



And the best time to tackle these challenges is now, while the economy remains strong.

First and foremost, building a competitive economy means having good domestic fundamentals in place: lower taxes, good labour policies, and a commitment to innovation.

But it also requires pursuing the right international priorities: bringing the Canada-U.S. trade relationship to new heights, making North America more competitive, and reaching out to the most promising global markets, particularly in Asia. China, India, Korea and Japan are all markets of extraordinary importance and strength, and Canada is extremely well-placed to capture opportunities in these and other markets.

The *State of Trade* tells a positive story about Canada's economy in 2005. Our task is to use this success as a springboard to build a more diverse, competitive and resilient economy — one that can withstand economic shocks, meet the long-term challenges we face, and continue bringing wealth, prosperity and jobs to Canadians for generations to come.

I look forward to working with all Canadians to meet this goal, and to write the next chapter in our proud history as one of the world's foremost trading nations.