

A Message



from the
Honourable Stockwell Day,
Canada's Minister of International Trade
& the Asia-Pacific Gateway

As Canada's Minister of International Trade, I am pleased to present the 2009 edition of *Canada's State of Trade*.

The year 2008 presented a challenging economic environment for all nations. Major economies saw sharp contractions, and global output is expected to shrink in 2009. Global trade is also deeply affected. In fact, the World Trade Organization predicts an overall contraction of world trade volumes by nine percent in 2009.

As a trade-dependent economy, Canada is naturally feeling the impacts. But we also enjoy a number of advantages that are helping us through this challenging period. We have a strong financial system and well-managed public finances. We are also committed to free trade and categorically reject policies of protectionism.

Canada has been a strong and vocal advocate for free and open systems of trade and investment during these tough economic times. Our domestic stimulus package includes an elimination of tariffs on a wide range of imported machinery and equipment, making it easier for Canadian firms to source the products they need to compete and succeed in the global economy. We are also reducing barriers to encourage continued foreign investment in Canada.

The North American Free Trade Agreement (NAFTA) continues to be the foundation of our free trade policy. In particular, we are working closely with the United States to deepen and broaden our trading relationship. This vital bilateral relationship will receive even greater attention in the year ahead.

As this year's State of Trade makes clear, there is also broad scope for Canada to continue expanding trade far beyond North America. This is the essential objective of our Global Commerce Strategy.

Since becoming Minister of International Trade and Minister responsible for the Asia-Pacific Gateway in November 2008, I have led Canadian trade missions in the Americas, Europe and Asia. Our government has achieved a number of milestones. As this report demonstrates, our exports in key markets in 2008 increased significantly—by 10 percent in China, 30 percent in Russia, 35 percent in India and 71 percent in Brazil.