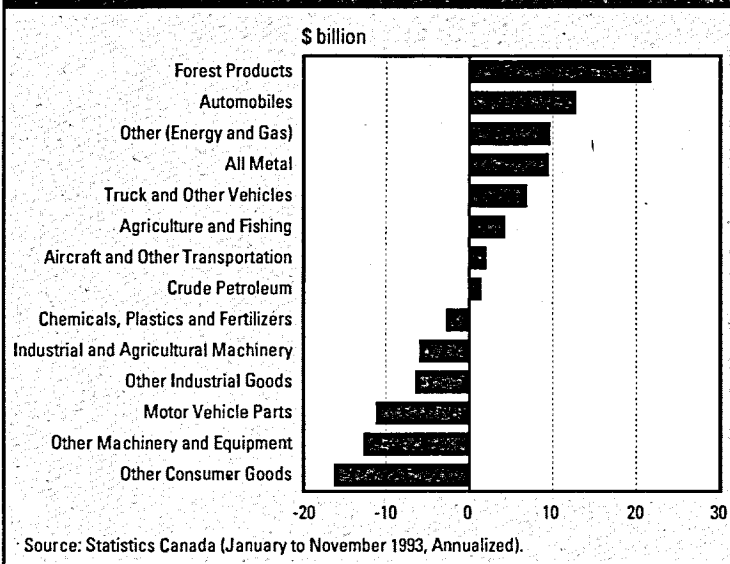


Figure 4 — Canada's Merchandise Trade Balance by Sector, 1993



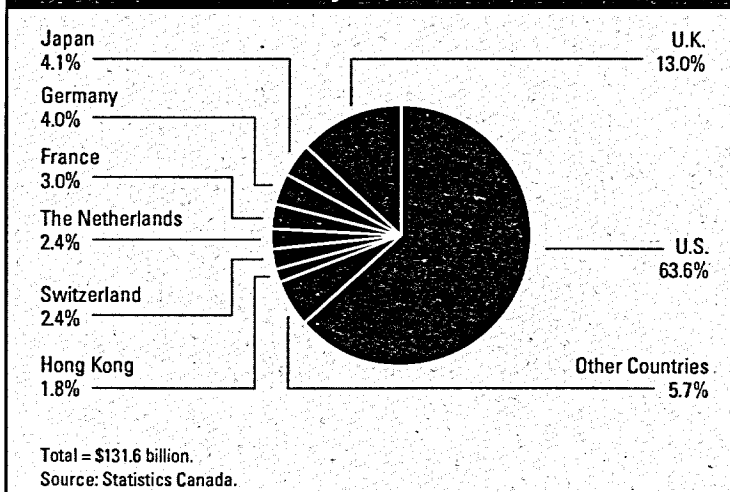
estimates, existing barriers impose a crippling burden on Canadian enterprises amounting to billions of dollars annually. The focus will be on barriers dealing with investment, procurement, labour mobility, business subsidies and standards.

Sector Competitiveness Frameworks

For Canada to prosper in the new world economy, we must identify and understand our competitive advantages. In the coming months, the federal government will work closely with sector stakeholders to establish a series of competitiveness frameworks for key Canadian industrial sectors (the trade balance of some of Canada's major industrial sectors is set out in Figure 4). In a world of limited public resources, the federal government must set clear sectoral priorities if its industrial development efforts are to succeed.

These new frameworks will emphasize partnerships at the sectoral level and will focus on identifying key challenges and growth prospects. One main objective will be to explore policies that have, or could have, an impact on sector performance. They will also aim to identify opportunities for more concerted action by government and industry to build the necessary infrastructure to help businesses compete successfully.

Figure 5 — Foreign Direct Investment in Canada (distribution by major source countries), 1991



Efforts will focus on the need to direct more federal funding to arrangements such as on-the-job training. Ways of expanding private sector training will also be explored.

Internal Barriers to Trade

The federal government will encourage the provinces to dismantle over 900 internal trade barriers that persist in Canada. By conservative

Attracting International Business Investment

Attracting international firms and capital to Canada will also play an important part in meeting the government's commitment to job creation and the growth and internationalization of Canadian SMEs. International investment can provide the capital for new plants and equipment. Investment partnerships such as joint ventures and strategic alliances can provide Canadian participants not only with capital, but also with technology, management skills, training, market access and new relations with buyers and sellers (see Figure 5 for major source countries of foreign direct investment in Canada in 1991).