

exports. The situation is even more glaring in the area of processed goods in which importing just over 1.0% of our processed exports qualified Australia as our 5th largest market. This result is useful in considering the potential effectiveness of Canada's attempt to exploit the "Third Option".

Venezuela, Mexico, S. Korea and Brazil:

Venezuela and Mexico present export profiles which mirror the general notion of what a NIC's profile looks like. Exports to Venezuela are highly concentrated in the processed category (75.5% of exports to Venezuela) in which it is second only to the U.S.A. in importance as an export market. Venezuela's importance drops off sharply in the other stages (16th in semi-processed, 56th in raw materials) but her strength in processed imports makes her our 13th most important market overall. Venezuela's most impressive attribute is her rate of growth. Over the past decade her processed imports have increased by 568% (unadjusted). Nonetheless, even as Canada's second most important market for processed goods, she only accounts for just over 2% of Canada's exports. This indicates that although Canada's exports are concentrated in the USA, the 24% left over is fairly well distributed among the remaining nations. Mexico presents roughly the same pattern as Venezuela although Mexico's performance is somewhat less impressive in the area of processed goods, and more impressive in the other two areas. The growth of trade with Mexico has not been nearly as great as that with Venezuela, although it has increased very impressively over the last two years.

S. Korea is atypical in that its most valuable area, as a market, is that of semi-processed goods. Fifty eight percent of Korea's Canadian imports are semi-processed, and these make it our 10th most important market for goods in that stage of fabrication. Only 14.9% of S. Korea's Canadian imports are in processed form. Consequently it begins to be evident, that the generalization that most NIC imports are processed, is not universally applicable. The example of Brazil reinforces this conclusion. Brazil's imports are heavily concentrated in the area of raw materials (57.1%). Brazil is Canada's 7th most valuable market for raw materials, 12th for semi-processed goods, and 15th for processed goods. Only 11.8% of Brazil's total imports were in processed form, and the growth rate of these imports was less than half that of the phenomenal 1666% increase demonstrated in the unprocessed category over the last decade. The examples of Venezuela, Mexico, S. Korea, and Brazil demonstrate that in the area of exports NICs are often less alike than is assumed, and that policy makers would do well to examine the individual characteristics of the trade patterns they are considering.