

Booklet on How to Compete Under Free Trade

Produced by the Canadian Manufacturers' Association (CMA), *Competing Under Free Trade* could offer Canadian business people some guidance on how to take stock of their competitive strengths and weaknesses to meet the important trade challenges of globalization and the FTA.

The pocket-style business guide—a basic primer on the subject—is aimed primarily at managers of Canadian small and medium-size manufacturing companies that may not be aware of the variety of existing information and services related to competing under free trade.

The introductory section explains why it is important for businesses to examine the international competitive factors affecting their industries. It also includes a skill-testing "free trade quiz".

This is followed by three comprehensive sections, under the headings: "A Road Map to Free Trade for Canadian Manufacturers", "Where to Go for Help", and "Free Trade and the North American Marketplace: A Strategic Approach".

The "Road Map" section summarizes, in non-technical language, the most important relevant provisions of the FTA for Canadian manufacturers.

For example, aspects of particular interest to Canadian manufacturers range from the FTA tariff reductions, rules of origin and special customs duty programs to the provisions concerning temporary entry for business persons, government procurement and investment.

The "Road Map" section contains a general description of each aspect. But if the answers are not found here, the reader is directed to the appropriate source in the "Where to Go for Help" section—it includes a comprehensive listing of numerous contacts and sources of information.

The "Strategic Approach" section deals with how to develop and re-evaluate your long-term business plans in order to improve your company's competitiveness in light of the FTA and other ongoing changes in global markets.

Although detailing how to prepare a strategic plan goes beyond the scope of this booklet, it does, however, describe the important strategic issues that you should be thinking about.

It also contains a tear-off card that can be returned to the CMA for further assistance.

In producing this booklet, the CMA has drawn on the experiences of some of its members who have thought through the implications of free trade and formu-

lated appropriate business strategies. From these practical experiences, it has compiled check lists that, hopefully, other business managers can apply in identifying both the perils and opportunities that their companies are facing or will face.

It is this straightforward, common sense, step-by-step approach that makes the booklet—prepared by the CMA with the assistance of Industry, Science and Technology Canada (ISTC)—such a valuable tool.

Competing Under Free Trade is available from The Canadian Manufacturers' Association, Suite 1400, One Yonge St., Toronto M5E 1J9. Tel.: (416) 363-7261. Fax: (416) 363-3779.

B.C. Loan Guarantee Program Enhances Export Sales

Sixteen British Columbia companies have generated more than \$52 million worth of export sales through loans of only \$8.2 million. That's a pretty good return.

That's what was accomplished through the Export Loan Guarantee Program of the British Columbia Trade Development Corporation (B.C. Trade—a Crown Corporation) after being in operation for only little more than a year.

The program, which made its first offering in September 1989, guarantees up to 85 per cent of a loan to a maximum of \$2.5 million. It is designed to give "viable exporting companies" help with financing.

Guarantees can also be given on letters of credit in support of bid or performance bonds—allowing some companies to bid on contracts that previously were impossible without assured credit, even though the company may have been an excellent candidate for the job.

International Business Minister Elwood Veitch, Chairman of B.C. Trade, says the Crown Corporation is "helping companies that have a confirmed order for export to get the working capital to fill the order."

By helping companies with confirmed orders, the program makes it realistic for new exporters, or infrequent exporters, to solicit foreign business.

"The program has helped companies make sales of communications systems to the UK, diesel generators to Venezuela, log homes to Japan, and a wide variety of goods and services to countries around the globe," says Veitch.

As well, it is estimated that over 400 jobs have been created or protected by the program.

For further information on B.C. Trade's Export Loan Guarantee Program, contact Trevor Gibbs. Tel.: (604) 844-1906. Fax: (604) 844-1925.