

include: consulting engineering; construction; environment; geomatics; information technologies; transportation; architecture/interior design; accounting; commercial education and training; financial, health-care and management consulting.

Biotechnology

The U.S. biotechnology industry is made up of approximately 1300 companies (mostly small), employing 100 000 people. About 35 percent of these companies are involved in therapeutic products, 28 percent in diagnostics, 18 percent in biotechnology byproducts and supplies, 8 percent in agricultural biotechnology, and 11 percent in other fields of biotechnology. In 1994, the United States biotechnology industry had US\$8 billion in sales, an increase of 10 percent over the previous year.

U.S. biotechnology companies are open to exploring mutually beneficial collaborative research projects with foreign partners as a means of fostering growth. This willingness opens numerous new opportunities for Canadian firms to enter into strategic alliances and partnering ventures with U.S. firms to acquire much-needed capital, develop their technologies, and facilitate access to the huge U.S. market. In 1995, Canadian biotechnology companies registered more than \$75 million in successful strategic alliances with U.S. firms.

Venture capital is returning to the North American biotechnology sector, as companies show profits and improved return on investment. In 1992 (the last year for which figures are available), 22 percent of the activity of venture capital firms was related to biotechnology. Canadian companies have the opportunity to capture some of this investment. As well, the consolidation and restructuring of the industry, leading to the co-operation of biotechnology and pharmaceutical companies in research and development (R&D), trials and marketing, will produce opportunities for Canadian companies in contract research and manufacturing.

Telecommunications

United States telecommunications imports increased to an estimated \$26 billion in 1995. In spite of the fact that a large proportion of these imports are products which Canada does not produce (e.g. facsimile machines), Canadian industry has nonetheless captured more than 10 percent of the import market. The United States is the primary export market for Canadian telecommunications companies. In fact, the vast majority of Canadian manufacturers in the sector export some of their production to the United States.

The United States will continue to offer numerous export opportunities for Canadian firms. For example, the trend toward the deployment of fibre optic cable at the local level will generate growth in both fibre optic equipment and new network equipment. The development of wireless personal communications services will increase demand for radio base-station equipment, satellite antenna systems, and new wireless customer premises equipment. Canadian companies have developed strength in the growing field of computer-telephone integration. Strong growth continues at the grass-roots level, with expansion of Internet use, cable TV subscribers increasing at 2 million per year, and cellular telephone subscribers growing at 8 million per year.

Cultural Industries

The United States arts and cultural industry is a dynamic and complex area of economic activity. It encompasses industries in film and video, sound recording, publishing, performing arts and visual arts. The sector represents a very lucrative market for Canadian entertainment industries. Most successful among these are the publishing industry, which in 1994 sold rights and finished products worth \$120 million, and the motion picture industry, which gained \$132 million from U.S. film and TV productions shot in Canada. There is also tremendous opportunity for the Canadian sound recording and performing arts industry as well as the visual arts sector.

The United States market is a natural extension of the Canadian domestic market. Canadian industries clearly have an edge over other countries in making deals in the United States. Proximity, as well as shared culture, are other reasons to forge strong business relationships with U.S. partners. Throughout all parts of the industry, the fact that Canada is different from the United States creates excellent opportunities for the Canadian entertainment industry for years to come. In Canada's *Foreign Policy Review*, published last year, the Government recognized the importance of projecting Canadian values and culture to foster Canada's presence in the world. This will have a positive impact on the growth of exports of Canadian cultural products and services.

Other Sectors and Areas

The United States remains an important market for more traditional and mature natural resources, manufactured products and consumer goods. A number of business development initiatives such