

Minister of Industry,
Science and Technology and
Minister for International Trade



Ministre de l'Industrie, des
Sciences et de la Technologie et
ministre du Commerce extérieur

Statement

Déclaration

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NOTES FOR AN ADDRESS BY

THE HONOURABLE MICHAEL WILSON,

MINISTER OF INDUSTRY, SCIENCE AND TECHNOLOGY AND

MINISTER FOR INTERNATIONAL TRADE

ON THE

OCCASION OF THE LAUNCH OF THE 1993-1994

INTERNATIONAL TRADE BUSINESS PLAN

TORONTO, Ontario

April 1, 1993

I am delighted to see so many outstanding Canadian companies here to help us launch the 1993-1994 *International Trade Business Plan*.

This event is indeed a testimony to the partnership between the Government and the private sector -- a partnership that has been key to the development of the Plan. It is particularly fitting that the Canadian Exporters' Association (CEA), the Canadian Chamber of Commerce (CCC) and the Canadian Manufacturers' Association (CMA) are our co-sponsors today. Your members have all made a major contribution to the development of the *International Trade Business Plan*. My thanks to all of you for helping us put this event together.

For the Government, the *International Trade Business Plan* demonstrates a new, more effective way of doing things. It will lead to more rational ways of using the Government's limited resources in pursuit of international market opportunities.

As well, it reflects our commitment to doing things better and smarter.

As a government, we too have to be more competitive in the way that we support business people in the international marketplace. With the publication of this *International Trade Business Plan*, we are well on our way to accomplishing this goal.

Last year, when we published the first version of the Plan, we included the international business development activities of only three government departments. This year, we included the activities of 15 government departments. As a result, we now have a document that for the first time brings unity and co-ordination to all federal government support for trade development.

We also have a document that presents the Government's long-term action plan for assisting Canadian business in the international marketplace.

Next year, we intend to go one step further and invite the provinces to participate in the preparation of the strategic components of the Plan.

The central elements of the Plan are the 22 sector strategies. Each sector strategy provides a synopsis of the detailed strategies being implemented by individual departments and agencies. By consulting the *International Trade Business Plan*, you will have at your fingertips an analysis of the market environment for your sector, a summary of where the Canadian industry stands, and the strategic direction that Canada is pursuing for this sector.

In addition, for those of you interested in a certain region of the world, you will find strategic information on key markets throughout the Plan.

The final ingredient in the Plan that you will find useful are the listings of planned trade development activities in which industry can participate. These are sector- and geographic-specific consolidated lists of activities proposed by participating departments and agencies for the new fiscal year that starts today. You will note that the contact point for a number of these activities is an industry association. This reflects the partnerships that we have developed with the private sector. Even though activities are funded by the Government, we have listed the associations when they are undertaking the detailed organizational work for the event.

We will also soon publish a separate document providing more detailed descriptions of events and the nature of federal support. This publication will contain practical, hands-on information, such as a list of the exhibitors, the size of the event and the avenue to follow if you want to be involved.

From the beginning, we knew that for the *International Trade Business Plan* to be most effective, it would have to meet three goals:

First, we had to involve the private sector.

Second, we wanted a document that would make us more efficient, while reducing duplication in the federal government.

Finally, we wanted a plan that would be an integral part of the rest of the Government's economic agenda.

The document that we are launching today meets all of these goals.

With respect to the first goal, we knew all along that the involvement of the private sector in this initiative would be crucial. You know your business more than anybody else, and you have the most to contribute to this exercise.

We have also heard your call. You're tired of being only consulted. You also want to be fully involved.

So we did just that. The Government's International Trade Advisory Committee (ITAC), the CEA, CCC and CMA were all briefed regularly and asked to comment on the concept. In addition, drafts of the Strategic Overview were sent to them for review and comment.

We also provided members of the Sectoral Advisory Groups on International Trade -- or SAGITs -- with draft copies of their relevant sector strategies. These were reviewed and discussed at SAGIT meetings.

However, the involvement of the private sector does not stop with the publication of this document. What I envisage is an ongoing working relationship among the private sector, myself and officials to improve upon the Plan and the policies and programs it covers.

For future versions of the *International Trade Business Plan*, we plan to work with the private sector to identify goals and signposts for each of the sector strategies. In so doing, two or three years down the road we will have a means to measure the success of our strategies.

We cannot afford to see money being spent in areas that do not meet Canadian competitiveness objectives. Neither can we afford the duplication and overlap of trade development programs either between federal departments or between the federal government and other levels of government. With the scarce financial resources available to us, we must use what we have more effectively.

That brings me to the second goal. The *International Trade Business Plan*, I believe, makes its greatest contribution in this area. The extensive interdepartmental consultations, which form the basis of the Plan, have ensured more efficiency and reduced duplication.

For example, by consolidating the list of proposed activities for each sector, we were able to reduce planned events from about 1,200 to 900 -- simply by eliminating duplication and overscheduling.

The result of this interdepartmental exercise also ensures that all federal government departments are now working toward common international trade objectives.

The Plan will also be useful for the priority setting of the whole range of trade development initiatives. What I mean by this is that the Plan will help us make difficult decisions on where and how to spend federal government money on trade development.

Finally, with respect to the third goal, we have developed a document that is a key component of the Government's trade priorities, both in the areas of trade policy and trade development.

Let me first turn to trade policy.

As all of you know, the Government has been involved in a number of initiatives to improve market access with our trading partners. I am talking about the Canada-U.S. Free Trade Agreement (FTA), the negotiation of the North American Free Trade Agreement (NAFTA), and the completion of the Multilateral Trade Negotiations (MTN).

With the very slow progress of the MTN, some people in the room may have grown very sceptical about the prospects of a positive outcome. To these sceptics I say, "Don't lose hope." Keep in mind that some very real progress has been made. U.S. President Clinton's recent announcement that he will seek an extension of fast-track authority is a signal that the United States is committed to seeking a successful conclusion to the negotiations.

The path ahead does remain strewn with obstacles, but, with hard work and a strong dose of political will, trade ministers from around the world can get the comprehensive result that all are seeking.

The removal of trade barriers, however, is not limited to the international domain. For Canada, it is also a priority domestically. For too many years, interprovincial trade barriers have dampened the competitiveness of many Canadian companies.

Over the past few months, I have been working with my provincial colleagues to open up the internal Canadian market. Most recently, two weeks ago the Committee of Ministers for Internal Trade discussed a plan of action to achieve a broad agreement by June 30, 1994.

The very real benefits of trade liberalization, both domestically and internationally, also led us to seek freer trade with our closest neighbours, first the United States, through the FTA, and now a continental agreement, through the NAFTA.

The evidence of the benefits of the FTA are now becoming clear. While 1992 was an outstanding year for Canadian exports -- with an overall 11-per-cent increase over the previous year -- our sales to the United States alone were even more impressive. Our exports to that country -- our largest market -- reached \$122.3 billion, representing a 13.6-per-cent increase over 1991. In January 1993, our exports to the United States were up more than \$2 billion, or 22 per cent higher than in the previous year. For the same period, they also soared to \$14.6 billion on a global scale, representing a 16 per cent increase over January 1991.

As is so clearly evident, it is the export sector that is leading the way in the current expansion.

We have recently introduced the NAFTA legislation in Parliament, and the bill is currently going through second reading. We are committed to seeing this legislation proceed through the stages of parliamentary approval, with a view to bringing the Agreement into force on January 1, 1994.

As you know, the NAFTA remains controversial in some quarters. As exporters, you know the importance of this Agreement to Canada's continued prosperity. I urge you to get this message out to Canadians.

In the meantime, Canadian businesses have already begun to increase their presence in the Mexican market -- simply because of the exposure given to that market by the NAFTA negotiations. The Government is also taking steps to help you capitalize on new opportunities with our new North American partner. Last month, I had the pleasure of launching Access North America, a new trade initiative that will introduce many more Canadian companies to the Mexican market.

Our trade liberalization efforts, however, are only a part of a wider government package to restructure the economy and improve the environment in which you conduct your business. We accomplished this restructuring through the Agenda for Economic Renewal, which we introduced in 1984 and which has guided the policies of the Government ever since.

Through policies like expenditure control, deficit reduction, tax reform, deregulation, privatization, as well as trade liberalization, we established the macro-economic bedrock upon which a progressive, forward-looking economy could be built.

One of the most significant policies we put into place was the reform of the income tax and sales tax systems. We removed the hidden federal sales tax on manufacturing and replaced it with the Goods and Services Tax (GST). Unlike the old tax, the GST is highly visible and, therefore, not a popular tax -- but it is a fair tax. Above all, it does not penalize Canada's exporters, as the old tax did.

All of the elements of the Agenda for Economic Renewal form part of a strategy to transform Canada's sluggish economy that we saw in the early 1980s and position it to adjust to changing circumstances in the 1990s and beyond. The policies we have pursued are the building blocks of Canada's prosperity.

They have also set the stage to make you more competitive in international markets. It is now up to individual companies to go out there and conquer new markets, not just in the United States and Mexico but all over the world.

Many of you, and the companies you represent, have taken part in the numerous trade missions that I and other ministers and senior trade officials have led to markets throughout the world. At the end of this month, I will be leading another such mission to South America.

As you can see, far from limiting our trade promotion activities to our North American neighbours, we are confident that the market experience and increased competitiveness gained by Canadian companies successfully engaged in the United States and Mexico will have a springboard effect for venturing into other markets. Of course, our efforts in this hemisphere are only part of the picture. We also have initiatives such as Pacific 2000 and Renaissance Eastern Europe, to name two. They are designed to encourage you to diversify your markets and exploit sales opportunities wherever they may be.

This is all part and parcel of the Government's global trade agenda. It's working, as our increased export figures, which I referred to earlier, clearly demonstrate.

Of course, through our many trade activities, the Government will provide whatever assistance it can to help you maximize your opportunities and this brings me to the other component of the Government's trade priorities: trade development.

We have put into place initiatives such as Access North America and others to assist exporters to take advantage of emerging market opportunities around the world.

By opening new markets and increasing our exports, we will create new jobs for Canadians and, in the process, help further promote Canadian prosperity.

Similarly, by opening the door to new market opportunities, the *International Trade Business Plan* will also help put us on the path to greater prosperity.

In this way, the Plan responds directly to some of the recommendations in the Prosperity Action Plan. Specifically, the Steering Group on Prosperity recommended in Action 17 the development of "a co-ordinated global trade, investment and technology strategy led by the private sector to increase exports, double the number of firms exporting and promote strategic alliances."

Furthermore, Action 18 recommends that we "consolidate trade development programs to eliminate duplication and overlap."

The *International Trade Business Plan*, although far from perfect, represents a major step toward achieving these sensible recommendations.

We are also working in other areas to make our trade development efforts respond to your needs. With regard to the Program for Export Market Development (PEMD), we are putting into place some fundamental changes that you have been asking for.

As a result, we now have a program -- PEMD -- that provides support on a longer-term basis, while reducing the administrative burden for its clients.

The fundamental concept in these changes is that of market development strategies. Instead of requesting assistance on a single-activity basis, companies will be able to apply for assistance for a number of activities. PEMD therefore is now able to provide longer-term assistance that will mesh well with your marketing strategies.

Combined with the strategic information in the *International Trade Business Plan*, these changes to PEMD will be helpful to you as you pursue opportunities in the international marketplace.

All of the initiatives that we have undertaken in the areas of trade development and trade policy have one thing in common with the *International Trade Business Plan*: they all reflect our commitment to create an environment where Canadian companies can indeed realize their potential in the international marketplace.

In this era of fierce global competition, however, we can't make these changes effective by ourselves. We have to work in partnership with the private sector to establish a strong Team Canada approach that will seize the opportunities in all markets.

We have made a giant step forward in that direction with the publication of this *International Trade Business Plan*. You have helped us to bring transparency, coherence and strategic direction to our international business activities.

Keep in mind that this Plan is for you. It will allow you to better align your own priorities and plan the activities that you would like to carry out jointly with us.

To make it a fully effective document, we also need to hear from you. Let us know what you think -- so that we can incorporate your views for future editions.

Copies of the *International Trade Business Plan* are available outside on tables in the reception area. I encourage you all to pick up a copy and find out how you can best take advantage of our many trade development activities.

Thank you.