

Statement

Minister for
International
Trade



Déclaration

Ministre du
Commerce
extérieur

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**NOTES FOR AN ADDRESS
BY THE HONOURABLE TOM HOCKIN,
MINISTER FOR INTERNATIONAL TRADE,
AT THE PRESENTATION OF THE
CANADA EXPORT AWARDS**

**VANCOUVER, B.C.
October 4, 1993**

Affaires extérieures et
Commerce extérieur Canada

External Affairs and
International Trade Canada

Canada

It's an exciting night for Canadian exporters -- a group to whom this nation owes much.

It's an exciting night for the Canadian Exporters' Association [CEA] -- your 50th anniversary celebration. May you have 50 more.

Of course, it's an exciting night for the 10 winners of this year's Canada Export Awards, and it's an exciting night for me.

I've spent most of my life in and around the business and export community, as an exporter, as an academic, and in government. I know how hard it is to step beyond the familiar, to reach out into export markets, to take risks -- win or lose. And I know how tremendously satisfying it is when you succeed. I'm delighted to help you celebrate that success here tonight, and congratulate you for it.

In the five months I've held the International Trade portfolio, I have been fortunate to participate in some moments of real accomplishment for Canada -- for example, when we struck a deal on market access with our Quad partners in Tokyo; when we finally resolved the beer dispute with the United States; and when we completed the NAFTA [North American Free Trade Agreement] side agreements on labour and environment.

Tonight I find myself at another high point in this portfolio, because in a few moments, I will have the honour of saluting some people who have earned special recognition for their creative efforts in selling Canadian goods, technology and services in foreign lands over the past year.

I feel I am presenting these Export Awards on behalf of all Canadians, because we all have a stake in your success.

As Prime Minister Campbell said on August 27, exports are our life line and our lifeblood. Drawing the direct connection between exports and their importance for all Canadians, she told it like it is: "The best job policy for Canada is a good trade policy."

When you consider that a quarter or more of Canadian jobs are directly related to exports, when you figure that each new billion dollars of exports generates around 15 000 jobs, it's clear why all Canadians have a stake in your export success.

And your success is a matter of record. Trade figures for the first six months of 1993 show our merchandise exports at \$87 billion -- up 15 percent from the same period in 1992; up 21 percent for our exports to the United States.

While we have done well, you and I know that as a nation, we haven't always been as bold and aggressive about exports as we could be -- as we need to be.

The fact is, fewer than 100 large Canadian companies account for 70 percent of our exports. We've got to do more to encourage small- and medium-sized businesses to look beyond our borders for new growth markets.

Now, government by itself can't put those potential new exporters into foreign markets, but what we can do is open doors and help them through. We can help them see the opportunities that exist for trade, not only in goods, but also in services, technology and investment. In particular, we are trying to encourage Canadian business to focus on the fast-growing markets of Asia and Latin America.

Let's look at Asia for a second: average growth rates of 5-6 percent; the ASEAN [Association of Southeast Asian Nations] "baby tigers" growing even faster; China's economy projected to be bigger than that of the U.S. by 2015, with a middle class of 350 million people.

Latin America has average national growth rates around 4 or 5 percent. Mexico, with a middle-income population of around 25 million, registered a 26-percent increase in imports last year alone.

Our role as a government is to encourage exports to these growth areas, through trade policy and market development. These are challenges we have never shied away from.

We took a leadership position in launching the Uruguay Round of multilateral trade negotiations in 1986, and we have continued to push for its completion. In 1989, we implemented the Canada-U.S. Free Trade Agreement (FTA) to improve our access to the market that buys more than 75 percent of our exports. Along with dropping tariff and non-tariff barriers, we negotiated a dispute settlement mechanism that ensures a fair and effective hearing when disputes arise.

Has the FTA succeeded? Last year, despite slow economic conditions, our merchandise exports to the U.S. hit a record \$122.3 billion; the growth trend has continued since January 1992. During the first seven months of 1993, our trade surplus with the U.S. was \$12.7 billion, up \$4.4 billion from the same period last year.

The C.D. Howe study released on September 16 shows that in sectors liberalized by the FTA, Canadian exports to the U.S. increased in value by an average of 33 percent between 1988 and 1992.

What's more, the growth was mainly in high-wage, high-tech, high value-added industries. To quote from the report, these are "industries crucial to Canada's economic future, and free trade

gives them an outlet for growth that no government-led industrial strategy could provide."

The North American Free Trade Agreement builds on the FTA by expanding our access to some U.S. markets, improving the dispute settlement process, and, of course, opening up the fast-growing Mexican market.

As exporters, I'm sure you appreciate the logic of signing a deal that gives us roughly the same kind of access south of the Rio Grande that Mexico enjoys in our market. It's just a question of righting the scales -- correcting a situation in which 80 percent of our exports are blocked by Mexican barriers, while 80 percent of their exports to Canada enter duty-free. We believe that by expanding our access to, and involvement in, the Mexican market, Canadian business will focus more clearly on Latin America as a whole.

To help explore the opportunities that exist for Canada in the region, Prime Minister Campbell also announced on August 27 that she will establish a Blue Ribbon Commission, made up of leaders from the business, academic and labour sectors, to report within six months on how Canadian business -- and Canadian jobs -- can be generated throughout the region.

As we head into the final stretch of GATT [General Agreement on Tariffs and Trade] negotiations in Geneva, we're looking at further openings in world markets, coupled with a strengthened set of trade rules.

With one quarter of our production exported, Canada needs a big, balanced result from the GATT negotiations. And, personally, I will continue to do all in my power to see that we succeed.

I have certainly been encouraged by the progress that's taken place since May, when Canada brought together trade ministers from the U.S., Japan, and the EC -- our Quad partners -- to restart the market access negotiations. This initiative, which led to the Tokyo interim market access agreement in July, effectively put the multilateral trade talks back on track.

With the GATT and the NAFTA, we will have a mutually reinforcing, outward-looking package of trade agreements. In the hands of people like you and our winners tonight, they will serve Canada well.

When Kim Campbell spoke in Toronto on August 27 she ventured even further, to propose closer trade relations with the most dynamic area in the world today -- the Asia-Pacific economic community. She will vigorously pursue that idea in November, at the Asia-Pacific Economic Co-operation forum in Seattle.

Where there's growth, where there are opportunities for Canada, that's where we -- government and industry -- have got to be.

That's the story behind the International Trade Business Plan. It ensures that the 17 federal departments and agencies involved in international business are working together, in partnership with the private sector, to identify and exploit market opportunities.

That's also the story behind the Access North America program. As you know, my predecessor, Michael Wilson, announced this \$27-million initiative in March. We've got some brochures with us here today that outline the program and how you can put it to work for you. I would like to spend a moment reviewing where we stand on implementation.

Today we're releasing a special edition of "Canada-Mexico Partnering for Success" -- an in-depth business guide, produced in co-operation with the private sector. A new series of sectoral studies will build on this in the next few months.

Your association is advancing the ball through a national series of seminars on the new business environment in North America, including practical advice on rules of origin, labelling, and customs.

The Forum for International Trade Training, with guidance and input from the CEA and others, is moving ahead with the GeoFITT Mexico, which in turn leads into International Trade Canada's NEWMEX missions to Mexico.

We've got 25 or 30 trade fairs and missions under development, including the biggest-ever Canadian solo trade show in Mexico -- Canada Expo Mexico City -- in March 1994. We expect more than 400 Canadian firms to be there, to get in on the ground floor of the dynamic Mexican market.

Our stepped-up efforts in Mexico and Asia are what I mean when I say we are targeting the growth markets of the future. We're also focussing on sectors that offer particular promise.

Take, for example, this year's ExportVision program -- a major component of International Trade Month. ExportVision brings 70 of our trade specialists from around the world into direct contact with companies from coast to coast. They will be focussing on five major sectors -- health-care products and services, industrial and electrical equipment and technology, mining equipment and services, fish, and agri-food.

That is targeted, demand-driven government in action.

ExportVision advances another major goal of International Trade Month -- carrying the export message to Canadians at large. To do this, we are sending trade officers, Export Award winners, and other successful exporters to some 30 communities across the country -- from Nanaimo to Corner Brook -- to meet with business groups, students and the media, and explain the importance of international trade to this country.

I think you and I would agree that the more Canadians understand the importance of trade and the more they believe that we can succeed in world markets, the better we will perform as a nation.

There's much more I would like to talk to you about this evening. But I hope I have set out my vision of where we stand and where we are going on the export front.

I'm talking about focussing on the growth markets of tomorrow -- Asia and Latin America -- expanding the definition of our backyard, looking beyond familiar markets in the United States and Europe.

And I am talking about a co-operative, co-ordinated, strategic partnership, one that puts the exporter clearly in the driver's seat.

A year from now, I'd like to come back and review how we've done, together, in this effort. It will be a special honour as we celebrate the 100th anniversary of the Trade Commissioner Service.

In conclusion, let me again congratulate this year's Canada Export Award winners, cheers to the CEA on its 50th anniversary, and thank you all for this opportunity to get together.