

THE FUTURE MANAGEMENT OF CANADA'S INTERNATIONAL BUSINESS PROMOTION

The increasing sophistication of international business is forcing a closer coordination between trade policy and trade development, even in OECD markets. International business development in OECD markets will increasingly require "applied" trade policy. In other words, Canada's market intelligence and advocacy roles are more and more required to deal with market access concerns (e.g., environmental laws, standards and certification, intellectual property rights, restrictive investment regimes etc.).

There is now a process of "spillover" as international business promotion is becoming more than just fairs and missions, and identifying distribution and marketing challenges, and is now addressing institutional barriers that have historically been the exclusive domain of trade policy practitioners.

Since government is policy-driven more than program-driven, trade commissioners will have to be more relevant to both industry and government by having a greater understanding of trade policy and market access concerns. Trade commissioners will need to acquire much more expertise in the rapidly evolving framework of international economic agreements in order that they can help Canadian-based enterprises surmount impediments to trade, investment or transfer of technology. By acquiring, or reinforcing their expertise in this area, the trade commissioner may become more credible private sector interlocutors.

And on the trade policy front, how should Canada respond to the changing global commercial environment? There is a need to recognize that future trade policy cannot be linked to just export promotion, rather the global economy has changed and promotion has to encourage Canadian participation in strategic alliances, facilitating outward as well as inward foreign direct investment, and building global research and communications linkages. In keeping with the current government's commitment to start making "hard choices" about its priorities given dwindling resources and given the continuing disinterest of the Canadian private sector in general with regard to the more esoteric markets, a future international business strategy must be strategic by focusing only on specific, high-potential countries. The universality of Canada's export promotion should be ended. As noted recently by a DFAIT official, "Limited resources mean that governments cannot provide all services and all programs in all markets."¹¹ Finlayson advocates targeting resources so that companies that are capable of as well as serious about doing international business receive appropriate levels of advice and support would yield a bigger payoff. In his view this would also make better use of the knowledge, skills and time of Canada's highly regarded trade commissioners and "raise the bar" in its foreign market development programs. In other words, fewer services would be unable to satisfy more demanding eligibility criteria.

¹¹ Andrew Griffith, "Straight Talk on Why Canada Needs to Reform its Trade Development System," Canadian Foreign Policy (Winter 1992-93), p. 71.