

Statement

Minister for
International
Trade



Discours

Ministre du
Commerce
extérieur

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY THE
MINISTER FOR INTERNATIONAL TRADE

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TO THE CANADIAN COUNCIL FOR THE AMERICAS

CHATEAU LAURIER HOTEL

OTTAWA, ONTARIO

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LADIES AND GENTLEMEN,

I AM PLEASED TO BE ABLE TO OPEN THE COUNCIL FOR THE AMERICAS "BUSINESS OPPORTUNITIES IN THE AMERICAS" SEMINAR WHICH WILL EXAMINE OUR TRADING STRATEGIES WITH OUR HEMISPHERIC NEIGHBOURS.

THIS EVENT IS TIMELY. THE CANADIAN GOVERNMENT IS ACTIVELY ENGAGED IN THE STRENGTHENING OF OUR TIES WITH THE LATIN AMERICAN AND CARIBBEAN REGION, AND THE VIEWS OF CANADA'S EXPORTING COMMUNITY ARE ALWAYS AN ESSENTIAL ELEMENT OF OUR DELIBERATIONS.

LATIN AMERICA AND THE CARIBBEAN ARE GOING THROUGH DIFFICULT ECONOMIC TIMES, THE MOST EVIDENT MANIFESTATION OF WHICH IS THE EXTERNAL DEBT CRISIS. IMPORTS BY THESE COUNTRIES HAVE FALLEN SIGNIFICANTLY OVER THE LAST TEN YEARS, AND CANADA'S EXPORTS HAVE SUFFERED LIKE THOSE OF OUR COMPETITORS.

THESE DIFFICULT TIMES NOTWITHSTANDING, I BELIEVE THAT IT WOULD BE A SERIOUS MISTAKE TO WRITE OFF THE REGION, A VIEW I AM CERTAIN THOSE OF YOU WHO ARE ACTIVELY INVOLVED IN THESE MARKETS WILL SHARE. THERE CONTINUE TO BE IMPORTANT OPPORTUNITIES FOR CANADIAN COMPANIES EXPORTING TO COUNTRIES IN LATIN AMERICA AND THE CARIBBEAN. THERE ARE GOOD REASONS FOR THIS:

(1) DESPITE THE ECONOMIC CRISIS, THE LATIN AMERICAN AND CARIBBEAN STATES ARE IMPORTANT TRADING PARTNERS FOR CANADA:

- TWO-WAY TRADE TOTALLED \$7.5 BILLION IN 1988, EXCEEDING THAT OF OUR TRADE WITH CHINA AND THE ASEAN COUNTRIES COMBINED, AND ABOUT EQUAL TO OUR TOTAL TRADE WITH EASTERN EUROPE, OCEANIA, AFRICA AND THE MIDDLE EAST. AFTER THE U.S.A., WESTERN EUROPE AND ASIA, THE REGION IS OUR MOST IMPORTANT MARKET AREA, ONE IN WHICH WE HAVE A LONG TRADITION OF INVOLVEMENT AND WHICH PROVIDES US AN ENVIABLE BASIS FOR EXPANSION AS OPPORTUNITIES IMPROVE.

(2) THE LATIN AMERICAN/CARIBBEAN AREAS ARE QUALITY MARKETS FOR CANADIAN GOODS AND SERVICES:

- ABOUT 30% OF OUR EXPORTS TO THE REGION ARE FINISHED GOODS. WE HAVE HAD SUCCESS IN EXPORTING HIGH TECHNOLOGY PRODUCTS AND SERVICES SUCH AS SATELLITES, TELECOMMUNICATIONS SYSTEMS, URBAN TRANSPORTATION EQUIPMENT AND SPECIALIZED ENGINEERING SERVICES TO A WIDE ARRAY OF REGIONAL PUBLIC AND PRIVATE SECTOR CLIENTS. IN 1987, OUR EXPORTS TO LATIN AMERICA AND THE CARIBBEAN CREATED JOBS FOR MORE CANADIAN WORKERS, ENGINEERS, RESEARCHERS AND MANAGERS THAN THOSE TO THE REST OF THE WORLD OUTSIDE THE U.S.A. - A FACT WHICH MANY CANADIANS WOULD NO DOUBT FIND SURPRISING.

(3) THERE IS ENORMOUS POTENTIAL FOR GROWTH IN LATIN AMERICA AND THE CARIBBEAN COUNTRIES AS THEY EMERGE FROM THE ECONOMIC STAGNATION OF THE 1980'S. FOR EXAMPLE:

- THE REGION WILL HAVE A POPULATION OF OVER 600 MILLION BY THE YEAR 2000, MORE THAN TWICE THAT OF THE EUROPEAN COMMUNITY, WITH AN ESTIMATED PURCHASING POWER OF 1 TRILLION DOLLARS. MANY COUNTRIES HAVE ACHIEVED A HIGH DEGREE OF ECONOMIC DEVELOPMENT ALREADY AND ARE NOW INSTITUTING ECONOMIC POLICIES WHICH WILL ENSURE CONTINUED GROWTH.

THERE IS A GENERAL SHIFT AWAY FROM PROTECTIONIST POLICIES TOWARDS MARKET-BASED STRATEGIES EMPHASIZING DEREGULATION, THE PRIVATE SECTOR ROLE IN EXPORT-LED GROWTH, AND PRIVATIZATION TO REDUCE DEPENDENCE ON THE GOVERNMENT FOR ECONOMIC DEVELOPMENT. WITH THIS IS A TREND TOWARDS OPENING ECONOMIES AND LIBERALIZING IMPORT REGIMES. MEXICO HAS ALREADY ACCEDED TO THE GATT. VENEZUELA IS APPLYING AND BRAZIL IS TAKING CONCRETE STEPS TO EASE ITS IMPORT CONTROLS. INDEED, AS YOU ALL KNOW, THE URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS IS CURRENTLY UNDER WAY AND WE SEE THIS AS AN IMPORTANT FORUM FOR REDUCING MANY OF THE TRADE RESTRICTIONS INHIBITING CANADIAN ACCESS TO LATIN AMERICAN COUNTRIES.

THE PROGRESS MADE ON THE DEBT ISSUE IS ALSO ENCOURAGING - PARTICULARLY , THE RECENT ACCORD ACHIEVED BY MEXICO AND ITS COMMERCIAL CREDITORS. HOWEVER, THE INTERNATIONAL COMMUNITY MUST CONTINUE TO SEARCH FOR CREATIVE SOLUTIONS TO THE DEBT CRISIS.

AS THE ECONOMIC CIRCUMSTANCES IMPROVE, I BELIEVE THAT CANADA, HAVING MAINTAINED ITS MARKET SHARE OVER THE LAST FIVE YEARS IN SPITE OF THE REGIONAL DECLINE IN IMPORTS, IS WELL-PLACED TO CAPITALIZE ON NEW OPPORTUNITIES.

WE HAVE THE ADVANTAGE OF A LONG TRADITION OF INVOLVEMENT IN THE REGION: ATLANTIC CANADA HAS HAD STRONG TRADE LINKS WITH THE CARIBBEAN SINCE THE 18TH CENTURY AND CANADIAN ENGINEERING EXPERTISE BROUGHT FLECTRICITY TO BRAZIL IN THE LATE 1800'S, TO CITE JUST TWO OF MANY EXAMPLES.

WE HAVE GOOD POLITICAL RELATIONS WITH OUR HEMISPHERIC NEIGHBOURS AND ARE SEEN AS A WILLING, UNTHREATENING AND ABLE PARTNER IN ECONOMIC DEVELOPMENT.

PERHAPS MOST OF ALL, WE ARE SEEN AS A SOURCE OF THE PRODUCTS AND TECHNOLOGIES WHICH WILL ASSIST COUNTRIES IN THE EXPLOITATION OF NATURAL RESOURCES AND ESTABLISHMENT OF VALUE-ADDED INDUSTRIES, WHICH ARE ESSENTIAL TO THE CREATION OF WEALTH AND EMPLOYMENT OPPORTUNITIES IN THESE COUNTRIES FOR THE 1990'S AND BEYOND.

EXPANSION OF CANADIAN EXPORTS OF COURSE WILL BE FUNDAMENTALLY IN THE HANDS OF THE PRIVATE SECTOR. HOWEVER, THIS GOVERNMENT IS COMMITTED TO SUPPORTING YOUR EFFORTS TO EXPAND TRADE IN THE REGION.

WE HAVE 15 POSTS IN THE REGION STAFFED BY OVER 50 TRADE OFFICERS IN ORDER TO ASSIST YOU IN IDENTIFYING AND EXPLOITING MARKET OPPORTUNITIES.

IN 1988 MY DEPARTMENT ORGANIZED 85 TRADE MISSIONS AND 15 MAJOR FAIRS OR EXHIBITIONS IN THE REGION.

THE EXPORT DEVELOPMENT CORPORATION (EDC) SUPPORTED CANADIAN SUPPLIERS IN 35 TRANSACTIONS WORTH \$230 MILLION IN LATIN AMERICA AND THE CARIBBEAN SO FAR THIS YEAR.

CIDA IS ALSO AN ACTIVE PARTY IN REGIONAL TRADE DEVELOPMENT, IN ADDITION TO ITS MULTILATFRAL AND HUMANITARIAN AID COMMITMENTS, WHICH ARE SUBSTANTIAL. CIDA'S INDUSTRIAL COOPERATION PROGRAM HAS HELPED CANADIAN FIRMS IN CARRYING OUT JOINT VENTIURE AND TECHNOLOGY TRANSFER PROJECTS IN THE REGION. THIS OFTEN MEANT THE DIFFERENCE BETWEEN SUCCESS OR FAILIURE IN OUR TECHNOLOGY EXPORT EFFORTS.

THIS SEMINAR ON DOING BUSINESS IN THE REGION IS AN OPPORTUNITY TO BRING FORWARD NEW IDEAS ON KEY MARKETING CHALLENGES WE NOW FACE, FOR EXAMPLE:

- HOW DO WE FURTHER DEVELOP TRADE WITH THE PRIVATE SECTOR GIVEN THE FINANCIAL CONSTRAINTS FACED BY GOVERNMENTS IN THE REGION?
- HOW CAN WE WORK MORE EFFECTIVELY WITH INTEPNATIONAL FINANCING INSTITUTIONS SUCH AS THE WORLD BANK AND THE INTER-AMERICAN DEVELOPMENT BANK IN RESPONDING TO REGIONAL DEVELOPMENT PRIORITIES?
- HOW CAN WE INCREASE THE SHARE OF CANADIAN CONTRACTING BY THESE INSTITUTIONS?

- HOW DO WE SUPPORT JOINT VENTURE AND TRANSFER OF TECHNOLOGY OPPORTUNITIES IN THE REGION WHILE ENSURING THAT CANADA'S COMPETITIVE EDGE IS MAINTAINED?

- WHAT ARE THE MOST BENEFICIAL FORMS OF CANADIAN DIRECT INVESTMENT IN LATIN AMERICA AND THE CARIBBEAN BOTH IN DOMESTIC AND REGIONAL TERMS?

THE CANADIAN GOVERNMENT IS ANXIOUS TO OFFER THE TYPE AND LEVEL OF SERVICE THAT CAN BEST ASSIST YOU, THE EXPORTING COMMUNITY, IN MEETING THE CHALLENGE OF CHANGING CIRCUMSTANCES IN LATIN AMERICA AND THE CARIBBEAN. WE ARE COMMITTED TO WORKING WITH THE GOVERNMENTS OF THE REGION IN ADDRESSING THEIR ECONOMIC PROBLEMS AND TO ENSURING THAT CANADIAN INDUSTRY BENEFITS FROM EMERGING TRADE OPPORTUNITIES.

IT IS A PRIORITY OF THIS GOVERNMENT TO WORK CLOSELY WITH THE PRIVATE SECTOR AND ATTEMPT TO MEET YOUR SPECIFIC NEEDS. INITIATIVES SUCH AS THE FREE TRADE AGREEMENT (FTA), OUR EXPORT DRIVE IN THE ASIA PACIFIC REGION, POSITIONING FOR EUROPE 1992 AND THE CURRENT MULTILATERAL TRADE NEGOTIATIONS (MTN), ARE ALL GEARED TOWARDS ENSURING THE CONTINUED WELL-BEING OF OUR INTERNATIONAL TRADE SECTOR.

THE PROBLEMS OF THE LATIN AMERICAN AND CARIBBEAN REGION ALSO OFFERS IMPORTANT OPPORTUNITIES FOR US, AS I HAVE SOUGHT TO SUGGEST. THE WORK OF YOUR COUNCIL IS IMPORTANT AND WE WILL CONTINUE TO SUPPORT IT.

I WISH YOU WELL IN YOUR DELIBERATIONS TODAY AND LOOK FORWARD TO HEARING THE RESULTS OF YOUR DISCUSSIONS. THANK YOU FOR THE OPPORTUNITY TO SHARE MY THOUGHTS WITH YOU THIS MORNING.