

SUMMARY OF RECOMMENDATIONS

Recommendation 1

A national grouping of trading houses be established with a rigorous accreditation procedure.

Recommendation 2

The national grouping and any related regional representations undertake activities (seminars, workshops, conferences) aimed at promoting the services offered by the sector to interested parties such as manufacturers, producers, and their respective trade associations, banks, and government departments and agencies.

Recommendation 3

The level of action and profile of the existing trading house division of the Canadian Export Association be used as a base for increased activity and the development of strong regional representation within a national grouping.

Recommendation 4

Canadian banks establish, within their regional international financial centres, a focal point for trading houses, staffed with personnel knowledgeable in international trading operations.

Recommendation 5

Canadian banks re-evaluate their processes for extending credit to trading houses, recognizing that the criteria which they apply to other sectors such as manufacturing are not relevant to companies engaged primarily in international trade.

Recommendation 6

The Department of External Affairs introduce a special section for trading houses in the Program for Export Market Development which would cover sustained market development activities abroad and domestic expenses relating to the development of Canadian sources of supply for a period of up to three years.

Recommendation 7

The Department of External Affairs amend its Program for Export Market Development administrative guidelines to allow established trading houses to apply for other sections of the program on the basis of demonstrated capacity, experience, and product knowledge without the requirement for a specific contractual arrangement with a supplier.

Recommendation 8

The Department of External Affairs remove restrictions from the Program for Export Market Development concerning the number of market visits allowed in one year by a trading house to a new market.

Recommendation 9

The Department of External Affairs undertake to include trading houses more regularly on sector-specific trade missions composed of manufacturers and producers and in other Promotional Project Program activities.

Recommendation 10

The Department of External Affairs issue a clear departmental instruction to personnel in Canada and abroad that

trading houses be treated on an equal basis in terms of policies, programs and assistance with other exporters.

Recommendation 11

The Department of External Affairs undertake to put in place without delay a world class Trade Opportunity Information System.

Recommendation 12

The government examine the resources of the regional offices of the Department of Regional Industrial Expansion devoted to assistance and support of the trading house sector to ensure that they are adequate to cover the needs of this sector given its importance.

Recommendation 13

The government establish a highly visible focal point within the appropriate Department(s) with specialized expertise on the Canadian trading house sector to be responsible for promoting the sector both domestically and internationally.

Recommendation 14

The Canadian Commercial Corporation stringently adhere to its procedure for avoiding competition with Canadian exporters and that it continue to restrict itself to government-to-government transactions.

Recommendation 15

The Canadian Commercial Corporation (CCC) establish a focal point for dealing with trading houses and not make distinctions between trading houses and manufacturers when opportunities arise that the CCC wishes to pursue or when issuing invitations to tender.

Recommendation 16

Trading houses register their interests with the Canadian Commercial Corporation (CCC) in order that CCC might consult with them when relevant business opportunities come to CCC's attention.

Recommendation 17

The government review the operations of all state trading and marketing agencies to determine if their activities are consistent with their original intent, if public policy objectives still require the agency to have a trading capacity, and if the agency could not be replaced by the trading house sector.

Recommendation 18

Government state trading and marketing agencies be required to access all Canadian marketing tools and facilities available to ensure their maximum performance on behalf of the producers they serve.

Recommendation 19

The Export Development Corporation (EDC) provide short-term guarantees on a shipment as well as a contract basis covering 90 per cent to 95 per cent of both commercial and political risks associated with the exports. The balance of 5 per cent to 10 per cent should be carried by the commercial bank, the trading house, or the manufacturer (or a combination of same) without EDC's concern.