

A YEAR INTO "RED WILSON"

By Paul Connors

Europe is home to the world's largest trade shows. Their appeal often extends beyond Europe itself and includes the Middle East, the Maghreb and sometimes the entire world. CeBIT, Telecom, and Le Bourget/Paris Air Show (PAS) to name but a few are well known to the Trade Commissioner Service. DFAIT's move to the new "Wilson" cost share formula for national stands had potentially large implications for the European Fairs and Missions programme. A comparison of the cost share collected in the present and past fiscal years is illustrative of the adjustment to "Wilson".

Even before "Wilson", the Europe Branch, RGB had historically set high cost shares, particularly in the informatics and aerospace sectors. The following table shows the cost share for all national stands as a percentage of the total project costs and as a percentage of the direct project costs (Wilson criteria). Although it accounts for most of the indirect project costs, funding the travel costs of trade officers to the national stands maximizes their impact at the trade show.

COST SHARE	94/95	95/96	96/97
% total project costs	31.5	47.1	50.0
% direct project costs	35.0	50.3	53.0

FY 96/97 figures reflect planned cost share rates.

It's not Peanuts!

The cost share collected in FY 95/96, was over \$2.4 million. The increased cost share was realized in two ways. First, higher than "Wilson" rates were charged for companies under 100 employees participating in the country at a DFAIT subsidized event for the first, second and third time. For example, assume direct project costs are \$9000 per nine square metres. Instead of the minimum cost share of \$3000, \$4500 and \$6000 for first, second and third time participations respectively, \$5000, \$6000 and \$7000 respectively was

charged. Second, full cost was charged to companies over 100 employees, as well as to provincial governments and associations.

The transition to "Wilson" was surprisingly smooth in RGB, with most of the complaints coming from associations. Canadian industry's willingness to pay the higher cost share reflects the value they place on the large international shows held in Europe, as also indicated in the annual Canadian International Business Strategy (CIBS) consultations. We find, many companies choosing to pay the full or higher share cost to exhibit at national stands rather than exhibiting alone, at their own expense.

Another Wilson benefit has been the increasing number of times associations are organizing pavilions for their members where formerly DFAIT did. Although PAS '95 exhibitors were recruited prior to "Wilson", 28 of the 29 exhibitors at PAS '95 will be required to pay full costs at PAS '97. Given these full costs, the Aerospace Industries Association of Canada (AIAC) and the exhibitors have decided to organize PAS '97. Similarly the Marine Equipment Exporters Association of Canada have taken over organization of METS, Europe's Marine Equipment Show, and the Society of the Plastics Industry of Canada will most likely organize the next Kunststoff, Europe's triennial plastics show.

The synergy from "Wilson" has affected all aspects of Fairs and Missions. As required, outgoing missions are now fully funded. Additionally, Posts are beginning to institute charges in many cases for wall space and shelf space in informaton booths and NEXOS missions are now run with a minimum of 50% of the costs borne by participants. The effect of Wilson and decreased Program for International Business Development dollars has been that a strong discipline has been brought to bear on the Fairs and Missions programme. Fewer events are organized but with greater private sector involvement, both through support and through project funding.

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