



1. INTRODUCTION

Now, more than ever, the well-being and prosperity of Canadians depends on a healthy international trade and investment climate. Over the past 10 years, Canada's total annual goods exports have almost doubled, reaching \$275 billion in 1996¹. Indeed, exports of goods and services now account for approximately 40% of Canada's gross domestic product, the highest proportion among G-7 nations. One in three Canadian jobs depends on trade and every \$1 billion in new exports creates an estimated 6000 to 8000 net new jobs in Canada in the medium term².

Expanding trade is a key element of the federal government's Jobs Strategy, which is promoting growth and job creation in Canada's economy. *Canada's International Business Strategy (CIBS)* — at the heart of the Team Canada approach to doing business in the global marketplace — is underpinned by a trade policy that seeks improved and more predictable access to the U.S. and other foreign markets, and promotes the continuous improvement and expanded coverage of international rules governing trade and investment.

Canada has been remarkably successful over the last decade in pursuing these goals. Negotiation of the Canada-U.S. Free Trade Agreement and the North American Free Trade Agreement (NAFTA), and the conclusion of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) resulting in the creation of the World Trade Organization (WTO), have provided a significantly enhanced rules-based framework to facilitate trade and investment. In addition, Canada is expanding trade liberalization and pursuing its market access priorities through complementary initiatives such as the Asia Pacific Economic Cooperation (APEC) forum, the Free Trade Area of the Americas (FTAA), the Canada-EU Action Plan, and the recent free trade agreements with Chile and Israel.

¹1996 merchandise trade figures appearing throughout this document are preliminary figures (customs basis) released by Statistics Canada, February 19, 1997. Unless otherwise specified, all values are in Canadian dollars.

²This "export-job multiplier" is based on analysis carried out by the federal government in 1996.