

THE PROMOTION OF INTERNATIONAL BUSINESS IN CANADA

Given the importance of trade and investment to the well-being of nations, companies with the potential to engage in international business are courted in almost all countries. Most often—as in Canada—government has established structures and programs to deliver export assistance¹ to companies, with the focus primarily on small and medium-sized enterprises. Other arrangements are also found. In Germany and Austria, for example, export assistance is made available through private sector-led chambers of commerce, whereas in countries such as the Netherlands, a mix of public and private sector involvement is employed. While differing organizational arrangements have been established to create and deliver such assistance, there is a marked similarity in the types of programs available and in the export methods these embrace.²

GOVERNMENT NETWORKS

At the outset, it should be noted that Canadian expenditures on export promotion are significant. A number of attempts have been made to compare spending across OECD countries and although their purpose and measurements are questioned by some, these studies show Canada to be a major provider of export assistance.³ Canadian export assistance is largely provided by the federal and provincial governments. At the federal level, while DFAIT has the clearest mandate to promote and assist in the internationalization of Canadian companies, it is by no means the only player. A recently completed inventory of trade development programs reveals that DFAIT controls roughly half of the \$600 million available. In all, it is said that some 17-18 ministries and departments are involved in trade and investment activities, broadly defined. In some cases a strong argument can be made for a division of responsibilities, but others are more questionable. These ministries and departments are headquartered in Ottawa, but many also have regional offices. In the case of DFAIT, in conjunction with Industry Canada, International Trade Centres (ITCs) are operated in major cities across the country. The ITCs were established to provide a “window” to Ottawa and foreign posts. In other words, offices were set up to provide a local point of contact and advice for companies, as well as access to the programs and wider capabilities of the Canadian trade system. Two inevitable consequences of such wide federal government

¹ For convenience, export assistance is the term used here. In the past, helping companies to sell their goods overseas was the prime focus of government. A broader approach is increasingly taken today, out of recognition that international business development requires promotion of investment, technology, and tourism as well as trade.

² Seringhaus, F.H. Rolf and Philip J. Rosson, eds., *Export Development and Promotion: The Role of Public Organizations*, Boston: Kluwer Academic Publishers, 1991.

³ See for example Hitchins, Diddy R.M., “Canadian Trade Promotion Policies in Comparative Perspective,” Paper presented to the Association for Canadian Studies in the United States Conference, Boston, November 20-23, 1991.