

REASON TO INVEST IN CANADA TO SERVE THE NORTH AMERICAN MARKET. BUT THAT IS ONLY ONE OF THE GOOD REASONS TO INVEST IN CANADA.

CANADA HAS ONE OF THE MOST DIVERSIFIED ECONOMIES IN THE WORLD. OUR ECONOMY HAS EVOLVED FROM ONE BASED PRIMARILY ON NATURAL RESOURCES TO BEING ONE OF THE WORLD'S LEADING INDUSTRIAL ECONOMIES, RANKING SECOND AMONG OECD COUNTRIES IN GDP PER CAPITAL, WHEN MEASURED IN TERMS OF PURCHASING POWER.

CANADA BOASTS HIGHLY DEVELOPED MANUFACTURING AND SERVICE SECTORS WHICH HAVE BENEFITED AT THE OUTSET FROM THE BASE OF OUR NATURAL RESOURCE WEALTH. BUT, FOR MANY YEARS NOW THESE SECTORS HAVE GONE FAR BEYOND THAT BASE IN THEIR DIVERSITY AND TECHNOLOGICAL INNOVATION. YOU WILL BE INTERESTED TO NOTE THAT CANADA MANUFACTURES MORE AUTOMOBILES THAN THE UNITED KINGDOM.

ALL OF THESE ADVANTAGES HAVE MADE CANADA A PRIME TARGET FOR INTERNATIONAL INVESTMENTS. INFLOWS OF FOREIGN DIRECT INVESTMENT HAVE INCREASED FROM \$3.8 BILLION (CANADIAN) IN 1984 TO \$10.2 BILLION (CANADIAN) IN 1987. WE ARE CONFIDENT THESE LEVELS OF INVESTMENT ... ALONG WITH IMPORTANT TECHNOLOGY TRANSFERS AND JOINT VENTURES ... WILL INCREASE FOR 1989 AND THE FUTURE.

LOOKING AHEAD, CANADIAN GOVERNMENTS AND BUSINESSES FACE A SERIES OF CHALLENGES:

- TO BUILD ON THE OPPORTUNITIES CREATED IN THE NORTH AMERICAN MARKET BY FREE TRADE;
- TO ACHIEVE A MORE OPEN GLOBAL TRADING ENVIRONMENT THROUGH THE MULTILATERAL TRADE NEGOTIATIONS;
- TO TAKE ADVANTAGE OF EMERGING POSSIBILITIES PROVIDED BY THE INTERNATIONALIZATION OF BUSINESS, PARTICULARLY IN EUROPE AND THE PACIFIC RIM; AND