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## SUMMARY

The Program for Export Market Development (PEMD) assists smaller companies that are new to exporting or that are expanding their business into a new market by helping them identify and exploit sales and capital project opportunities abroad. The program does this by sharing the cost and risk with companies of implementing their export development plans in new markets. It also shares the cost of preparing bids on major capital projects outside Canada. National trade and industry associations are assisted in representing their member companies and generically promoting their products and services in the international marketplace.

As in fiscal year 1995-96, in 1996-97 the program budget of \$11.52 million was fully utilized, and in fact exceeded it by \$900,000, due in large part to significantly increased demand and approvals of assistance to companies in Quebec. The expenditure overage was covered out of overall departmental budgetary surpluses.

\$9.4 million of program funds were invested in the international market development activities of companies in 1996-97, while repayments due to sales success in that same year totaled \$3.6 million, a repayment to assistance ratio of almost 2 to 5. Assistance to industry trade associations, including a \$500,000 contribution to the PEMD Agri-Food industry associations component, totaled \$1.8 million.

The bulk of the remaining program expenditures was in the form of a discretionary grant to the Centres for International Business Studies program.

Sales reported in 1996-97 by companies, that resulted from PEMD assistance initiatives, totaled \$373.6 million. When compared to the 1996-97 repayable contribution total, this translates to a 40 to 1 sales to assistance ratio.

Seven hundred and three companies that had either never exported before or were trying to access a new export market were approved for PEMD assistance in 1996-97. As well, 24 national industry associations received \$1.3 million worth of assistance to generically promote their member's products and services or conduct market access improvement and market intelligence gathering activities.

A representative sample of the program's company users surveyed in 1996-97 indicated that all but three, or over 97%, of the 140 firms which responded said that the PEMD assistance had been useful and had contributed to their export market development success. Eighty-two percent indicated that the assistance had made a material contribution in the form of (i) export sales or contractual success (43%), (ii) anticipated sales in the short term (16%), or (iii) distributor/agency representation in the target market (23%), all as a result of their PEMD assisted export market development activities. The remaining respondents indicated that they had

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