

offered by Canada's major competitors, are neither selective nor targeted. As a result, government support is not based upon need or market failure, has created a small group of companies dependent on continued government support, has overly encouraged participation in trade fairs and missions by non-export-ready companies, and is overly allocated to markets with comparatively lower marginal rates of return.

Future trade development programs will need to become much more selective. A formal requirement for export education or experience needs to be implemented to assist companies in maximizing the long-term benefits of government support. The current emphasis on evaluating programs on the basis of events and activities needs to be reoriented towards tracking the international expansion of companies assisted by government programs. Cost recovery needs to be enhanced, particularly for habitual users of these programs in OECD markets. Trade commissioners will need to address more and more the linkages between trade and competitiveness, particularly investment, technology and longer-term institutional factors. Aid-trade linkages need to be enhanced and made comparable to those of major competitors. Delivery mechanisms need to be devolved to the private sector when possible, in order to allow trade commissioners to devote more time to market intelligence, information brokering and other value-added activities. Greater federal-provincial cooperation, particularly in the export-education and sourcing of new companies, may be possible. As the distinction between trade policy and trade development continues to fade, particularly in OECD markets, trade commissioners will need to develop a more sophisticated understanding of policy issues just as trade policy practitioners will need to be more attentive to trade development concerns.

The more sophisticated demands of the Canadian business community will require a more systematic approach to recruitment, training and career development of trade commissioners. Creeping bureaucratization has reduced direct links with the business community, particularly at headquarters, and new mechanisms, such as enhanced interchange programs, are likely to be required. Organizational change by itself would not address any of these issues; most needed changes can be accommodated within the current organizational structure.

Government fiscal restraint is here to stay. Given resource limitations, trade development programs will need to become more focussed and targeted on where such programs reflect market failure, provide significant value-added, and respond to private sector needs. A more strategic approach, in contrast to a universal approach, is required, to ensure that government both leads and responds to the requirements of competitive Canadian companies.