



Foreign Affairs and
International Trade Canada

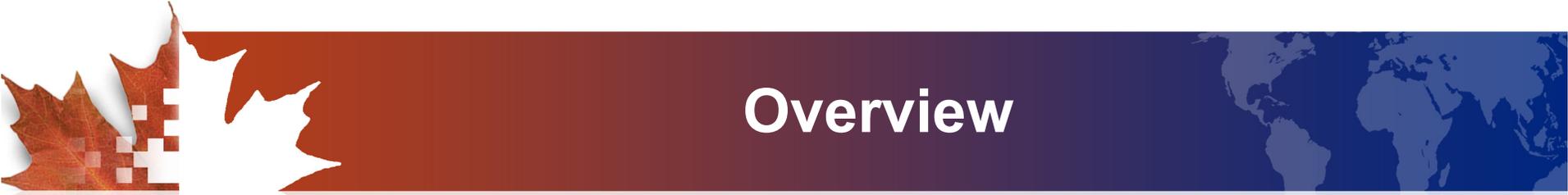
Affaires étrangères et
Commerce international Canada

Canada



Embracing Challenges and Leveraging Opportunities

June 13, 2008



Overview

- **Strongest Canadian economy in a generation -- but challenges remain**
- **Rapidly changing world economy: challenges but also opportunities**
- **Strengthening Canada's position as a partner of choice**



Strong Economic Fundamentals but ...

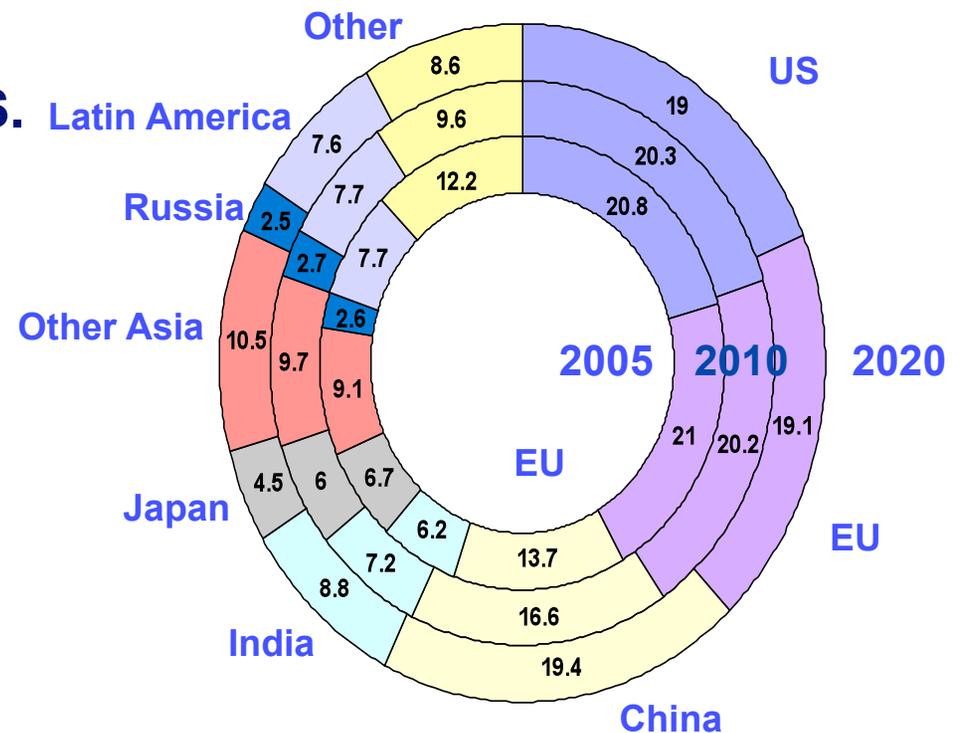
The Canadian economy has shown great resilience and ability to adapt in a rapidly changing global environment:

- **Unemployment rate lowest in 33 years**
- **Inflation well within Bank of Canada target range**
- **Canada continues to post fiscal surpluses- has the strongest fiscal position in the G7**
- **Canada's resource sector a strength as a result of growing demand from emerging economies**

The world economy is changing rapidly.

- Canada is losing market share in U.S. and lags U.S. in productivity growth
- High Canadian dollar and U.S. economic downturn exacerbate these challenges
- The economies of the BRIC countries have emerged and are leading growth in economic activity
- How will the increase in fuel prices affect international trade

% Share of world GDP (at PPP)

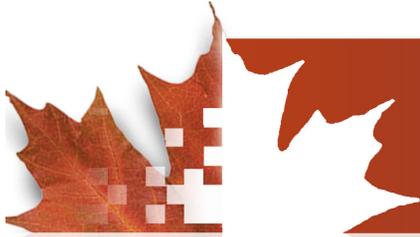


Source: DFAIT



The *Global Commerce Strategy*

- The *Global Commerce Strategy* is the Government's international policy framework in support of *Advantage Canada*. The GCS is a sustained action plan for helping Canadian companies meet the demands of an increasingly complex and competitive global economy.
- The GCS is encouraging two-way investment, commerce, technology and talent flows to support Canada's competitiveness and increase prosperity for all Canadians



Global Commerce Strategy (Cont.)

**Making Canada
a partner of choice
for international
business**

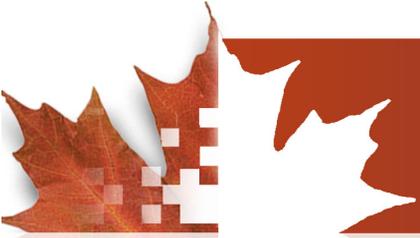
**Negotiating
improved access to
global markets,
capital, technologies
and talent**

**Connecting
Canadian business
with expanding
global
opportunities**

To Sustain Canada's **North American Advantage**

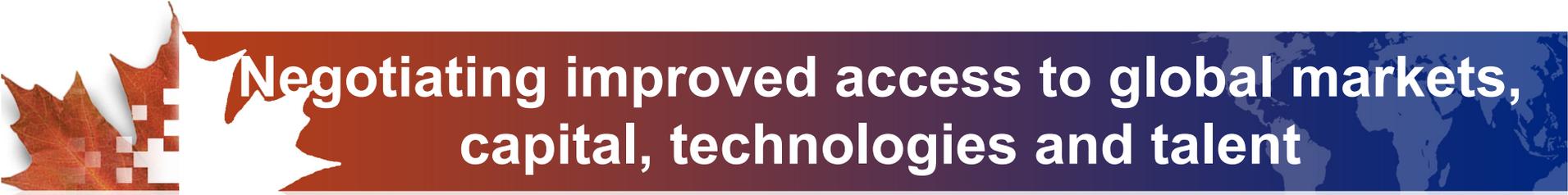
To Extend our reach to **Other Priority Markets** (e.g. Americas, Asia)

To Renew **Trade Negotiations** efforts



Making Canada a partner of choice for international business

- **Launching a proactive FDI promotion strategy**
 - More strategically focused, targeted and aggressive
 - Brands Canada vigorously as an investment location
- **Well-advanced in developing our global innovation strategy**
 - Integrating the global innovation strategy with the federal S&T strategy
 - Expanding programs to advance R&D and commercialization partnerships internationally
 - Enhancing S&T network abroad
- **Augmenting Canada's knowledge-base**
 - Introducing high profile, international scholarships and research chairs
 - Assisting post-secondary institutions in attracting foreign students



Negotiating improved access to global markets, capital, technologies and talent

Through the GCS we are aggressively engaged in bilateral/regional negotiations

▪ **Current Trade initiatives include:**

- Free Trade Agreements (FTA)
 - Canada-European Free Trade Association, Colombia, and Peru concluded
 - Negotiating with South Korea and Jordan and others
- Foreign Investment Promotion and Protection Agreement (FIPA)
 - Concluded negotiations with India and Jordan
 - Negotiating with China, Kuwait, Indonesia and others
- Air Agreements
 - Concluded new or expanded agreements with Japan, U.S., Iceland, New Zealand and others
 - Negotiating with the European Union



Connecting Canadian businesses with expanding global opportunities

- **Re-aligning Canada's international commercial network**
 - Recent announcement of new trade offices in India (2) and Mongolia
 - Expanding our network of Regional Offices
- **Initiating coordinated support to our firms investing abroad**
- **Undertaking a series of GVC initiatives aimed at increasing Canadian participation in global value chains of Fortune Global 500 companies**
- **Producing strategic Market Plans for our priority markets**



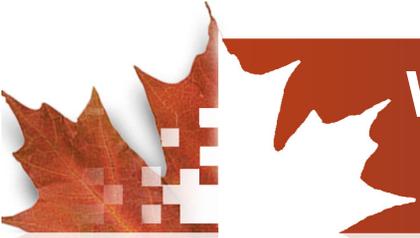
Connecting Canadian businesses with expanding global opportunities

- **Canada's National Policy Framework for Strategic Gateways and Trade Corridors will:**
 - maximize access to global value chains by physically connecting markets
 - promote cross-border commerce and competitive advantages within the North American platform
 - stimulate domestic wealth creation, built upon world-class modern infrastructure
 - streamline and leverage our regulatory, governance and investment policies and processes as part of an integrated, multi-modal, public-private strategy
 - increase awareness and confidence of Canada's transportation network among value added strategists



DFAIT's Role with APGCI

- **Position Canada as the route of choice between NA and Asia**
- **APGCI Investment Strategy**
 - Promote and attract FDI into APGC infrastructure
 - Integrate with 2010 Investment promotion activities
- **Creating the Business Gateway**
 - locate and promote value added activities along the APGC
 - position Metro Vancouver as Asia's business gateway to North America - focus on shipping, resource and construction/ infrastructure companies



What are the expected results and payoffs for Canadians?

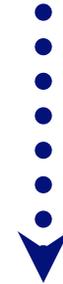
- Activities, Initiatives to strengthen Canada Position as a Partner of Choice within GVCs

↓ *Increased Competitiveness*

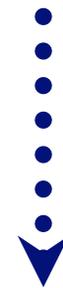
- Increased FDI (capital, technology, talent)
- Greater access, protection, and predictability for Canadian firms in foreign markets
- More Canadian firms seizing global opportunities
- Stronger links with global innovation networks

- More High Value-Added Jobs
- Robust Productivity Growth
- Higher Standard of Living

IMPLEMENTATION



RESULTS



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