



Canadian Official Views World Markets

Last month in this space, we alerted readers to the existence of a useful communication tool from the Canadian government: www.Connect2Canada.com. Recently that site reported details of an address by Jim Peterson, minister of International Trade, to the Canadian Association of Importers' and Exporters' 74th Annual Conference. In his presentation, Peterson extolled the strength of the Canadian economy and continued at length on Canada-United States relations as well as a number of other subjects of interest to Canadian reps and their principals. Excerpts from his comments follow.

Canada and the United States

"In today's global market, Canada's economy and public finances are national strengths that increasingly set us apart. We have the best growth in living standards among the G8 and the fastest job growth. We are the only G8 nation paying down debt, and

the only nation with eight consecutive balanced budgets.

"To continue making these investments, we must focus on the basis of our future economic prosperity: trade. As a nation of only 32 million people, we must access foreign suppliers, foreign markets and foreign investors.

"Our number-one priority remains the United States.

"We are the largest trading relationship this world has ever seen.

- We trade \$1.8 billion worth of goods and services every day.
- 86% of our exports go to the United States.
- 300,000 people cross the border every day — a truck crosses the border every two seconds.

Emerging Markets

"Canada must take the need for global competitiveness seriously as we confront the rise of new economic powers, especially the BRICs [Brazil, Russia, India and China].

"For established players, the rise of new economic powers is a

double-edged sword of promise and predicament — and for Canada, the challenge is real. But we cannot turn inwards and hope the world goes away.

"Brazil, Russia, India and China have incredible potential for growth, but Canadians are wholly under-represented in them. Although we account for almost 4% of world trade, we represent only 1.4% of Brazil's trade, 1.3% of China's, and less than 1% of India's. Clearly we have a long way to go.

"Over the past year, I have led trade missions to Brazil, China and two to India, seeing first-hand the amazing opportunities for Canadian business. Brazil is the leading economy in Latin America.

"In today's global market, Canada's economy and public finances are national strengths that increasingly set us apart."

“Canadian jobs and prosperity depend on Canadian businesses being globally competitive....”

India is an economic powerhouse whose economy is growing 8% a year. It is turning out two million university graduates a year, 380,000 of whom are engineers. China has driven down the cost of manufactured goods and become the workshop of the world.

“Canadian companies have to link into these global value chains. They ignore having a China and India strategy at their own peril. Canadian jobs and prosperity depend on Canadian businesses being globally competitive, and I ask for your help in carrying this message to all Canadian businesses, big and small, that our economic future depends on our ability to compete globally.

“The Prime Minister has set ambitious goals for our relationship with these new powers. Canada will double our economic exchanges with China and more than double our exports to India and Brazil by 2010.

“I know you are the ones who are taking the risks and doing the work, but we can help you capitalize on opportunities in emerging markets by providing the right services, at the right time, in the right places.

“Already, we are negotiating

science and technology agreements and foreign investment promotion and protection agreements with India and China.

“We also successfully negotiated expanded air transport agreements with India and China to strengthen commercial ties and improve tourism and educational links.

“The government has announced the Pacific Gateway Strategy, which commits \$225 million over the next five years to enhance our links with Asia Pacific economies through investments in border services and transportation infrastructure. Our west coast is a key nexus in transpacific trade, and building Canada’s Pacific Gateway is crucial for the future prosperity of the whole country.

“We need to make Canadians aware of the new challenges and opportunities of emerging markets and the full range of services we provide to help Canadian business thrive in foreign markets. We need to aggressively showcase Canada abroad — a very un-Canadian thing to do.

“More than that, we have to provide Canadian businesses, particularly small-and medium-sized enterprises (SMEs), with the help they need to succeed.

“Increasing SME success in global commerce is critical to Canada’s future prosperity. SMEs are the backbone of employment in this country: 65% of private-sector jobs, accounting for 43% of private-sector GDP. Yet they still account for only 35% of our export in goods. So while we will continue a wide range of support

for Canada’s big companies, it is companies with fewer than 500 employees that we need to have engaged in the global economy.

“To support SMEs, we need resources to get more people on the ground in China and India. This will enable us to significantly enhance one-stop services for SMEs in difficult emerging markets. The Trade Commissioner Service will increase the flow of actionable commercial intelligence, business leads and information on relevant commercial contracts, and enhance our capacity to provide timely, market-sensitive advice to SMEs on successful business strategies in emerging markets.

“In this new competitive global environment, it is not good enough for our trade commissioners to provide information and advice alone. We must also be willing to share the up-front financial risks of new markets. So many SMEs in Canada are on the cusp of being export-ready, and we need to help them explore and develop new growth opportunities in emerging markets.”

“We have to stay on top of the opportunities that are opening up before us. We need to prepare now to meet the new challenges they present. In short, we are committed to keeping Canada ahead of the curve, so that years from now, even in a world in which much larger nations are competing for political and economic power, our standard of living will continue to be among the world’s highest, and our quality of life will be second to none.” □

Copyright © 2006, Manufacturers’ Agents National Association

One Spectrum Pointe, Suite 150, Lake Forest, CA 92630-2283 • Phone: (949) 859-4040 • Toll-free: (877) 626-2776 • Fax: (949) 855-2973
E-mail: MANA@MANAonline.org • Web site: www.MANAonline.org • All rights reserved. Reproduction without permission is strictly prohibited.