

STATEMENT DISCOURS

MINISTER
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DU
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EXTÉRIEUR.



NOTES FOR AN ADDRESS BY
THE HONOURABLE JAMES KELLEHER,
MINISTER FOR INTERNATIONAL
TRADE, TO THE CANADA-ARAB
BUSINESS COUNCIL

TORONTO
NOVEMBER 19, 1984

Thank you, Senator Stanbury.

Your Excellency, Distinguished
Guests, Ladies and Gentlemen.

It is an honour for me to be here today and to take part in the first major public activity launched by the Canada-Arab Business Council. Allow me to begin by paying tribute to Senator Stanbury who, with great foresight and initiative, has been instrumental in the formation of this Council.

The Council will be of great value in fostering discussion of export ideas among Canadian companies. It should help you in the resolution of problems that may arise from time to time in relation to your exports to the Arab world.

In these efforts, you will not be working alone. Let me stress the importance that my Government places on close cooperation with organizations like this Council. I very much hope that you will inform and advise me and my colleagues in the Government of any means by which we can assist you in your export endeavours. As you know, my Government is committed to creating wealth, growth and jobs.

Export is the lifeblood of Canada's economy. If we are to promote exports effectively, we must ensure that the policies we pursue will meet your requirements. This Government welcomes innovative approaches to trade promotion. The ideas of the business community will be given our careful attention. We will listen. And we will act in response to what we hear.

Some of you will have already read or heard the basic principles which will underlie our trade strategy. They bear repeating.

The first is to resist protectionism, and keep trade open.

The second is to put a new premium on making Canada internationally competitive, encouraging and supporting enterprise, investment and innovation.

The third is to pursue export opportunities, large and small, traditional or new, with renewed vigor.

And the fourth is to pull together more effectively, with a greater and more urgent sense of shared purpose than ever before. It is our intention to increase practical, working cooperation between the Federal and Provincial Governments, in trade promotion, as on other matters. We also intend to restore and develop the sense of team-work between the private sector and governments.

These are our guiding principles. The challenge is to make them work amid the economic and political realities in which we live. That is no easy task in any part of the world.

For Canada, business with the Arab world is vitally important. I don't wish to burden you with statistics but perhaps a few are justified to show just how significant is our trade with the area. From 1979 to 1982, exports of goods alone more than doubled, to reach two billion dollars. After a slight decline last year this upward trend has been resumed. These figures do not include exports of Canadian services, which are estimated to be worth an additional one billion dollars per year. Three countries of the region -- Algeria, Saudi Arabia and Egypt -- are among Canada's 20 largest markets in the world.

It is significant that 45% of our total exports to this area are in fully-manufactured goods -- far higher than the comparable proportion of Canadian exports to Asia, far higher even than for Western Europe, and rivalling the proportion of fully-manufactured items in our exports to the U.S. In the case of Saudi Arabia, almost all of our exports are either finished or

semi-finished products, and the same is true for our exports to the other Gulf States.

I need not remind you that these types of exports -- products that have gone through the manufacturing process in Canada -- are of critical importance to us. They provide the job-creating impetus so vital to the Canadian economy. And the creation of jobs is uppermost in this Government's policies.

There are several factors unique to the Arab markets which also warrant consideration.

Despite short-term fluctuations in world oil markets, the region possesses immense inherent wealth in its natural resources, and thus will continue to provide excellent long term market prospects. Thus, Canadian marketing efforts undertaken in these countries can be expected to have greater benefits in the future than similar efforts in many other parts of the world. It is an area of assured significant market growth.

A number of Arab countries are undergoing a rapid development process. They require know-how and technology in many fields -- communications, transportation, electrification, agriculture, and the establishment of small scale manufacturing industries. All of these are areas in which Canada excels.

The already large infrastructure of plants installed in the last several years will require expertise in operations and maintenance, as well as human resource training. Again, these are areas in which Canada has much to offer.

The product range of our exports, particularly to Saudi Arabia, is remarkably diversified. It includes frozen dinners and fur coats, maple syrup and high technology, including semi-conductors, printed circuit boards and electronic components.

Many Arab countries, I am happy to say, do not impose the wide range of tariff and non-tariff barriers that are so widespread today in other markets of the world. There is little protectionism.

All of these factors should encourage us to pursue the Arab markets with more vigor. Canada has only begun to scratch the surface of the export opportunities that exist. These markets require a strong personal commitment by you, the Canadian exporters. It is not enough to make occasional trips to the area and leave the rest to the telex and telephone. This is not the Arab way of doing business. Their style is to develop and nurture personal relationships, and it's a style that has many rewards. I commend it to you. It will help you to keep abreast of opportunities, and to capitalize on them when they arise. It should also be an immensely rewarding human experience for you, because -- leaving aside the business opportunities -- the warm hospitality of Arab friends has no equal.

Like many other countries, including Canada, the Arab countries wish to promote their industrial development through technology transfers, joint ventures and education. Canada is already active in these fields. For example, about 3,000 students from Arab countries are studying in Canadian secondary and technical schools and universities. These relationships will be important in consolidating and expanding our markets in the long term.

Given your personal commitment, given the attractions of the Arab markets, and given my Government's emphasis on increasing trade, productive investment and manpower training, we can and will pull together to exploit effectively our opportunities. All of these elements logically reinforce our interest in expanding our economic and trade links with the Arab world.

The Canada-Arab Business Council is uniquely suited to play an important role

in the growth of our relations with the Arab states. It provides a forum, among its members, with our governments, and with our Arab friends, not only for exploring opportunities, but also for stimulating mutually rewarding exchanges.

The foundations of goodwill and understanding already exist between Canada and all States in the region. The fair-minded attitude in Canada towards the political problems of the area has long been established and recognized. The governments concerned appreciate that a fundamental objective of Canadian policy is to nurture mutually-rewarding bilateral exchanges with individual countries. In seeking to build on these existing foundations, my Government reaffirms the continuity and stability of this approach to our relations with the region.

In closing, I would like to wish you, the Canada-Arab Business Council and you, the individual Canadian exporters, every success in your eminently worthy endeavors. The number of Canadian Embassies in the region has increased significantly in the last decade, and our new Embassy in Abu Dhabi is now open for business. All of them stand ready to assist you. I as Minister for International Trade, and the officials of the Department of External Affairs are anxious to help you at any time. And my Government is committed to support you. We will listen attentively. And we will act effectively.

Thank you.