

I am pleased to be with you today. I am especially pleased to acknowledge the presence of many foreign delegations. Your participation underscores the strong ties that Canadian companies have forged with international markets — ties that have been strengthening exponentially over the past several years.

If there is a salient feature of the Canadian economy today, it is that our recovery has been — and must continue to be — export-led.

I need hardly recite to you the statistics. In 1993, exports increased by nearly 15 per cent, while our trade surplus jumped up by over 30 per cent. In the first six months of 1994, exports were up more than 14 per cent over the same period in 1993.

And while monthly trade figures should be treated carefully, exports reached a record \$18.5 billion in the month of July alone. Our trade surplus also reached record heights, climbing to a huge \$2.3 billion.

Statistics in your area — the manufacturing sector — have also been bright. For example, productivity, as measured by output per worker, rose by almost five per cent last year, the strongest performance since 1984.

Unit labour costs have fallen in four of the last five quarters, the best performance in more than 40 years. Cumulatively, the decline of unit labour costs over the last five quarters has been 1.6 per cent, compared to a rise of 2.5 per cent in the United States.

These bright statistics, combined with a lower dollar, have resulted in a tremendous improvement in Canada's cost competitiveness. In turn, this has helped to lift our exports to the levels I have just mentioned.

Improved cost competitiveness and increasing exports have also been largely responsible for the turnaround in Canada's manufacturing industry. Today, manufactured goods constitute one of the most important components of Canadian exports. In 1980, end products — or fully manufactured goods — constituted 28 per cent of total exports. In 1993, that figure rose to almost 47 per cent.

Clearly, our positive results in exports are caused by numerous factors — not least of which is the strength of the U.S. economy. However, they are also largely due to our efforts to bring down trade barriers and to the efforts of individual companies to tackle opportunities in new international markets.

On this front, we have been working hard to provide companies with the tools to participate more fully in the international marketplace. During our first year in office, we implemented the NAFTA [North American Free Trade Agreement] and concluded the