



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Not official USDA data

Voluntary Report - public distribution

Date: 4/22/1999

GAIN Report #CA9042

## Canada

### Market Development Reports

### Canada's International Business Development

### Program

### 1999

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#### **Report Highlights:**

**The following is the text of the third annual Report to Parliament on the achievements of Canada's International Business Development program. Canadian Trade Minister Sergio Marchi noted Canadian business continued to turn in a strong export performance despite a year of turbulence in the global marketplace. In 1998, Canadian exports grew by 7.4% to C\$368.9 billion, a new record and a much better than expected performance. The report clearly demonstrates the importance Canada places on the U.S. as its number one market.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Ottawa[CA1], CA

## Canada's International Business Development Program

The following is the text of the third annual Report to Parliament on the achievements of Canada's International Business Development program.

Canadian Trade Minister Sergio Marchi noted that Canadian business continued to turn in a strong export performance despite a year of turbulence in the global marketplace. In 1998, Canadian exports grew by 7.4 percent to \$368.9 billion, a new record and a much better than expected performance. No other major economy is as trade-oriented as Canada. Today, over 40 percent of Canada's gross domestic product depends on export trade, more than any other G-7 nation. That's why Canada has so much at stake in the pursuit of a stable, rules-based international trading system. Please note: All figures are in C\$.

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**Team Canada Inc Achievements Report 1998-99**

## **Executive Summary**

- Canada's exports of goods and services reached C\$368.9 billion in 1998, almost double what Canadian business exported in 1992.
- Foreign direct investment in Canada reached C\$217 billion in 1998, up by a record C\$20.4 billion--an increase of 10% over 1997 levels.
- Export growth shielded Canada from the worst effects of the "Asian flu"; Canada's increased shipments to the U.S. market more than offset reduced sales to Asia and other emerging markets.
- The best growth in Canada's exports continued in the sectors of Canada's economy that create knowledge-intensive, high-wage jobs--machinery and equipment, which includes telecommunications, aircraft, computer and special industrial equipment; automotive products; and services.
- Canada made more progress promoting a rules-based international trading system: Free Trade Area of the Americas negotiations were launched with Canada in the chair and Canada pushing for a special working group on civil society.
- Negotiations were launched with the European Free Trade Association and are set to conclude in mid-1999.
- Agreements reached at the World Trade Organization will provide Canadian companies with better international market access for pharmaceutical products, and more transparency in the regulations that affect Canada's service exporters.
- The first integrated Business Plan for government IBD activities (and its companion piece "At a Glance") was prepared across government departments for the first time. The Plan was published and posted on the Internet.
- The Team Canada Inc service network expanded from 3 to 20 federal members, all of whose trade and investment programs and services for business can now be accessed through a national, toll-free telephone number (1-888-811-1119) and are on the ExportSource website.
- A "management-by-results" system Expand Your Horizons was launched by Canada's Trade Commissioner Service to provide better, more business-like service to clients overseas.
- Similarly, federal/provincial consensus was reached on core services to be provided to the export community by the Team Canada Inc network domestically.
- The KPMG international cost comparison study once again ranked Canada as the most cost-effective location for new business investment in comparison to the USA, Europe, and Japan.

### **1. Canada's International Business Development Strategy**

The Government of Canada's International Business Development (IBD) strategy aims to assist Canadian business in taking advantage of international business opportunities while minimizing risk in a rapidly changing global economy. Canada's overarching objective is high employment, high wages and a higher standard of living for Canadians. To this end, the Government of Canada has set four goals for its IBD programs and services:

- To become the world's best trading nation by enhancing Canada's international competitiveness;
- To make Canada the location of choice for investment in North America;
- To create jobs and economic growth in Canada; and
- To exercise leadership in global trade liberalization.

To realize these goals and maintain and increase Canada's share of global trade, a range of federal departments and agencies offer programs and services to Canadian business that, taken together, address six specific challenges:

### **Improving market access**

Government must maintain and improve predictable access to foreign markets for Canadian products, services and investment. Canada has already negotiated a more liberal, rules-based trade environment for the business sector through the North American Free Trade Agreement (NAFTA), the World Trade Organization (WTO) and free trade agreements with Chile and Israel. Canada is building on these successes, taking a leading role in further strengthening the international trade framework, and asserting Canadian interests and expanding Canadian access based on clear and equitable rules. At the same time, Canada is working to cultivate an informed domestic consensus around the trade policies and trade promotion programs that Canada needs to safeguard and improve Canada's standard of living in the global economy.

### **Increasing the number of exporters**

As Canada's economy evolves and Canada's exports continue to grow, the Government of Canada is working to encourage more Canadian companies, particularly small and medium-sized companies (SMEs), to consider exporting their products and services. Canada is strengthening Canada's programs and services to help smaller firms prepare to export, particularly in the knowledge-based and service sectors. For example, the phenomenal growth in on-line business presents unprecedented opportunities to increase trade in electronic commerce products and services produced by Canadian SMEs. The number of Canadian SMEs continues to grow. SMEs with export potential include companies headed by young people, immigrants, Aboriginal Canadians and women. For example, recent research shows that of the estimated 86,100 small and medium-sized exporters, fully 34,400 are owned wholly or jointly by women.

### **Broadening Canada's export product range**

To continue meeting the needs of business, the Government of Canada is broadening the range of its service offerings -- for example, providing specific information and market intelligence that meets the unique requirements of knowledge- and technology-based exporters. Exports are shifting from goods to services and from primary products to value-added products. The government is pursuing new partnerships and developing innovative programs and services to help accelerate the shift toward value-added exports which is a trend that helps to create many high-paid and high-skill jobs in Canada.

### **Exporting beyond the U.S. market**

Over 80% of Canada's exports go to the U.S., a proportion that continues to increase due in part to the continued robust performance of the U.S. economy. However, there are lucrative opportunities for Canadian goods and services in other, emerging high-growth markets. The Government of Canada is working to do more to help diversify Canada's trade base by targeting high-growth markets, promoting them to Canadian business and working with export-ready firms to take advantage of the opportunities they present.

### **Improving Canada's share of global investment**

Canada must capture more foreign direct investment (FDI), particularly investments directed at the NAFTA region. FDI allows Canadian firms to undertake additional research and development, expand their production capacity, introduce new, more competitive products, and create more jobs. While net foreign direct investment in Canada remains at healthy levels, Canada's share of FDI in the North American market has fallen from 25% to below 15% since 1985. Part of the challenge facing Canada is Canada's image abroad: Canada is still often seen as a resource-based economy even though nearly three-quarters of all Canada's exports are manufactured and processed goods. The Government of Canada is working to enhance Canada's image among global investors and to promote Canada's competitive advantages over European, Japanese and U.S. locations, particularly in manufacturing and knowledge-based industries.

### **Exploiting the potential of Team Canada missions**

Team Canada trade missions are a very effective tool for marketing Canadian products and services to the world's fastest-growing markets and for introducing foreign investors to the advantages Canada offers. The missions also help raise awareness in Canada of the importance of trade to job creation and economic growth, and the successes of Canadian firms. To strengthen trade promotion and help increase Canada's exports of goods and services, the Government of Canada is building on this cooperative model and working to expand the Team Canada public and private sector partnership.

## **2. Canada's Trade Performance in 1998**

In 1998, Canadian exporters stood on the front line in a turbulent international marketplace. Yet, in spite of a frequently uncertain global economy, export trade (goods and services) continued to grow at more than double the pace of the Canadian economy and now represents approximately 42% of Canada's Gross Domestic Product (GDP).

Marking another record-setting year, Canada's export trade reached C\$368.9 billion in 1998, almost double the amount exported in 1992 and C\$24.7 billion, or 7.2%, over 1997 levels. Overall, in the face of economic slowdown in key Asian and Latin American markets, Canada's goods and services trade surplus, while lower, finished 1998 at a very respectable C\$10.9 billion.

Manufactured and processed goods now account for 74% of the total value of Canadian exports -- with exports of consumer goods, automotive products, and machinery and equipment showing sharp increases (17.2%, 13.1% and 15.9% respectively) over 1997 levels. Services account for 12.3% of total exports. Their share has been growing rapidly over the past 10 years, particularly in the fields of telecommunications, financial services, technology transfer, engineering and architecture.

Canada's agri-food industry, which accounts for about 9% of the country's GDP, exported C\$21 billion in products in 1998. This represents about 3% of world agri-food trade. Buoyed by its success to date, Canada's agri-food industry has set a new goal of 4% of the value of world agricultural and agri-food exports by the year

2005, while reversing the ratio of primary to processed product exports from 60:40 in 1996 to 40:60 by 2005.

A great deal of Canada's export success stems from the competitiveness of Canada's products and services in one market in particular -- the United States.

While Canadians continued to explore new markets, the United States remained Canada's largest foreign market in 1998 and Canada's strongest market in terms of export growth. Canada has the world's best access to the world's biggest economy.

Canada's goods exports to the United States increased by 11.2% to a record C\$270.6 billion last year, resulting in a trade surplus with the U.S. of C\$36.4 billion, or 11.7%, over 1997. With 83% of Canada's merchandise exports sent to or through the

United States, increased sales there have more than offset reduced sales to Asia and other emerging markets.

Canada's export success translates into jobs across the country. Selling Canadian products and services around the world brings not only increased prosperity and a higher standard of living overall, but more and better jobs for Canadians. Of the more than 1.4 million net new jobs created in Canada since 1993, almost two in five are export-based. Today, some 3 million Canadian workers owe their jobs directly to foreign markets. An analysis conducted by the Government of Canada in 1997 showed that C\$1 billion in exports sustains approximately 11,000 jobs.

## **The Year's Achievements**

### **3. Market Access**

Negotiating trade agreements and improving market access

-Canada's trade performance shows that the first five years of the North American Free Trade Agreement (NAFTA) have been a huge success. This agreement has played a pivotal role in increased trade, investment and employment in Canada.

-Canada's merchandise exports to the United States have risen by about 80% since the NAFTA was implemented, reaching C\$271 billion in 1998.

-Since the NAFTA was implemented, Canadian exports to Mexico have risen about 65% , reaching C\$1.36 billion in 1998.

-Foreign investment flows from Canada's NAFTA partners have also risen in the past four years. In 1997, cumulative FDI from the United States reached C\$130 billion (up 44% over 1993, the last pre-NAFTA year) and FDI from Mexico reached C\$223 million (up 45% over 1993).

-The growth in Canada's exports to Canada's NAFTA partners in 1998 more than offset the decline in Canada's exports to Japan and to developing countries.

-As Chair of the Free Trade Area of the Americas (FTAA) negotiations for the first 18 months since their launch in April 1998, Canada has been instrumental in ensuring that the negotiations are off to a strong start.

Agreement has been reached for advancing the business facilitation agenda, and initial work in the area of customs procedures is going forward. The next Ministerial Meeting will be hosted by Canada in Toronto in November 1999.

-Canada launched negotiations with the European Free Trade Association (EFTA) countries of Norway, Switzerland, Iceland and Liechtenstein on October 9, 1998. Since that time, three negotiating sessions have been held, and it is anticipated that negotiations will conclude in mid-1999.

-Canada and the European Union signed the following three agreements and modified an existing agreement at the Canada-EU Summit on December 17, 1998:

- a) The Cooperation in Nuclear Research Agreement provides reciprocal access for scientists to Canadian and European Union research projects on peaceful uses of nuclear energy.
- b) The Mutual Recognition Agreement on Conformity Assessment ensures acceptance of product approvals prepared in the exporter's jurisdiction by the importing party's regulatory requirements in four sectors (telecommunications equipment and electromagnetic compatibility; recreational boats; medical devices and pharmaceutical good manufacturing practices; and electrical safety).
- c) The Canada-EU Veterinary Agreement covers two-way trade in animals, animal products, fish and fish products, and provides for future mutual recognition of sanitary measures.
- d) The 1995 Canada-EU Agreement on Science and Technology Cooperation was amended to cover all sectors, including biotechnology.

-In 1998, Canada worked with other members of the WTO Agreement to Eliminate Duties on Specified Pharmaceutical Products to extend duty-free trade to more products, including inputs. This effort met with success, and 639 additional items were agreed to; implementation is scheduled for July 1, 1999.

-In December 1998, the WTO's Council for Trade in Services adopted the Disciplines on Domestic Regulation in the Accountancy Sector. This is the first step in the development of the General Agreement on Trade and Services disciplines on domestic regulation of services.

-In 1998, the government released its second annual report on international market access priorities. The report outlines priorities for improving access to foreign markets for Canadian business. It describes how Canada intends to continue its efforts to improve access for goods, services and investments in key markets.

## **4. Export Capability and Preparedness**

### ***Engaging partners in exporter preparation***

-Following its official launch by Trade Minister Marchi, Industry Minister Manley and Agricultural Minister Vanclief in October 1997, Team Canada Inc celebrated the first full year of operation in 1998. Building on the spirit of partnership which has been key to the success of the Team Canada trade missions, in 1998 the Team Canada Inc partnership grew to include the following 20 federal departments and agencies:

- Foreign Affairs and International Trade
- Industry Canada
- Agriculture and Agri-Food Canada

- Statistics Canada
- Western Economic Diversification
- Environment Canada
- Atlantic Canada Opportunities Agency
- Revenue Canada
- Canada Economic Development for Quebec Region Agency
- Canadian Heritage
- Indian and Northern Development
- Transport Canada
- Canadian Commercial Corporation
- Natural Resources Canada
- Export Development Corporation
- CIDA
- Canada Mortgage and Housing
- National Research Council of Canada
- Human Resources Development
- National Farm Products Council

-In 1998, Industry Canada and its partners refined and revitalized National Sector Teams to focus on 12 high-performance Trade Team Canada Sectors (TTCSs). Through these TTCSs, government and industry worked together with posts abroad to plan and implement hundreds of trade promotion activities in Canada's key markets.

-Now in their fourth year of operation, Regional Trade Networks streamline trade and export service delivery by linking federal and provincial departments and agencies and the private sector at the local level. The Networks are guided by three-year regional trade plans. A significant accomplishment this past year was reaching federal-provincial consensus on a national framework of five broad service areas: General Information, Skills Development, Export Counseling, Market Entry Services and Trade Financing.

-Since January 1998, the Forum for International Trade Training (FITT) has granted Canada's only professional designation in international trade, the Certified International Trade Professional (CITP) to 40 individuals, and it has converted its core international trade training program, FITTskills, for on-line delivery and has, since 1992, trained over 4500 individuals in international business.

#### ***Targeting Team Canada Inc domestic services***

-International Trade Centres (ITCs) across the country have been leading the Regional Trade Network partnerships in product and service development. The ITCs worked with Canadian posts abroad to sponsor 72 incoming and outgoing missions and targeted SMEs by participating in federal "Infofairs". The regional offices supported 71 outreach missions by Ambassadors and Trade Commissioners and organized a wide range of New Exporters to Border States (NEBS) missions (more than 360 companies took part in 55 missions).

-Team Canada Inc continued to upgrade the vehicles through which it provides access to exporter services:

ExportSource (<http://exportsource.gc.ca>), Team Canada's Inc's Internet product and the central focus of the federal government's on-line international business development programs. In 1998, ExportSource, now with

links available to 20 federal Team Canada Inc partners, strengthened its search capability and received over 190,000 visits last year.

-The national 1-888-811-1119 number, delivered by the 12 Canada Business Service Centres, connects callers to Team Canada Inc's Export Information Service and onward to other Team Canada Inc IBD service providers across the country. The national toll-free number received 9700 calls during 1998. In addition, the 1-888 service began to redirect export callers referred from posts abroad to domestic service providers.

-The Trade Commissioner Service Outreach Program, an initiative to build exporter awareness across the country, sends trade commissioners from Canada's embassies to visit smaller communities in Canada, to speak about export opportunities with local business and media. In 1998, 130 trade commissioners met with 950 firms in 110 cities across Canada.

-The Program for Export Market Development (PEMD) offers financial assistance on a matching basis to trade or industry associations to foster incremental export activities. In 1998, 48 associations used PEMD to help fund activities such as trade show participation, industry Web sites and promotional videos.

### ***Broadening the exporter base***

-The newly established Small and Medium-sized Enterprise (SME) Unit continued to adapt trade promotion services to the needs of SMEs and specific SME segments such as women, Aboriginal and youth entrepreneurs. During 1998 the SME Unit:

-Established a task force to provide advice to the Minister for International Trade on trade development issues for SMEs Coordinated the Women's Trade Research Coalition study *Beyond Borders: Canadian Businesswomen in International Trade*. Completed the development of an Aboriginal International Business Development Strategy, to be implemented in April 1999

-Piloted youth-focused New Exporters to Border States (NEBS) trade missions.

-The Aboriginal Business Canada Program provided C\$6.6 million in funding to 296 business projects. Business of Art seminars comprise an ongoing success story, and trade missions have been dispatched to major international craft and gift shows. Aboriginal clients are making increased use of government IBD programs, and the market niche of indigenous-to-indigenous consulting is being explored.

-The New Exporters to Border States (NEBS) program provided 1000 Canadian SMEs with first-hand exporting experience through participation in either a NEBS or NEBS Plus mission to one of Canada's U.S. consulates. Another 500 Canadian SMEs participated in the Reverse NEBS program, which brings trade experts to Canada to guide new-to-market firms in the intricacies of selling beyond Canada's borders.

-In 1998, the New Exporters to South America (NEXSA) program was developed to introduce export-ready Canadian companies to South American markets through five day missions. NEXSA, which targets SMEs, is a new approach to trade missions that offers participants market training and preparation in Canada, followed by a five day customized program of appointments. Sectors to be targeted in 1999 include plastics, furniture, mining, oil and gas, information technology and telecommunications.

-The New Exporter Training and Counseling Program (NEXPRO) is designed by the Business Development

Bank of Canada for owners and managers of small businesses who lack the knowledge and experience necessary for the export process. A total of 840 business persons took training sessions within 22 NEXPRO projects in 1998-99.

## **5. International Market Development**

### ***Improving programs and services for exporters***

-The Export Development Corporation (EDC) is the only Canadian financial institution devoted exclusively to providing trade finance and risk management services in support of Canadian exporters and investors. It supports Canadian businesses active in 200 countries. More than 4100 Canadian exporters turned to EDC for trade financial services in 1998, concluding more than C\$34.7 billion in sales and foreign investments in 155 countries. Nearly 90% of EDC's customers are SMEs.

-The Canadian Commercial Corporation (CCC), an export sales agency, provides Canadian exporters with practical commercial advice and assistance to close sales in difficult markets. Its contracting expertise is particularly effective in selling to foreign governments and international organizations. In 1997-98, CCC worked with more than 1750 companies, of which 75% were SMEs, and completed sales valued at C\$1.02 billion in 48 countries.

-The International Business Opportunity Centre (IBOC) has put sales leads from around the world into the hands of prospective Canadian suppliers. To date, the Centre has contacted more than 15,000 companies across Canada, approximately 75% of which are SMEs. Successful exports range in contract value from C\$10,000 to over C\$1 million. These sales are door-openers and are often the first of a series of export sales.

-In 1998, the Market Research Centre produced approximately 250 sectoral market information studies that identified specific product and service opportunities in key overseas markets.

-WIN Exports is the client management database of the Trade Commissioner Service (TCS) and Team Canada Inc. In 1998, an "online" version of the database was introduced, enabling government Trade Officers around the world to access the most current Canadian exporter information in real time. For the first time, the TCS will be fully "networked" with information sharing among all missions and micro missions. Over 40,000 Canadian exporters and organizations are now registered in WIN Exports.

-The Agri-Food Trade Service (ATS), the agri-food arm of Team Canada Inc, offers a variety of services to potential, new and experienced exporters. ATS Online (<http://atn-riae.agr.ca>), an electronic service that is part of the ExportSource Internet site, links the user to market information, statistics, business opportunities, etc. In 1998, ATS Online received an average of 1900 hits per day, for a total of more than 620,000 hits during the year.

### ***Increasing market share in priority and emerging markets***

-Team Canada missions, led by the Prime Minister and the provincial premiers, represent a cornerstone of the Team Canada approach to international business development. The fifth Team Canada mission, to Eastern Europe, originally scheduled for January 1999, was replaced by an official bilateral visit to Poland and Ukraine. The business sessions that formed the main element of the Prime Minister's bilateral visit were highly

successful: 93 companies and 114 business representatives participated in the Poland program resulting in 38 signed deals valued at C\$132 million. In Ukraine, 124 companies and nearly 150 business people signed 18 deals valued at C\$163 million.

-1998 marked the second year of operation for the GO-Team of rapid-response Trade Commissioners dedicated to fostering new trade opportunities arising from Team Canada missions, free trade agreements, and changing market conditions. In the past year, GO-Team officers were deployed for up to six months to Beijing, Sao Paulo, Buenos Aires, Santiago, Mexico City and Almaty.

-Throughout 1998, additional trade positions were created abroad with a view to reaching a 70:30 ratio, field to headquarters, by the year 2006. A total of seven new positions were created in China, the United States, the Philippines, and Panama.

-Strategic plans for emerging markets in the agri-food sector were developed jointly with the provinces for the markets of Singapore, the Philippines, Russia and Colombia. The plans provide a focused, strategic approach to export market development and were delivered to the federal-provincial ministers of agriculture in July of 1998.

-Eight priority market action plans (United States, Japan, South Korea, Brazil, Mexico, Taiwan, the European Union, and China/Hong Kong) were implemented in 1998. These plans were developed by federal and provincial officials to better coordinate the market development efforts and expenditures of both levels of government in these markets.

-Since joining the Team Canada Inc network in September 1998, the Department of Canadian Heritage has developed:

-A trade and investment internet site linked to ExportSource Cultural trade profiles for 9 markets (to be posted on the Departmental internet site in July 1999) A list of target export markets and cultural products and services which in consultation with the private sector, will be used to focus international business development activities.

-On September 1, 1998 a special Education Marketing Unit was created to help increase Canada's export capacity for education and training products and services in such market areas as distance learning-mediated technologies, multilateral bank financed procurement contracts, student recruitment, and research and development. To date, the Unit has:

Launched a revamped Marketing Canadian Education Web site Established the Canadian Learning Centre in Kiev, Ukraine, during the Prime Minister's official visit in January, 1999 Created, in October 1998, an Education Marketing Advisory Board reporting to the Minister for International Trade.

### ***Renewal of the Trade Commissioner Service (TCS)***

#### **Focus on the Client**

In the past year, the Trade Commissioner Service (TCS) has finalized a major renewal effort based on measuring and improving the value of its services. This effort is now called "Expand Your Horizons." Its objective is to provide a more businesslike service to its primary clients: export-ready Canadian businesses.

## What has been accomplished

Focus group sessions with over 250 companies and industry associations were conducted on:

- (a) the services of the TCS; and
- (b) client needs in developing and entering foreign markets. For the first time, the TCS has:

- Published a list of services available from all international posts to clearly communicate to clients how trade commissioners can help them develop foreign markets
- Established a formal feedback mechanism for clients and trade officers through comprehensive annual surveys to measure the impact of TCS services and improve their quality.

Comprehensive communication and training programs are being delivered in 1999 to ensure the implementation of the Performance Measurement Initiative within the TCS and among its stakeholders.

## *Celebrating Excellence in Exporting*

- Each year the Minister for International Trade presents awards to the country's top exporters, chosen by a panel of their peers from across Canada. The 10 1998 winners were honored at a gala presentation ceremony in Calgary in October. Special recognition was also given by the Program sponsors to three winners in the form of the CIBC Job Creation Achievement Award, the EDC Smaller Exporter Achievement Award, and the Teleglobe Innovation and Technology Achievement Award. The Canada Export Awards program celebrates the success of Canada's export champions and sends a message to new exporters about how international sales support jobs and growth in Canada.

## 6. Investment Development

- The Canadian presence at this year's annual meeting of the World Economic Forum (WEF), held in Davos, Switzerland, between January 28 and February 2, 1999, was led by the Prime Minister, who was joined by the Minister for International Trade, Sergio Marchi, and the Minister of Industry, John Manley. The meeting presented an important opportunity to provide information to business leaders from around the world on Canada's positive economic performance and competitive investment advantages.

- The PEMD-Investment program was launched by Minister Marchi in Ottawa on January 13, 1999. The program is designed to assist Canadian communities in attracting foreign investment. The program commits C\$5ámillion annually for public-private partnerships at the local level, with the federal government contributing up to 50% of the cost of individual initiatives in such areas as training, database development, research and production of marketing material, etc. Its objectives are to enhance investment readiness among Canadian communities and to foster excellence in local investment attraction initiatives.

- The KPMG international cost comparison study, *The Competitive Alternatives: A Comparison of Business Costs in North America, Europe and Japan*, was released at a ceremony in Ottawa on March 11, 1999. This study is recognized as the world's most comprehensive and objective "international scorecard" on the costs of operating a business based on statistics collected from a wide range of cities and across many countries and sectors. The 1999 study found that among the G-7 countries, Canada offers the most cost-effective locations for new business investment.

-In 1998, the Deputy Ministers' Country Champion Program, organized by Investment Partnerships Canada, undertook 20 investment missions overseas. Deputy ministers met CEOs and senior executives of 80 of the most important multinational corporations (MNEs) to promote Canada as a prime investment location. Missions targeted the U.S. and six countries in Asia and Europe.

-Investment Partnerships Canada is setting up an Invest in Canada website as the federal government's one-stop window for investment-related information. The website is being set up in consultation and close cooperation with all the provinces and territories and will provide information on the benefits of investing in Canada to serve the whole NAFTA market to potential investors around the world.

-During the 1998-99 fiscal year, embassies abroad responded to well over 300 investment enquiries. Team Canada Inc partners provide investment information and other forms of assistance to potential investors, including arranging site visits to locations in Canada, finding solutions to logistical and regulatory problems and facilitating their investment plans in Canada.

-Several venture financing events were organized in 1998, primarily in Pacific Rim countries, to introduce knowledge-based Canadian companies to foreign financial institutions, including venture capital companies. These initiatives helped small Canadian companies secure more than C\$35 million in venture financing to expand their operations in Canada.

-Canadian companies are increasingly showing their maturity as global players by enhancing their market access through selective investments abroad. These investments promote awareness of Canada's business acumen and facilitate increased exports, employment and profits at home. Total Canadian direct investment abroad in 1998 reached C\$239.8 billion up by a record C\$34 billion from 1997 levels.

-In July 1998, federal and provincial Ministers of Agriculture endorsed the Federal-Provincial Investment Strategy to encourage the retention and expansion of domestic and foreign investment in the agri-food sector. Priority will be directed to enhancing Canada's image and correcting misperceptions concerning Canada's investment climate and economic and trade performance.

-1998 represented another great year of growth in foreign direct investment (FDI) in Canada. At the end of 1998, FDI in Canada reached C\$217.1 billion--an increase of 10% . The U.S. accounted for approximately two-thirds of foreign direct investment in Canada while the E.U. contributed another one-fifth.

End Text.

For further information see: <http://www.dfait-maeci.gc.ca>

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