

which could benefit most from government support, and that business share with government more of the costs associated with trade fairs and missions. The guidelines now allow for international business support to be provided only to smaller businesses that have annual sales of less than \$10 million or that have fewer than 100 employees in the case of manufacturing firms, or fewer than 50 employees in the case of services firms. In order to stimulate the exploration of new IBD opportunities and gather new market intelligence, this repayable financial incentive is provided to smaller business for their first trade fair participation in a target market, with declining incentives for subsequent participation. All companies that participate in government-organized trade missions have to cover their own direct costs and share common costs with the government.

The Department of Foreign Affairs and International Trade's Program for Export Market Development (PEMD) was also refocused to provide direct financial support to smaller business only, and is another financial incentive repayable with success. Last fiscal year, 998 small businesses took advantage of PEMD, reporting \$233.3 million dollars of sales and contractual successes, based on government financial support of \$10.5 million dollars. PEMD provides a stimulus to export ready companies (preference is given to small business with sales greater than \$250,000) that have the financial means and sales performance for a reasonable chance of success, ensuring that PEMD does not become a subsidy.

For established SMEs at a preexport stage seeking additional financing, the Business Development Bank of Canada offers a variety of programs, including the Working Capital for Growth loan. This loan is available for a wide range of growth-related initiatives, including financing larger inventory and accounts receivables, product development, new product marketing, and developing/tapping international markets.

- Government programs and services should supplement and complement private sector providers rather than duplicate and compete with what is made available by the provinces, municipalities and the private sector; and

Since 1894, and the establishment of the first Trade Commissioner, the government has focused on IBD programs and services not readily accessible from public or commercial services. For the last 100 plus years, government IBD programs and services have continuously evolved to include the highest value-added possible in response to the needs of Canadian companies. Ensuring that the government continues to provide value added services is part of the current IBD strategy. As new programs and services become available from the private sector or other public sources, and are accessible to all Canadian companies, the government will refocus it's programs and services.

Government is not only seeking to provide the highest value-added services possible, but actively working in conjunction with the private sector. Private sector organizations are part of the National Sector Teams and guide CIBS. In the case of the agri-food sector, market development of all federal departments are coordinated through the Agri-Food Industry Market Strategies (AIMS) process. AIMS depends on industry associations, acting on behalf of their sectors, to develop their own IBD strategy, enabling government to respond to assistance requests. Other examples of public/private sector cooperation will be provided throughout this response.

- Government programs and services should be adapted to the specificities of each province, region and economic sector. (page 16)

The government fully agrees with the recommendation that government programs and services should be adapted to each region. The regional development agencies, Atlantic Canada Opportunities Agency, Federal Opportunities for Regional Development - Quebec, FEDNOR, and Western Economic Diversification, due to their mandates to assist SMEs and through their responsibilities for Canada Business Service Centres and Community Future Development Corporations, work closely with Canadian companies in their communities, providing exporter awareness, education and other support to encourage exports. They also provide a single point of contact, allowing SMEs to access other federal trade services. Furthermore, as was already mentioned, the government has acted to incorporate regional objectives through the Regional Trade Networks (RTNs). The Regional Trade Networks are also