

Thank you, Ron. Ladies and gentlemen, I am pleased to open the Softworld Conference and Trading Forum. I would like to join with Ron in extending a special welcome to our international guests.

Today, Canada is at an historic turning point. The fundamental bases of our political and economic systems are being questioned as never before. In response, over the last few months, the Government of Canada has carried out extensive constitutional consultations across the country. The Government will shortly announce a crucial initiative which will reshape many of our political structures.

At the same time, our economic structures are facing growing competitive pressures for change. When I was Minister of Finance, I outlined, in the Budget presented in February 1991, some of the competitive challenges facing Canada. The Speech from the Throne announced that the Government would be launching an initiative aimed at improving Canada's competitiveness. Later, I want to talk more about this initiative.

First, I would like to say a few words about the competitive challenges facing the information technology (IT) sector -- one of the fastest growing sectors in the Canadian economy. The software industry has been at the heart of that growth, providing innovative products and services that have captured markets around the world. Projections indicate continued growth of annual software sales ranging from 18 to 25 per cent. Such a rate of growth is virtually unsurpassed by any other industrial sector. This kind of dynamic growth is based on your impressive record of investment in research and technology (R&D). In fact, the IT sector accounts for nearly 50 per cent of all industrial research and development undertaken in Canada.

Here in British Columbia, an estimated 300 software companies employ about 4,000 highly skilled people. With an estimated \$300 million in annual revenues, these companies already make an important contribution to diversification of this economy. Your success here in Canada has attracted a lot of attention from abroad. Today, Canada is home to many leading information technology companies who have located here to take advantage of the strengths of our software industry. Among these is Noesis, a French software company active in vision processing. When they were looking at locating their North American office they decided on Montreal. Their reason? Excellent access to the entire North American market and world-class research at McGill University. Other companies like Olivetti, and Meiko Scientific have also found the calibre of our research infrastructure and the quality of our corporate partners second to none.

So part of your success stems from the innovative ways you have found to collaborate with partners, both in Canada and abroad; joint ventures and product development agreements; marketing arrangements and consortia for research and development. The