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## **STATEMENT**

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**CHECK AGAINST DELIVERY**

### **NOTES FOR AN ADDRESS BY**

**THE HONOURABLE ANDRÉ OUELLET,**

**MINISTER OF FOREIGN AFFAIRS,**

**AT THE 35TH CONFERENCE OF THE**

**QUEBEC INDUSTRIAL COMMISSIONERS' ASSOCIATION**

**HULL, Quebec**  
**October 3, 1994**

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**Canada**

Good evening ladies and gentlemen,

I would like to thank the organizers of the 35th Conference of the Quebec Industrial Commissioners' Association for inviting me here today.

The theme of this conference could not be more appropriate: "Opportunities - Arising from the Globalization of Markets." As Canada's Minister of Foreign Affairs, I would like to share some thoughts with you on this important subject.

The organizers did not choose this theme simply because it provided the basis for a series of interesting discussions. They merely recognized that the future of the Quebec and Canadian economy necessarily involves taking up the challenges of the globalization of markets.

More than anyone, you know how important it is to attract foreign capital in order to maintain our competitiveness. All of us here today are, in one way or another, directly or indirectly involved in promoting Canada's advantages as a business partner.

We must, therefore, market and promote ourselves more aggressively than ever — as regions, as provinces, and as a nation. Canada's numerous advantages as a destination for international investment must be vigorously conveyed. Our bottom-line economic advantages can be powerful tools:

- our projected growth rate is the highest of all the G7 nations;
- our exports are at record levels;
- our workforce is one of the best-educated, most highly-skilled and loyal there is;
- our proximity and access to the American market, the richest in the world;
- our world-class transportation and communications infrastructure;
- our vast resources and low energy costs; and
- the specialized advantages and incentives that reflect regional niches and priorities.

Whether at the municipal, provincial or federal level, this responsibility is a shared one, requiring the fullest co-operation and co-ordination of all the players.

I am happy to say that today we are consulting more than ever before.

For example, all 10 provinces have indicated their interest in helping to develop this year's International Trade Business Plan. This is in addition to the eighteen federal departments and agencies that are already part of this important process.

The focus of the Plan is threefold: sharing international market intelligence and information; co-ordinating our respective business plans and priorities; and improving our partnerships with the private sector.

In the context of market globalization, it is becoming more and more imperative to increase the number of our exporters and to make our businesses a more integral part of the international economy in terms of exports, investments and technology transfer. This objective can be achieved not only by identifying new markets, but also by preparing, informing and supporting Canadian businesses, through the delivery of the programs and services of the Government of Canada's international network and its partners.

The Department of Foreign Affairs and International Trade, Industry Canada, and the Federal Office of Regional Development (Quebec) have in fact agreed, under an agreement signed in the spring of 1994, to join their respective forces and to co-ordinate their efforts:

- to promote and increase the accessibility of the Government of Canada's international market development programs for manufacturing and service companies, particularly for small businesses, in all regions of Quebec, as well as for their groups and associations;
- to maintain a high level of quality in delivering programs and services by eliminating overlap and by simplifying business procedures;
- to present a more integrated approach to activities targeted in Quebec and to co-ordinate them better with the activities of the Government of Quebec;
- to improve and, if necessary, to modify the resource envelopes of existing programs to reach a greater number of businesses, and to develop new programs and services that better meet the needs of small businesses.

I believe that the importance of international business, and our shared mission to attract it to all regions of Canada, cannot be overstated.

This mission of ours must increasingly reflect the fact that the leading form of international business is now international

investment. In fact, investment has become the primary engine of economic growth and globalization.

By way of example, according to the *United Nations World Investment Report*, global direct investment flows grew by 34 per cent between 1985 and 1990, while exports increased by only 13 per cent and Gross Domestic Product by just 12 per cent.

As part of this investment phenomenon, Canadian businesspeople are very active participants in direct investments abroad. The value of Canadian direct investment abroad is valued at some \$13 billion for 1993, more than double the figure of a decade ago. Unfortunately this growth in outgoing investment is not being equalled by Foreign Direct Investment, or FDI, into Canada.

A major reason for this situation is the massive competition for FDI worldwide. Industrialized nations are clamouring for investment. But these days an increasing proportion is being funnelled to the rapidly-developing economies. With the advent of globalization and the liberalizing of economic regimes around the world, FDI into developing countries increased from \$8.4 billion in 1985 to \$36.3 billion in 1992. And this trend will most likely continue, as multinational companies move to consolidate and expand their presence — and their profits — in these countries.

Clearly, Canada needs to ensure that it does not lose out in this competition for FDI. We need to attract more business investment: more foreign direct investment, more strategic alliances and joint ventures, more greenfield investments, and more technology-based business relationships.

As this audience is aware, the federal government — particularly my own department as well as Industry Canada — works to attract broad international attention to Canada's welcoming and profitable climate for business investment. Prospective investors — or potential strategic alliance partners — are provided with comprehensive information packages relevant to their specialized areas of interest. They are then referred, on a strictly "site-neutral" basis, to the appropriate sectoral contacts and authorities in the region — or regions — of indicated interest.

The need for ongoing co-ordination among the various officials, both public and private sector, is self-evident. And I am very much encouraged by the degree of co-operation which, I believe, is exemplified by this particular conference as well as by the Federal Office of Regional Development (Quebec), and by the International Trade Business Plan, which I mentioned earlier.

That is not to say that our performance cannot be improved. It can be and it must be, and that improvement must include the operations of federal departments.

Helping us in this latter regard is a group of business people who have been examining various ways in which my Department's business development activities can be made more effective, at less cost. This task force is known as Red Wilson's committee, after the Chairman of Bell Canada Enterprises Incorporated, its leader.

The Task Force's report challenges us to better focus our efforts: are we really doing enough to promote promising sectors, or are we spreading ourselves too thinly and too generally? Should we be specializing in priority areas, or even in geographic regions?

Without a doubt this International Business Development Review can be a catalyst for further improvement in the government's service function, particularly as it applies to the smaller and medium-sized businesses that need all the help they can get.

As Prime Minister Chrétien told the Canadian Chamber of Commerce in Québec City recently, the federal government's focus is on jobs and economic growth — and on working together with all our partners — provincial governments, business, labour, voluntary groups and concerned Canadians.

Fortified by your loyal co-operation, your enthusiasm and dedication, Canada is recapturing the momentum and prosperity that it had been lacking for far too long.

Thank you.