

In considering where to direct its scarce financial, human, and diplomatic resources, Finlayson recommends that the Government of Canada spend less on programs aimed at helping Canadian companies in the OECD markets.<sup>12</sup> He notes that this is because such markets are typically more open, their business and legal systems are often quite similar to Canada's; indeed, there are substantial private sector resources and expertise available to Canadian companies that are serious about doing business in these countries. The Chamber has in fact proposed that the federal government consider, on a pilot project basis, allowing it to provide on a fee for service basis, services to Canadian companies in the U.S. market. Furthermore, Griffith has noted that approximately 40 per cent of current federal trade development resources is devoted to Europe. The trade development functions in the European market place need to be more focused on regulatory issues affecting market access, access to technology by Canadian firms, investment issues and the business strategies of European based multinationals, and less focused on transactional support and logistics.<sup>13</sup> Since the opportunities for Canadian business are probably greater elsewhere, and since good private sector expertise on European markets is readily available to interested Canadian firms, this proportion should also be reduced.<sup>14</sup> With the WTO we can expect many more non-OECD countries - particularly in Asia Pacific and Latin America - to be bound by rules, it is here that Canada should be devoting its promotion dollars and staff resources.

While business development needs to be more closely linked with access advocacy in OECD markets, other less familiar and more complicated markets for Canadians, especially those in the emerging economies, will continue to require the primary support of government. In breaking into new markets Canadian business is often confronted with a number of host country tariff, non-tariff, and regulatory barriers as well as differences in business practices and the norms for government relations. Addressing these matters is primarily the responsibility of governments. Normally the first ones into these new markets are the established Canadian companies who, because of their experience, require little assistance in establishing contacts, organizing logistics, and setting up business deals. However, even the large firms, and certainly the niche players may need assistance in market access, investment access or protection of their intellectual property assets.

The business community so often the recipient of federal funding in the past, recognizes that there are intense pressures to reduce the fiscal burden. They have advocated a more focused trade strategy to i) apply tougher criteria for assessing the "export readiness"

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<sup>12</sup> Ibid, pp. 71-5. The U.S. is something of a special case in this regard. Because it provides such an overwhelming majority of novice Canadian exporters with their first experience in a foreign market, trade development programs aimed at new exporters serve an important need. Japan differs sufficiently from other OECD countries that it, too, might qualify as an exception.

<sup>13</sup> This may be difficult to implement, because Canadian firms may expect a high level of transactional and logistical support in the individual markets.

<sup>14</sup> Keith Christie, *Different Strokes: Regionalism and Canada's Economic Diplomacy*, DFAIT Policy Planning Staff Paper no.93-08, p. 10.