian firms with insufficient resources to become established in international markets. Increasingly, industrial co-operation is being incorporated into trade and economic co-operation agreements negotiated with some of Canada's trading partners.

International financial institutes

In a world of complex economic problems and greater interdependence, developing countries find that their balance of payments position as well as their growth and development are increasingly dependent upon the world

financial and monetary system, in which the International Monetary Fund plays a key role. Canada has participated actively in promoting flexibility in the operations of the International Monetary Fund to permit the establishment of a number of special facilities for developing countries.

In 1979, Canada participated in the negotiations on the recently approved capital increase of the World Bank and the sixth replenishment of resources of its soft-lending affiliate, the International Development Association (IDA). This will result of course in a substantial increase in the flow of resources to developing countries over the next few years. For instance, it is expected that IDA will make available to its borrowing members, the poorest developing countries, approximately \$12 billion U.S. over the years 1981 to 1983.

Global negotiations

Following on an initiative at the Non-Aligned Movement meeting in Havana in September, a proposal for a new round of global negotiations on international economic co-operation for development was adopted by the United Nations General Assembly in December 1979. To be launched by the eleventh special session of the General Assembly in August, 1980, global negotiations will deal with issues in the areas of raw materials, energy, trade, development, and money and finance. Designed to provide impetus to the North-South dialogue, these negotiations will likely be a major focus of international discussion of economic issues during the next few years.