

I am delighted to have this opportunity to address today such an impressive group of small and medium-sized companies who wish to expand their export sales or who may be considering entry into the export market. It is always gratifying for an International Trade Minister to witness the eagerness of new exporters in looking beyond Canada's borders to promising business opportunities.

I commend the Canadian Bankers' Association for organizing this trade finance seminar, as the world has become even more our marketplace.

Events over the past year have again demonstrated the central importance of international trade and investment to Canada.

In 1994, Canadian exports increased by 21 per cent, reaching \$219 billion. Our annual trade surplus totalled \$17 billion, up almost \$8 billion from 1993. Merchandise trade surpluses with both the United States and Japan again increased.

Yet at the same time as we post such impressive trade records, we must recognize that our exports today rest on a foundation that remains too narrow, with few firms still accounting for the majority of our total exports. Too few of our country's small businesses are involved in international markets.

It is well known that small and medium-sized enterprises are the fastest-growing component of the economy. They are the most knowledge-intensive, the most responsive to rapid change, and the largest creator of new jobs.

During the 1980s, firms with fewer than 100 employees created over 2.3 million net new jobs, or 87 per cent of the total growth in employment. During this decade, they have the potential to perform even better. In fact, today about half of all Canadians employed in the private sector are in businesses with fewer than 100 employees.

This is an impressive national resource with tremendous job- and wealth-creating capabilities. However, its potential will not be fully realized until smaller companies become much more active exporters.

Falling trade barriers, new technologies and global trends have opened doors abroad for smaller companies. Facing global competition has now become an integral part of any serious business plan.

The arithmetic is simple. In the global market for many niche products and services, Canada often accounts for only 1 per cent or so of global consumption. Companies that do not export are often ignoring literally 99 per cent of their potential customers.