

Securing government procurement contracts should not be seen as a priority, until such time as conditions for adequate official credit and financing prevail and Canadian companies are sufficiently established to participate in the project definition stage. Rather, the concentration and funding could be directed to supporting private firms, with special attention being given to small and medium-sized enterprises (SMEs), in establishing local business partnerships, alliances and possible joint manufacturing facilities.

Rather than developing an all-encompassing trade and investment strategy for the Americas, Canadian interests and activities can be better defined by country and sector. Canadian business is showing unprecedented interest in Mexico. We should capitalize on this heightened awareness of the Mexican market to encourage and expand Canadian commercial-economic interests further south. Recent trade and investment trends and prospects, and, importantly, private sector interest, support the notion of targeting Mexico, Brazil, Venezuela, Colombia, Chile and Argentina for trade development concentration. Canadian sectoral strengths favour some concentration in energy and mineral exploration and development, transportation, telecommunications, environmental technologies, and the agri-food/agro-industrial sectors.

There is merit in reviewing whether the current distribution of Canadian government trade development resources reflects the requirements of a new emphasis on Latin America (apart from incremental NAFTA-related support for Mexico already in place). Special attention should be paid to constituency building and support for strategic alliances, technology transfers and joint venture initiatives. Some examples include, *inter alia*, expanding activities such as EDC's Line of Credit for Mexico, which could be analyzed with a view to establishing a similar "bundling" of credits to pursue small transactions throughout the region³; building on the highly successful "Canada Expo" solo trade shows in Mexico (1992) and Venezuela (1993) and instituting them, perhaps on a rotating basis, as a part the government's business development program in the region; preparing and delivering more "export ready" companies to the region through in-Canada awareness programs and private sector to private sector visits; and coordinating regional and provincial business development efforts.

³In this regard, it should be noted that Latin America is the star performer, in terms of overall rates of return over the past twenty years, of PEMD funds managed by Foreign Affairs and International Trade. See Andrew Griffith, From a Trading Nation to a Nation of Traders: Towards a Second Century of Canadian Trade Development, Policy Staff Paper No. 92/5 (March, 1992), pp. 25-6, 34, 61-2.