



2. INDUSTRY-INITIATED ACTIVITIES

The financial assistance for export marketing activities initiated by industry is not a grant but a repayable contribution. Application must be made prior to incurring any costs for the activity as assistance cannot be applied retroactively.

Additional Eligibility Criteria

Industry-initiated activities must meet the following eligibility criteria in addition to those listed in chapter 1:

1. The activity must fit into the applicant's **marketing plan**.
2. **The proposed activity must be unlikely to be undertaken without PEMD support.** It must represent an increase of normal business operations, and must also involve a level of risk higher than that normally assumed by the applicant. The activity should differ from the applicant's regular international marketing activities in at least one of the following ways:
 - the proposed activity must be located in a geographic area that is new to the applicant;
 - the activity must be aimed at introducing an applicant's new product or service to the market;
 - the intended clientele must be new;
 - the activity must be directed towards a substantial increase in the applicant's penetration of a particular market, or to the recovery of a lost market;
 - the activity must be substantially larger or riskier than any previous activity undertaken by the applicant in that market;
 - the activity must be directed towards, or arise from, substantial changes in market circumstances or competition.
3. The activity must have a reasonable **probability of success**, considering the technical aspects of the activity, the applicant's past performance in export markets, the competition, the availability of financing, and the size of the financial undertaking.
4. The activity must provide potential **benefits to Canada**. DEA must be satisfied that the following conditions can be met:
 - that expected sales benefits accruing to the applicant will be sufficient to ensure repayment of the PEMD contribution;
 - that the Canadian content of the goods or services to be sold will be at least 60 percent. Elements considered when calculating Canadian content include production costs, such as Canadian labour, engineering and development costs; sales expenses; general administrative costs; shipping costs; and profits before taxes;
 - other factors to be taken into consideration are:
 - the magnitude of additional production and employment that could be generated in Canada;
 - potential future benefits to Canada that could result from penetrating the target market.
5. If provincially organized, the activity must be consistent with **DEA's trade objectives** for the region and must support the federal government's industrial and international marketing strategies.
6. **Applicants must contribute at least 50 percent of the costs from their own funds** to carry out the activity. If the activity is being funded by both the federal and provincial governments, PEMD will not contribute to specific costs being paid for by the province. Activities receiving support under CIDA's Industrial Co-operation Program or government-planned PEMD (except for trade fair information booths) and activities sponsored