- *Deputy Ministerial Committee on International Business Development*

A Deputy Ministerial Committee on International Business Development brings co-ordination to the whole range of government international business development initiatives, and provides a mechanism to review and establish priorities on an ongoing basis. The Committee is made up of the deputy ministers of all federal departments (or presidents, in the case of government agencies) that are active in international business development. It is co-chaired by the deputy ministers of the two lead departments, the Department of Foreign Affairs and International Trade (DFAIT) and Industry Canada (IC).

Increasing International Business Participation

Canada is known internationally as a trading nation. However, relatively few Canadian companies are actually engaged in export activity. The need to encourage more SMEs to export is particularly critical since smaller firms are responsible for creating the vast majority of new jobs. The challenge is to double the number of active Canadian exporters by the year 2000, with particular emphasis on new SME exporters. To accomplish this goal, the government is undertaking the following initiatives:

- *Target Small and Medium-sized Enterprises*

Government departments and agencies provide a variety of business programs and services aimed at small business. Unfortunately, eligibility criteria governing these programs — particularly those providing direct financial assistance — have been inconsistent in the past. To remedy this situation and to respond to private-sector recommendations that financial support be focussed on smaller enterprises, more consistent government-wide guidelines have been adopted for these programs.

Under the new Common Program Guidelines, direct financial support for international business development is being concentrated on firms with sales of less than $10 million, or fewer than 100 employees (50 employees for services firms). For smaller firms, the federal government shares the costs of participating in government-sponsored trade fairs, depending on the company's previous trade fair experience.

- *Identify Export-ready Companies*

Canada Business Service Centres (CBSCs) established in each province will continue to play a leading role in identifying export-capable firms, and providing them with one-stop access to the information they need to begin exporting. To ensure that firms receive the personalized attention they may require, the coming months will see the introduction of a new Account Executives initiative. Drawn from existing positions in key federal and provincial departments and regional development agencies, Account Executives will work with firms one-on-one, either to introduce them to exporting or to expand their current export operations. One of their most important roles will be to champion these client companies by helping them to access all available assistance.

- *Provide Timely, Opportunity-specific Market Intelligence*

The government is refocussing resources on acquiring value-added information and disseminating it to clients in the most accessible form possible. An example of this strategy was the launching of Strategis (http://strategis.ic.gc.ca), the largest and most comprehensive web site of business information in Canada.

The International Business Opportunities Centre (IBOC), established in 1995, has given more than 10 000 Canadian companies leads on international business opportunities fitting their export profile. Canadian businesses benefit from receiving up-to-date information about opportunities in foreign markets, while foreign firms are able to access their product and service requirements. IBOC will continue to match business leads provided by Canada's trade commissioners with the export interests of Canadian firms, particularly SMEs.

The bid-matching service (BMS) of the Canadian Commercial Corporation (CCC) enables Canadian firms to learn of U.S. government and other international opportunities. CCC reviews all U.S. government requirements to identify those on which Canadian firms may bid. These opportunities are then electronically matched against the capabilities of Canadian companies registered with CCC. When a match is found, the firm is automatically provided with a description of the requirement and details on how to proceed. Opportunities are also posted on the Open Bidding Service (OBS), thus making a greater number of Canadian companies aware of them.

The U.S. government is rapidly moving toward electronic data interchange (EDI) as its preferred way of doing business, and CCC is keeping pace with this change. By providing an EDI solution, the corporation will enable Canadian firms that are not EDI-ready to continue to have access to the lucrative U.S. market.

- *Improve Financing for Exporters, particularly New-to-Exporting SMEs*

To better meet the divergent needs of Canadian exporters, EDC (Export Development Corporation) has adopted a structure that offers clients access to sector and market expertise. The eight sector-based business teams provide more streamlined service, which is delivered by employees who have a thorough knowledge of the exporter's business sector. The Country Centres of Expertise support the business teams by providing timely market information.

One of the business teams, the Emerging Exporters Team, is responsible for maximizing support to firms with annual export sales of up to $1 million. EDC has also increased its financing options for firms with annual exports of up to $10 million. The Smaller Exporters Guarantee Framework increases available sources of export financing support by providing partial guarantees to participating Canadian banks. Another program, the Master Accounts Receivable Guarantee (MARG), makes it easier for smaller firms to access operating lines of credit on the strength of their foreign receivables.

In 1995, CCC, in conjunction with Canada's commercial banks, introduced a program whereby small firms can have increased access to working capital financing. The Progress Payment Program (PPP) extends funds through commercial banks for particular export sales based on CCC's involvement in the transaction. This program builds upon CCC's risk assessment and international contracting expertise. In its first year of operation, the PPP provided $47 million in financing to Canada's small exporters.

The Business Development Bank of Canada (BDBC) provides specialized financial and management services for SMEs, with a particular focus on knowledge-based businesses, exporters and other growth-oriented companies. It provides a wide range of working capital, loans and equity products that complement those available from the private sector. It also provides training and mentoring services such as NEXPRO, a training and counselling program for new exporters. In view of the government's objective of fostering the emergence of greater numbers of small exporters, BDBC's role with respect to providing growth capital and training for potential exporters is expected to increase.

In addition to helping small businesses financially, the BDBC has developed new ways to help SMEs develop their skills and access new markets.

- *Improve Canadian Participation in International Financial Institution Procurement*

Annual loans by international financial institutions (IFIs) to developing countries average about US$42.5 billion. Last year, the World Bank alone disbursed over US$22.5 billion. More than half of the IFI loans were for goods and services provided by suppliers outside of the borrowing country, providing excellent potential opportunities for Canadian exporters. With respect to IFI procurement, Canada ranks fourth overall for service contracts; however, it ranks 15th for manufactured goods, equipment, and civil works.

In 1995-96, the government created a Capital Projects Action Team (CPAT), to improve co-ordination of government efforts to help exporters procure IFI contracts. During the first year, CPAT developed several information products; redesigned and replenished the Canadian Consultants Trust Funds in the IFIs; arranged to co-finance several projects in China, India, Indonesia and several African countries; designed a new electronic system to integrate all IFI project information; and trained staff in International Trade Centres on how to do business with the IFIs. In the coming months, the team will focus its efforts on the electronic dissemination of IFI information on the World Wide Web and the Electronic Bulletin Board; the deployment of an IFI tracking system based on Lotus Notes, which will allow CPAT to manage efficiently the support mechanisms for private-sector firms