

## Acronyms and Initialisms used in *Canada's International Business Strategy*

(This list does not include sector-specific references)

ACM	Apparent Canadian Market	IMF	International Monetary Fund
APEC	Asia-Pacific Economic Cooperation forum	ISO	International Organization for Standardization
ASEAN	Association of Southeast Asian Nations	ITAC	International Trade Advisory Committee
BDBC	Business Development Bank of Canada	ITC	International Trade Centre
BOOT	build, own, operate, transfer	MAPAQ	Ministry of Agriculture, Fisheries and Food of Quebec
BOT	build, operate, transfer	MNE	multinational enterprise
CBSC	Canada Business Service Centre	MOU	Memorandum of Understanding
CCC	Canadian Commercial Corporation	MRA	Mutual Recognition Agreement
CIBS	Canada's International Business Strategy	NAFTA	North American Free Trade Agreement
CIDA	Canadian International Development Agency	NATO	North Atlantic Treaty Organization
CSA	Canadian Space Agency	NEBS	New Exporters to Border States
DFAIT	Department of Foreign Affairs and International Trade	NEXOS	New Exporters Overseas
DND	Department of National Defence	NRC	National Research Council
EBRB	European Bank for Reconstruction and Development	NRCan	Natural Resources Canada
EC	Environment Canada	NST	National Sector Team
EDC	Export Development Corporation	OAS	Organization of American States
EDI	Electronic Data Interchange	OBS	Open Bidding Service
EU	European Union	OECD	Organization for Economic Co-operation and Development
FDI	Foreign Direct Investment	PEMD	Program for Export Market Development
FIPA	Foreign Investment Protection Agreement	R&D	research and development
FITT	Forum for International Trade Training	S&T	science and technology
FTA	Canada-U.S. Free Trade Agreement	SAGIT	Sectoral Advisory Group on International Trade
FTAA	Free Trade Agreement of the Americas	SIC	Standard Industrial Classification
GATT	General Agreement on Tariffs and Trade	SMEs	small and medium-sized enterprises
GDP	gross domestic product	TC	Transport Canada
GNP	gross national product	WTO	World Trade Organization
HRDC	Human Resources Development Canada		
IBOC	International Business Opportunities Centre		
IC	Industry Canada		
IFI	international financial institution		

## ABORIGINAL PRODUCTS, SERVICES AND TECHNOLOGIES

Canada has over 20 000 active Aboriginal-owned companies, which fall into many of the categories commonly used to segment industries. Aboriginal exporters sell products covering over 30 Standard Industrial Classification (SIC) codes. They are owned either by Aboriginal communities or by individual Aboriginal people, living on or off reserve. (Aboriginal people include Indian, Métis and Inuit people.) While many of these businesses are relatively small, a considerable number are large enough to enter the export market.

A little over 100 companies have been identified as currently active exporters or export-ready. In addition, there are about 200 Aboriginal tourism sites that are ready to receive international tourists.

The export-oriented companies can be divided into two broad categories:

- those whose products have a Canadian Aboriginal cultural element to them (e.g. arts and crafts, music, food, fashion, tourism, and environmental and resource-industry consulting); and
- those whose products could as well be produced by any other Canadian company, regardless of ownership (e.g. computer software, engines or peat moss).

### Main Challenges

In general, Aboriginal companies engaged in international business development face two types of challenges: those that are common to small business in general, and those that are particular to Aboriginal-owned businesses.

The challenges that are common to virtually all small businesses include the need to ensure the viability during the first five to eight years; to access appropriate debt and investment capital; to develop better management skills; to develop effective business strategies for particular markets; and to use new technologies and information strategically.

Further, Aboriginal firms face the following challenges that arise because they are Aboriginal-owned:

- lack of an equity base caused by low levels of income;
- legal restrictions that prevent First Nations from using reserve lands and residences as collateral for loans;
- limited access to financial institutions;
- lack of a track record in business and the "thin" skill base resulting from the newness of many enterprises;
- the need to transfer knowledge and experience effectively from leading-edge exporters to those new or potential exporters;
- considerable distance from markets, suppliers and institutions that provide market, financial, accounting and other support;
- a less-developed infrastructure resulting in part from the small size of communities and a lack of income; and
- a lack of recognition as an identifiable product grouping.

In addition, there is a second dimension to the challenges listed above, which relates to the specific types of products and services that Aboriginal companies offer.

**Traditional Products:** Aboriginal firms producing arts and crafts and other "traditional" products face unique challenges. These include:

- identifying and developing small international niche markets for traditional products and services;
- being a small company trying to build up and service many small and geographically dispersed markets; and
- building up a distribution network for small new exporters of traditional products, which demands both product samples and a background on the cultural significance of these products.