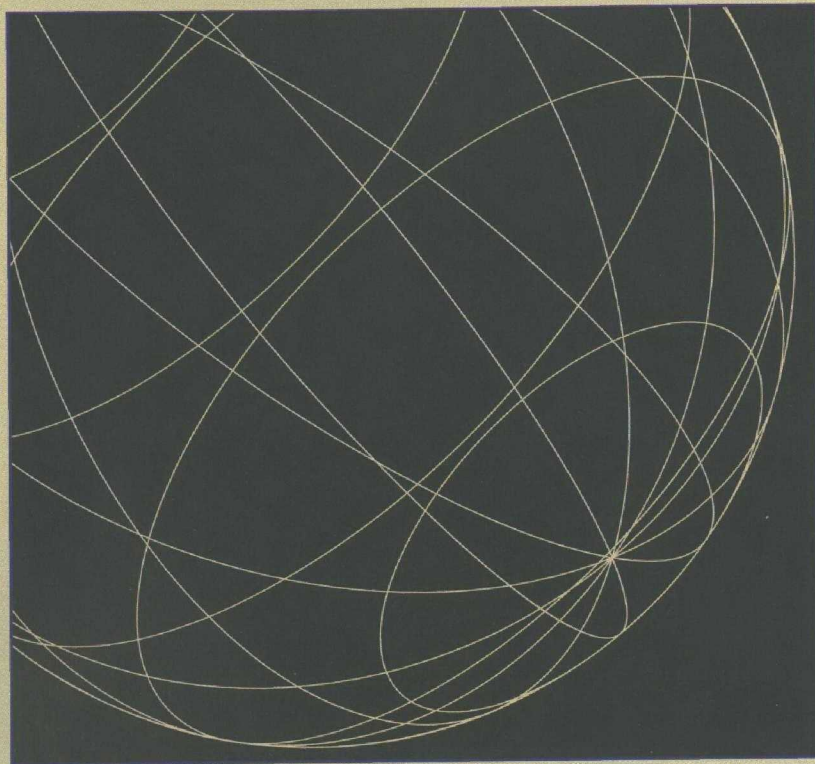




Introduction

CANADIAN EXCELLENCE IS ABOUT THE advanced and productive industries that exist in Canada, and the dedication, knowledge and skill that Canadians apply to these industries.

Canada has an open economy that has long been geared towards trade with the rest of the world. It leads the Group of Seven (G-7) industrialized economies in trade as a share of gross domestic product (GDP). In 1995, Canadian exporters produced a trade surplus of more than \$28 billion — smashing the previous record of about \$20 billion in 1984. Canada now exports almost 40 per cent of everything it produces.

As a member of the North American Free Trade Agreement with the United States and Mexico, Canada has preferred access to the world's richest and second-largest trade zone, with over 370 million consumers. And its active participation in the Asia Pacific Economic Co-operation forum has enhanced its access to one of the fastest-growing markets in the world, the Asia-Pacific region.



Canada has the seventh-largest economy and the second-highest standard of living in the world. In 1995, for the third straight year, the United Nations ranked Canada as the best place in the world in terms of Quality of life. And the Paris-based Organization for Economic Co-operation and Development estimates that Canada will have the highest economic growth in the G-7 in 1996 and 1997.

The federal government's fiscal policies have successfully addressed budget deficits and public debt. As a result, the annual federal deficit has slipped below 3 per cent of GDP, and inflation has settled at a respectable 1.5 per cent.

Canada offers one of the most advantageous business climates in the world. A well educated and highly skilled labour force, particularly in advanced technologies, combined with one of the most supportive R&D environments in the world, has boosted international investment confidence to its highest level in 15 years. Foreign direct investment in Canada has almost doubled in 10 years, exceeding \$168 billion by 1995.

Canada also possesses an extremely sophisticated and efficient infrastructure. In transportation, it is ranked as the best in the G-7, with rail, truck and air services fully integrated with U.S. networks. And with the information highway operating smoothly, Canada is fully equipped to embrace the new "digital economy."

One of Canada's greatest assets is its enviable reputation in leading-edge technologies. With its small and scattered population and vast geographical distances, Canada has long been a pioneer in telecommunications. It has arguably the most modern telephone system in the world, and is home to some of the world's most successful telecommunications companies.

Add to this abundant natural resources and low-cost energy supplies, safe, clean and modern cities, low-cost educational services, and universal health care, and it would be difficult to find a better business and investment partner than Canada.

