

2.

As you know, the federal government's total expenditures on international business development are approximately \$625 million, of which the Department of Foreign Affairs and International Trade (DFAIT) administers about \$345 million. The recommendations we are putting forward will result in a reduction to DFAIT's budget of approximately \$55 million (approximately \$40 million from international business programs and operations and the remaining \$15 million from other common DFAIT services) and an overall reduction to government's international business development support of about \$115 million. These savings are outlined in the following table.

Recommendation	Annual Savings (\$Million)	Annual Expenditures (\$Million)
Fairs - Increased Cost Sharing	\$9.2	
Missions - Fully Cost Recoverable	\$4.0	
PEMD Industry Initiated Restructuring	\$7.7	
Common Services Reductions	\$25.0 ¹	
Canada Account Concessional Financing Reduction	\$60.0	
Other Trade Activities	\$2.8	
Reduction in HQ Operations	\$8.0	
Expansion of Post Initiated Projects Program (PIPP)		\$1.5
Total	\$116.7	\$1.5

1. The Committee is recommending reductions in this area of \$25 million for the Department of Foreign Affairs and International Trade. When prorated, however, the decrease to the international trade portion of the department would total approximately \$10 million.

Note: Cost savings would be generated from program/policy changes implemented over three years. Front-end costs, specifically for common services and personnel adjustments, will be incurred but are not reflected in the above table.