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Mexico has steadily been positioning itself over the past few years as a global trade hub, through reforms to its foreign investment laws and by developing networks of free trade agreements that grant it preferential access to over 30 countries, including the EU member states.

Mexico's present political and economic stability is encouraging more direct investment, which in turn is opening doors to an infusion of imported goods and services. New infrastructure is being laid down in Mexico, and domestic consumption is on the rise. Along with the rest of North America, Mexico appears poised for growth.

Mexico, a trading partner of choice

Indeed, judging by the growing strength of its economic fundamentals, Mexico's evolution into a well-respected North American trading partner is already well underway. The peso remains strong relative to the U.S. dollar, Mexico has been assigned a Standard & Poor's investment grade rating, the Mexican GDP will likely grow 2.5% this year, and the country can be proud of reducing inflation from 12.3% to 4.5% in less than three years.

There is little doubt that since the NAFTA was ratified in 1994, Canada has become much more competitive. Our confidence in the Mexican market has grown to such an extent that our Embassy has trade offices in both Monterrey and Guadalajara, Export Development Canada (EDC) has opened an office in Mexico City, Quebec has a Délégation, Ontario a representation agency, and Alberta plans to open an office from which to launch its own trade promotional programs.

In return, there are strong signs that Mexico is more than ready to do business with, and invest in Canada: ScotiaBank's Inverlat is now Mexico's

fifth-largest bank, and Mexico received \$6.5 billion in Canadian exports in 2001.

In fact, our average annual growth in exports to Mexico has exceeded 20% since 1994, making Mexico our number one market in Latin America. This translates into enormous potential for Canadian businesses in a multitude of key sectors, with automotive-related goods, mechanical and electrical machinery, and agri-food products topping the list.

The Mexican market will likely be characterized by above-average growth for at least several more years, presenting us with advantages that other, more mature, markets may not. And when the last remaining tariffs are finally lifted in January 2003, this market of over 100 million Spanish-speaking consumers will be impossible to ignore.

Face-to-face meetings

Perhaps the most important element of the trade mission program will be the face-to-face meetings between Canadian companies and key members of the Mexican business community.

Participants on the mission to Mexico will also benefit from a comprehensive and carefully structured program of

seminars, private briefings, and business networking functions that will include key note addresses from Minister Pettigrew, Ambassador Keith Christie, Mexico's Secretary of the Economy, and leading legal, financial, and business experts in Mexico.

The program in Mexico City will offer seminars dealing with a wide range of sectors, in-depth briefings about doing business in Mexico, and case studies will be presented by Canadian exporters and investors that have first-hand experience in the Mexican market.

In Monterrey, participants will be offered valuable insight into the unique characteristics of doing business in northern Mexico, including cross-border trade issues and marketing to the industrial "Grupos". For added value, one-on-one meetings can be arranged with trade officers at the Embassy.

Given the broad and growing appeal of the Mexican market, this mission is one that Canadian exporters may not want to miss.

For more information, or to register for the mission, contact Team Canada Division, DFAIT, tel.: **(613) 944-2520**, fax: **(613) 996-3406**, e-mail: **team-equipecanada@msn.com** Web site: **www.tcm-mec.gc.ca** ✪

Northern Delights — continued from page 7

Postprandial satisfaction

Thanks to the Consulate General and its sponsors, Northern Delights was clearly a success. Some participants have begun contract negotiations with New England food and wine buyers and distributors, local food writers are stirring up stronger interest in Canadian cuisine and wine, and, judging by the number of follow-up appointments with key prospects in the biotechnology and information technology sectors, Canada's trade and investment image is hotter than ever.

How can the Consulate General improve on such success? By cooking up an even bigger show next year!

For more information, contact Colette Lekborg, Business Development Officer, Canadian Consulate General, Boston, tel.: **(617) 262-3760 ext. 3357**, fax: **(617) 262-3415**, e-mail: **colette.lekborg@dfait-maeci.gc.ca** ✪

(For the unabridged version, see **www.infoexport.gc.ca/canadexport** and click on "The U.S. Connection".)

Invest in Canada — continued from page 1

The Canadian advantage

In his introduction, Minister Pettigrew outlined the advantages Canada offers French and other foreign investors, and supported the concept of cross-investment, which fosters both trade and job creation. He also highlighted federal and provincial strategies to promote investment in Canada.

He then cited results from *Competitive Alternatives: Comparing Business Costs in North America, Europe and Japan*, the latest international study by KPMG Consulting. KPMG representatives were on hand to present the study and to respond to the many questions and expressions of interest that followed.

According to the study, Canada garnered top results in all major activity sectors, making it an excellent investment destination.

"Canada is unbeatable!" declared Minister Pettigrew.

Following the speech, a number of groups, already convinced of the importance of a stronger North American presence, expressed keen interest in investing in Canada to officials from the Canadian Embassy in Paris.

France a top investor

The number of French entrepreneurs investing in Canada is increasing, according to the latest statistics, which rank France as our third largest foreign investor, with over \$23 billion in investments.

"We are innovative, competitive and dynamic," stated Minister Pettigrew in his concluding remarks.

At a breakfast press conference organized for the French media the same day, journalists representing six French press agencies quizzed Minister

Pettigrew and KPMG specialists about the results of the study, and labour costs and skills in Canada. The high turnout was exceptional considering that the Paris media tend to be very selective.

Paris was only one stop on the tour to promote investment in Canada, which also included 18 cities in 10 other European countries, as well as five cities in the U.S. To date, over 50 million people have read the full report (see the February 1, 2002, edition of *CanadExport*), which is available on-line at **www.CompetitiveAlternatives.com**.

For more information about French investment opportunities in Canada, visit: **www.amb-canada.fr** or contact Jean-Yves Dionne, Counsellor (Investment), Canadian Embassy, Paris, tel.: **(011-33-1) 44.43.23.77**, fax: **(011-33-1) 44.43.29.98**, e-mail: **jean-yves.dionne@dfait-maeci.gc.ca** ✪

Despite global uncertainty

Canadian investment and trade strong

Canada performed well in trade and investment in 2001 despite global economic uncertainty and the interruption of trade due to the September 11 terrorist attacks, concludes a report released by International Trade Minister Pierre Pettigrew earlier this month.

"Canada did well in a year when many of our trading partners lapsed into recessions — the United States, Japan, Germany, to name a few," said the Minister. "Canada posted a surprisingly strong performance on the international trade and investment fronts."

Trade Update 2002: Third Annual Report on Canada's State of Trade highlights Canada's impressive international business

performance and key trends at home and abroad in 2001. These include:

- Exports and imports of goods and services with the world totalled \$880.5 billion in 2001, or an average of \$2.4 billion per day.
- About \$42.8 billion in new direct investment flowed into Canada in 2001, bringing the stock of foreign direct investment in Canada to \$320.9 billion, up 6.2% from 2000.
- With US\$381 billion in two-way merchandise trade with the United States (63.4 percent higher than Mexico-U.S. trade), Canada is solidly entrenched as the U.S.'s number one trading partner.
- Canada's new economy industries played a greater role in our overall trade success. Knowledge-based cate-

gories posted their strongest growth in recent years, representing 50% of total exports of services in 2001.

"We must not be complacent. We must forge ahead and search out new and expanded trading relationships," said Minister Pettigrew. "This is why we are promoting trade with such countries as India, China and Mexico through trade missions, and Costa Rica and Singapore through new trade agreements."

Building a new and strengthened partnership with Africa is a key priority for the G8 Summit that Canada will be hosting in June. *Trade Update 2002* includes a special section on trade with that continent. Since 1993, Canadian exports to Africa have risen 48%, imports have grown 63%, and Canadian investment in Africa has increased more than 600% since 1993 to \$2.8 billion.

Trade Update 2002: Third Annual Report on Canada's State of Trade is available at **www.dfait-maeci.gc.ca/eet/state-of-trade-e.asp** ✪