

Leaving aside the United States, the Pacific region is responsible for almost two-thirds of the wealth we in Alberta get from exports.

Those facts report a staggering new reality. But they also suggest some lessons. One of the most important lessons is this: although the United States remains by far the largest market for Alberta, today the greatest growth potential for Alberta exporters is not in the United States, but across the Pacific. That is already happening.

Over the past seven years, Alberta's trade with the Pacific has grown four times faster than our trade with the United States.

That means two things. First, the Free Trade Agreement is significant not simply because it secures Alberta's access to the U.S. market. It is equally important in strengthening Alberta so it can seek new markets across the ocean. And second, Alberta's future trade growth will depend on our success across the Pacific, not South of the border. Free trade is not the last word. It is the first step.

We used to associate the Pacific market with Japan. Certainly, Japan remains Alberta's most important customer in the Pacific. From 1982 to 1989, exports rose from \$667 million to over \$1 billion. But the rest of the Pacific is now open for business as never before.

In 1982, Taiwan was Alberta's 15th most important export market. It is now number 6. Korea, in 1982, was number 9. It is now number 3. And Indonesia, which was off our charts in 1982, is now Alberta's 10th most important export destination. In 1982, only four of Alberta's top ten export destinations were in Asia. Last year, Asia accounted for six of the top ten.

Trade is not the whole story. The same pattern is true with investment. In 1985, Asia Pacific investment in Canada amounted to \$2.6 billion. By 1989, that had risen to \$7.2 billion. According to a recent Conference Board study, there are 27 major ongoing Japanese investment projects in Alberta, with a total project capital of \$670 million. In 1988 alone, about \$2.5 billion in investment capital for Alberta was announced by Japanese investors. This included several pulp and paper projects, a pharmaceutical company and an oil and gas research project. A lot of that was due to Japanese investment missions which gave Canada very high marks for our economic, investment and other policies since 1984.

Obviously many Alberta enterprises are already successful in Asia, applying the skills and technologies they developed here.