

Technology Inflow Program Improves Canadian Firms' Competitiveness

The Technology Inflow Program (TIP) is reaching its target client group and is helping firms improve their competitiveness and create jobs.

That's the conclusion of a recent independent survey of External Affairs and International Trade Canada (EAITC)'s TIP funding recipients.

The survey, conducted by COMPAS Inc. under contract to EAITC, evaluated the effectiveness of TIP in meeting its objectives. It involved a questionnaire survey of some 700 organizations which had previously received TIP funding to enable them to find and transfer foreign technology to Canada.

TIP Aimed at Small- and Medium-Size Companies

According to the survey, some 38 per cent of respondents were successful in obtaining new or improved product or process technology, and another large segment was still involved in technical evaluation or negotiations, which may lead to future technology acquisitions.

TIP targets small- and medium-size companies, primarily in the manufacturing sector. The program is designed to help firms with little or no research and development capability —these firms comprise over 95 per cent of Canadian industry.

The study showed that 63 per cent of recipients employed less than 50 people, and most had few technical staff. Clients came from all parts of Canada, and all industrial sectors —61 per cent of recipients were manufacturers, 30 per cent were in the service sector.

TIP Promotes Exports

TIP, like many other government programs, tries to stimulate companies to acquire technology that

will make them internationally more competitive, or to accelerate the process —thereby helping to strengthen and enlarge the Canadian exporting community. For this reason, it was an important aspect of the study to determine what companies did, or did not do, as a result of the project EAITC helped to fund.

The survey showed that 19 per cent of TIP clients already earn more than half of their revenues from exports, while another 46 per cent have some export earnings. Many of the non-exporters are among the smallest and newest firms —exporters of the future.

TIP Benefits

While 84 per cent of respondents spent little or nothing to acquire the rights to technology or gain know-how, about half decided to make investments into their plant or equipment.

Over half of all recipients had increased revenues attributable to their TIP work. For some, the increase was dramatic. For 33 per cent of companies, revenues went up by more than \$100,000. Taken together, the respondents reported new earnings of \$156 million.

Client operations became more efficient as well. About 70 per cent of respondents saved money on their normal operating costs.

Cumulatively, they saved \$178 million.

Finally, the survey measured the impact of TIP funding on new job creation. Respondents said they had already created 1,550 new jobs associated with their TIP projects —an average of 4.1 new jobs per client organization.

How TIP Works

The Technology Inflow Program has been providing cost-shared funding to Canadian industry since 1986. TIP contributions mainly fund travel expenses for Canadians to go abroad to explore new technologies, or for longer term visits by Canadians or foreigners to transfer valuable technical know-how.

Through a cooperative arrangement with the National Research Council (NRC)'s Industrial Research Assistance Program (IRAP), client firms throughout Canada can receive information and advice on TIP locally. Often, approvals can be done locally as well. Check local Yellow Pages under "Technology Assistance" for the nearest NRC-IRAP office.

Copies of the COMPAS survey report are available in English and French by contacting EAITC's Info Export. Tel. (toll-free): 1-800-267-8376 (Ottawa area: 613-993-6435). Fax: (613)996-9709.

Food, Foodservices Companies Sought for Trade Show in Puerto Rico

San Juan—Canadian companies have an opportunity to meet potential buyers, agents and distributors throughout the Caribbean when they participate in the 19th Annual Food and Foodservices Equipment Trade Show being held here April 13 to 15, 1991.

The event will mark the sixth time that the Canadian Government, through External Affairs and International Trade Canada (EAITC), will sponsor a full-scale product display at this international show.

Geared primarily to the Puerto Rico
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