4

more labour intensive than others. The bottom line for the individual trade commissioner will be "did my efforts generate enough new economic activity to justify my own job and maintain/create Canadian employment?"

This bottom-line focus on job creation will inevitably result in the TCS de-emphasizing certain of its current activities on the basis of cost-benefit analysis. However, it will also create an opportunity for the TCS to become more innovative and entrepreneurial, and engage in activities with which it has not traditionally been involved. A primary example of this, and one which is totally consistent with an emphasis on job creation, is to facilitate foreign direct investment in Canada.

Nearly all countries of the world welcome foreign investment for its job and wealth creating benefits. Yet enormous variability exists both between countries, and within countries in terms of how it goes about attracting investment. Much of the current emphasis is reactive --different states, provinces, cities, or municipalities compete for those investors who have <u>already</u> declared a potential interest in investment.

But what about those potential foreign investors with limited knowledge or awareness of Canada? At the present time they are not being rigorously pursued from the domestic side because it is difficult to identify them prior to their declaration of interest.

Canada does have a number of sources of comparative advantage -- of which many potential foreign investors remain blissfully unaware. As a consequence, Canada does not enter their set of alternative investment sites, and jobs are not created in Canada.

Yet there is one group of Canadians who has both awareness and access to foreign entrepreneurs -- the TCS. The TCS can legitimately fill the role of investment facilitator; and is arguably the best group available. Such a role is consistent with their mandate to "promote Canada and things Canadian to foreigners."

SECTION 3 - THE TRADE COMMISSIONER AS FACILITATOR OF INVESTMENT INTO CANADA

If the emphasis within the TCS is now to include foreign investment facilitation, numerous strategic and operational questions arise. Here we consider some of the strategic questions: types of investments to be sought, the use of strategic alliances, and the role of technology. All of these are reviewed in the context of the real and perceived sources of advantages of investing in Canada.

Sources of Canadian Advantage

Most potential investors to Canada require basic education regarding the Canadian environment. The attached two-page Table 1 provides an overview of some of the key dimensions of the Canadian environment -- from political, economic, social, and

