

Starting in 1998, investment-related calls on U.S.-based MNEs will be increased, including outreach to technology-intensive U.S. small and medium-sized enterprises (SMEs), and major R&D facilities. Closer back-to-back liaison with the Canadian affiliates of these MNEs will be undertaken and North American investment intentions monitored to identify Canadian expansion opportunities, including scope for product mandates, R&D outsourcing and back-office operations.

A North-South corridor focus (Eastern, Midwest and Western corridors) will be adopted to exploit the synergies offered in these individual U.S. markets and to help foster greater U.S. Posts' interaction. As the program develops, cross-border outreach will be increased to promote the further development of strategic alliance activities in these regions and more linkages between high-technology and R&D clusters in both Canada and the United States.

The purpose of the document is to inform other federal government departments, the provinces and municipalities and Canadian companies of these plans, with a view to encouraging them to increase efforts in attracting investment from U.S.-based firms. The paper provides investment objectives for the United States, main challenges and opportunities, and recommendations for implementing a federal program of investment promotion. Annexes to the main paper include backgrounders on the three main North-South United States corridors, including profiles of DFAIT Posts' activities in the U.S.; and discuss the role of international investment and its attraction.

* *The Competitive Alternative:
A Comparison of Business Costs in Canada,
Europe and the United States*
KPMG, October 1997