

4. OBSERVATIONS AND PROPOSALS

The combination of economic and political change with the NAFTA means that Latin America and the Caribbean are more clearly than ever a part of Canada's future as we move through the 1990s. Yet, the watchword today at home is restraint and reduction. To propose grandiose new initiatives is not on. We need to look at existing resources globally and seek adjustments to ensure that resource allocation adequately underpins the increasing importance to Canada of the Americas region as a whole.

What follows is a series of observations and modest proposals, grouped by the themes of creating prosperity, good governance and building bridges, most of which can be managed through the reallocation of existing resources.

- **Creating Prosperity on a Sustainable Basis - Proposals**

The Canadian government is committed to continuing development of economic and trade relations within the hemisphere. The private sector is interested, although most attention remains focussed on the immediacy of the new opportunities in Mexico. The Monterrey (Mexico), Caracas (Venezuela) and Mexico City trade shows held from 1992 to 1994 were notable not just for the large number of participants, but also because so many were from smaller companies. The challenge will be to maintain this momentum and extend its scope further southward to other important markets.

4.1 Trade Targeting

As is the case in many developed countries, trade development in Latin America has expanded from export sales of goods to include services, as well as the increased establishment of trade relationships through strategic alliances, technology transfer, joint-ventures and investment development. Given economic liberalization and a consequent shift of the client base from government to the private sector, private sector to private sector linkages should continue to be the focus of our trade and investment efforts. Constituency and awareness building both in Canada and in the region will create and support opportunities for establishing a broader trading relationship. Increased private sector support through consolidated and targeted market intelligence/information and business development programs serves to reduce the risk associated with entering these growth markets. This, of course, is complemented by the use of wider trade and investment agreements and other trade policy tools to secure greater market access.