

The Role of Small Firms

Canada's International Trade Promotion Plan recognizes both the importance of exports in economic growth and the key role that small- and medium-sized enterprises (SMEs) play in foreign markets. This seminar is part of the federal government's efforts to assist Canadian service firms to expand their export efforts.

Canada's service exporters tend to be small firms. At first, this appears to be a major weakness, given the obvious resource commitment required to enter foreign markets. The financial and human resources can be an obstacle, but SMEs that are prepared to deal with them can succeed, in spite of their small size. This is especially true in Mexico, where companies must adjust to a rapidly-changing economy. The ability of small companies to quickly adapt to local conditions and make rapid decisions often represents their fundamental advantage.

In fact, opportunities for smaller firms in the Mexican service sector are better now than they have ever been. For instance, the North American Free Trade Agreement (NAFTA) makes it easier and less expensive to serve Mexico, and this has a equalizing effect between large and small companies. Better telecommunications technologies and improved transportation links also make the country more accessible.