

STATEMENT DISCOURS

SECRETARY
OF STATE
FOR EXTERNAL
AFFAIRS.

SECRÉTAIRE
D'ÉTAT AUX
AFFAIRES
EXTÉRIEURES.



87/52

Speech by
the Right Honourable Joe Clark,
Secretary of State for
External Affairs

LAUNCH OF EXPORT TRADE MONTH

OTTAWA

October 1, 1987.

It gives me great pleasure to join you here to-day to launch Canada Export Trade Month. The last several months and in particular this last week has been extremely hectic, but it is obvious to all that this government places the highest priority on trade.

While October is officially Export Trade Month, I want you to understand the importance of exports and trade to you and to our government every month --- because trade means jobs and jobs are our number one priority.

Export Trade Month is a co-operative program. It involves business people, educators and trade officials in various departments and agencies of the federal and provincial governments. This co-operation is evidence of the growing consensus in Canada that our future prosperity is dependent upon improving our export performance.

The thrust of the Export Trade Month program relates directly to these objectives. The spirit of co-operation is demonstrated here today by the variety of associations, departments, crown corporations and business people.

We are attempting to raise public awareness across the country of the critical role played by export trade in our national economy. Something like two million Canadian jobs depend on export activity. Our message is that there is a direct link between export activity and economic health. We want that relationship to be understood by every Canadian.

I believe that Members of Parliament carry a special responsibility to work with and encourage companies in their constituencies to consider the international market place. Members of the Standing Committee on External Affairs and International Trade are reviewing our trade programs and services in order to better assist the exporting community.

We are also communicating with the business community -- in particular, the small- and medium-sized business enterprises which provide the vast majority of new jobs in Canada -- to make them aware of the opportunities that exist in the international market place.

To help companies seek out these opportunities, the federal and provincial governments offer a broad range of trade promotion programs and mechanisms. Many of you may recall Export Marketplace programs of 1985 and 1986. The stars of Marketplace are our Trade Commissioners who come back from their posts abroad to meet business people one-on-one. Last year, over 100 trade officers visited 35 cities and met with over 2,000 companies.

A recent survey of the companies that participated in Marketplace 86 revealed that the one-on-one interviews assisted in immediate export sales of in excess of \$20 million dollars and a large number of companies expect to make sales in the near future. 94% of the firms asked us to repeat the exercise and so this year Marketplace 87 will be the major Export Trade Month event in 21 cities across Canada. We expect to hold over 7,000 interviews with business people in the period of October 13-30. Information on Marketplace 87 is available for you.

Our Trade Commissioners provide all kinds of overseas services. But their value to Canadian companies is their knowledge of foreign markets and our latest listing of Canadian trade commissioners is also available for you to-day.

The Global market place is astonishingly large and varied. New technologies and other advancements make it bigger and more diverse every day. So, the opportunities are there.

But to exploit these opportunities, we need to be aggressive. We need to be alert to developments that create opportunities. Above all, we need to be competitive -- in price, in quality, in the range of products and services we offer.

What we must really do is develop an export state-of-mind. If we can train ourselves always to think exports -- and that is probably a matter of habit as much as anything -- we will certainly improve our trading performance. If we can get to the point where we are automatically attuned to export potential in considering every business venture, we will improve our sales both inside and outside the country. That is the philosophy of our competition abroad, and it must be ours as well.

It is in this spirit that I am approaching Export Trade Month. My colleagues in both the federal and provincial governments will be talking to business groups across the country. There will be over 250 events such as seminars and workshops, trade shows, incoming and outgoing missions, service club luncheons with export themes and so on. All are attempts to spread the export gospel. All are intended to overcome the psychological and informational barriers to achieving Canada's export potential and to foster development of the export state-of-mind.

Within the country, the government and this department, we seek to highlight trade through a range of activities. To-day, we raised the Export Trade Month flag in front of this building and other promotional items have been distributed to companies and employees.

To-day my Parliamentary Secretary, John McDermid, is in Vancouver to launch an export education book Canada: Our Place in the World to focus the attention of students on international trade.

My Quebec colleague, Pierre MacDonald, is launching Export Trade Month in Montreal and in Alberta Larry Shabin is hosting a similar function. The federal-provincial co-operative spirit is working in trade development.

Next Monday, on October 5, the Prime Minister and I will be attending the Canadian Exporters' Association Annual Meeting and the Canada Export Awards will be presented to twelve outstanding exporters. I am proud to say that Canadian companies can and do meet and beat the international competition.

It would be stating the obvious to say that, to a business, exports mean profits. To the country as a whole, however, exports mean a great deal more. Exports mean jobs.

Since 1984, Canada's trade performance has moved steadily upward despite intense international competition, growing protectionism, depressed commodity prices, and sluggish world markets.

Export performance is a function of the competitiveness of our economy, and objective international observers such as the European Management Forum which ranked Canada as 11th among OECD economies in overall competitiveness in 1984, have kept track of our progress and rated us 7th in 1985 and 6th in 1986.

This improvement did not come about by accident. Many actions by this Government, including the establishment of a more attractive investment climate through the creation of Investment Canada, has sent out the signal that Canada is open for business.

Export of manufactured products grew by 16% in the period 1984-1986 and now account for half of our total exports. Canada's share of world trade grew from a low of 3% in 1980 to over 4.2% in 1986, despite a dramatic fall in the price of key natural resource exports.

In 1986, we had a record inflow of Foreign Direct Investment of some \$6.8 billion.

From its first day in office, this government recognized the relationship between the success of Canadian exporters and the economic health of the nation. Exports mean jobs.

In "An Agenda for Economic Renewal", the government's manifesto for economic recovery issued in November 1985, Finance Minister Michael Wilson noted the decline in the past 16 years of Canada's ranking from fourth trading nation in the world to eight. The Government took immediate action to stop this downward spiral.

Within six months of taking office, this Government had established, in co-operation with provincial governments, a consensus on the broad lines of a National Trade Strategy that was endorsed by First Ministers in February 1985. The National Trade Strategy calls for:

- Improvement in Canada's trade competitiveness.
- Broadened access to foreign markets.
- Strengthened Canadian international marketing.

There has been action on all three pillars of our trade strategy. Measures have been taken to regain the confidence of foreign investors and to stimulate the use by Canadian industry of new technology. The government has moved vigorously on two tracks to try to gain freer access for Canadian industry to foreign markets -- in the Canada-U.S. trade negotiations and within the framework of the General Agreement on Tariffs and Trade through the Multilateral Trade Negotiations.

From 1984 onwards, the efforts and resources of this Government have been continuously directed at helping Canadian companies make export sales and provide jobs for Canadian workers.

A major effort has been made to try to secure and enhance access to the U.S. market through bilateral negotiations. We have tried hard. We are still trying. There have been difficult phases. We are in the midst of one. Yet some long-term benefit may still emerge from the present impasse.

Whether there is an agreement or not, Canada will always be trading with the U.S. to a greater extent than with any other nation. This Government will continue to provide Canadian exporters with every possible assistance to help them sustain and expand export sales to the U.S. If there is no agreement and the trading environment becomes more hostile, these efforts will have to be pursued even more vigorously.

Yet, trade with the U.S. is not the only game in town.

This Government played a pivotal role in gaining international support for another round of Multilateral Trade Negotiations. Two years ago, conventional wisdom considered this only a distant and remote possibility; today, the advance party of our negotiating team is at work in Geneva.

We are also pursuing numerous bilateral initiatives to enhance our access to key markets around the world. For example, we have developed strategies for Japan, China and Europe that focus on details such as means to promote timber from housing in Japan or power-systems to China.

Initiatives have been taken to help ensure continued improvement in our trade competitiveness. Investment counsellors seconded to External Affairs from the private sector have been assigned to key posts abroad to advise and encourage potential foreign investors. Technology Development Officers have been recruited to help Canadian companies identify and adopt foreign technology, and the Technology Inflow Program was established to help companies defray the costs of these activities. Last month in Vancouver, I announced that this program will be tripled in size by 1990.

This Government has pursued a major international marketing effort. As part of the National Trade Strategy, special emphasis is being placed on key Asia-Pacific markets as well as the U.S. Some \$70 million over five years, mainly from External Affairs non-trade programs, has been redirected into this special trade promotional effort. About 45% of External's resources and personnel are now devoted to trade promotion, tourism and economic affairs.

This Government has opened new trade offices in Bombay, India; Shanghai, China; Osaka, Japan; Auckland, New Zealand; Lyon, France; and St. Louis, Cincinnati, Pittsburg, Orlando and Santa Clara in the United States. The number of trade officers in Beijing has been doubled in response to the requirements of the business community.

The British magazine "business" recently compared the programs and services governments in 19 OECD countries offered to exporters - Canada ranked third (after Austria and France).

Canada's Trade Commissioners abroad (over 400 strong in 94 countries) are the backbone of this Government's export promotion services and much valued by the business community. In 1986, these officers assisted over 31,000 Canadian business visitors (up from 18,000 ten years ago), responded to 137,000 inquiries from Canadian exporters and referred over 103,000 local export opportunities to potential Canadian suppliers (triple the level of activity of a decade ago).

A series of electronic systems were put in place to speed the process of putting buyers and sellers together.

For instance, the Department of External Affairs has invested in electronic management information systems such as WIN Exports, a computerized exporters directory for sourcing Canadian suppliers of goods and services.

The Department of External Affairs has also developed a computerized Export and Investment Promotion Planning and Tracking System that brings together data on trade opportunities world-wide. This data base enables the Department to consult extensively with other government departments, provincial trade organizations and the private sector in order to develop an agreed trade and investment promotion strategy for each export market.

It was a pleasure to speak with you to-day and to launch Export Trade Month.