Japan, Europe and the newly-industrialized countries (the NICs). Despite the recent slump in world oil markets there has been a dramatic shift in wealth, hence purchasing power, to the major oil-producing countries. Technologies are being transferred at a record-pace to low-cost labour developing countries who are increasingly better able to absorb new techniques. New technologies also require faster domestic restructuring and strain the adaptive abilities of industry in the developed countries. In short, the race to sustain competitiveness has accelerated as the growth of the world economy has diminished.

It is against this background that an evaluation of current and future Canadian trade policies was conducted with particular emphasis on the relevance of these policies to domestic economic considerations and to the changing international environment. This paper provides a detailed policy review of the main components of Canadian trade policy and an analysis of the domestic and international opportunities and constraints. It provides the background to the Discussion Paper entitled *Canadian Trade Policy for the 1980s*.