

8.

Canadian firms are encouraged to submit bids for large projects in developing markets, financed by International Financial Institutions (IFIs). However, often by the time projects have been short-listed and gone to the evaluation stage, the decision as to which firm to award the contract is already made. By placing more Canadian trade officers in operations and management positions at the IFIs, Canadian firms would have a greater chance of success in winning some of these contracts.

In addition, the Committee recommends the following:

Do not charge for selected TCS services abroad.

The Committee examined the issue of charging a "fee for service" and concluded they should not be implemented. We noted that the two primary reasons for introducing a fee for service are filtering out non-serious trade enquiries and evaluating the quality of service provided. However, the high cost of administration relative to the small returns and the potential disincentive such fees might present to first time exporters led the Committee to recommend against imposing fees upon exporters using TCS services abroad. Further, we feel that the "filtering in" process advocated in Recommendation 4 will address the issue of non-serious enquiries, and quality surveys and focus groups will address the latter concern regarding the evaluation of the service.

In reviewing the TCS, the Committee examined alternate forms of organizing the service, including privatization. We concluded that the valuable trade/political links stemming from the TCS's integration within the Department of Foreign Affairs and International Trade, the increasing convergence of trade policy and international business development activities, the importance of having a strong commercial/economic influence on Canada's foreign policy and the limited potential for private sector profit all argue for a continuation of current arrangements.

INTERNATIONAL BUSINESS DEVELOPMENT PROGRAMS AND SERVICES

Recommendation 8

Our review suggests that streamlining of DFAIT's headquarters operations is possible. Clearly, from a business perspective, the most valuable international business development service is that being performed overseas. While we recognize that the functions carried out at headquarters are important, we believe that they could be done with fewer resources. Therefore, we recommend: