

### III - ENVIRONMENTAL ANALYSIS

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The Passport Office, acting under royal prerogative, is authorized by the Secretary of State for External Affairs to administer all matters pertaining to the issuance, revoking, withholding, recovery and use of passports.

In addition, the Passport Office issues certificates of identity and refugee travel documents, advises Canadian missions abroad and trains consular officers on the issuance of passports, and obtains visas for official travel.

A key factor characterizing the commercial environment of the Passport Office is the absence of competition. As the sole issuing body for travel documents in Canada, the Office faces no threat of competition, and lacks the external drive that results from the interplay of market forces. Instead, the Passport Office is driven from within by its obligation to the Canadian public inherent in its mandate and its mission.

Much of the demand for travel documents is, and will continue to be, stimulated by events beyond the control of the Passport Office. For example:

- ❖ growth in the Canadian population, in global trade and in tourism, which has led to a continuing increase in the demand for travel documents;
- ❖ widespread availability of technology offering the capability for increased security, but at the same time facilitating passport fraud;
- ❖ increase in drug trafficking and other criminal activities;
- ❖ international conflicts and disasters; and
- ❖ possible adoption of new policy initiatives, such as:
  - ♦ concentration on immigration rather than on customs at border points;