

PEMD outlines aims, support activities

How the Program for Export Market Development (PEMD) came into being was the subject of an article in the last issue of *CanadExport* (Vol. 5, No. 1). Continuing the series, the present article looks at the objectives of the new program and outlines the range of activities it can support.

PEMD's primary aim is to increase the marketing efforts of the private sector by helping them to participate in activities they would not, or could not, undertake alone. The aim also is to increase the number of new Canadian exporters, to encourage existing exporters to move into new markets, and to encourage Canadian companies to introduce new products to world markets.

The program has been designed to meet its objectives by providing the kinds of assistance industry, during year-long consultations, indicated it would find valuable. There is, for example, assistance to enable companies to identify a potential market; to encourage their participation in competitive international bidding; and to participate in trade fairs.

The types of assistance offered by the new PEMD were summarized recently by Brian Schumacher, External Affairs' Director General of the Export Development, Planning and Programs Bureau, in a November address to the Building Tomorrow Conference in Toronto. They are:

A) **Government-driven activities** — Here the government shares the cost of a company's participating in national stands at trade exhibits outside Canada; sponsors out-going missions of Canadian business persons to identify market opportunities abroad; and hosts in-coming missions to Canada of foreign business and government officials who

can influence export sales.

Except in the case of trade fairs, there is no limit to the number of times a particular company can participate in these events. With trade fairs, the company will not be eligible for assistance after its third participation in the same event.

A new element here is the introduction of a participation fee, a recommendation of the Nielsen Task Force to ensure a greater cost recovery on government-sponsored trade fair activities.

B) **Industry-driven activities** (for which the government contribution will continue to be repayable if sales result for the following activities):

- **Trade fairs** — Companies wishing to participate individually in foreign trade fairs will receive government funding.

- **Visits** — This covers both in-coming visits to Canada of foreign buyers and market identification trips outside Canada. In the case of market identification trips to the United States, only companies with annual sales below \$10 million will be eligible for assistance. Actual travel costs up to 100 per cent of the return economy airfare will be paid.

- **Project Bidding** — This type of assistance shares the cost to bid on specific projects outside Canada. The projects typically involve a formal bidding procedure in competition with foreign firms for consulting services, engineering, construction and the supply of Canadian goods and services. Due to the intense international competition for major capital projects, a special exception will be provided for mega-projects (over \$250 million Canadian content).

- **Export Consortia — Formation and Initial Operation** — This activity provides assistance to establish export consortia so that manufacturers, especially small- and medium-size companies, can better exploit opportunities by the formation and use of group marketing efforts. Compatible firms can pool their

resources and share costs and risks. Participating firms are helped to jointly establish an incorporated company to be engaged solely in the export of Canadian products and services. The maximum government contribution is \$125,000 over two years.

- **Permanent stand-alone or shared sales office abroad** — Assists Canadian exporters in sustaining a marketing effort by establishing facilities in a foreign market (excluding the United States). The government contribution will not exceed \$125,000 per project. Individual companies are restricted to two approvals during the applicant's lifetime. They are not concurrent.

- **Activities which are related to the food, agriculture and fish sectors** — Up to \$125,000 per project is available to cover such special activities as technical trials for plant and animal material, seminars and training, product demonstration, and commodity promotion that are undertaken by non-profit food, agriculture or fish organizations, or marketing boards and agencies. This assistance is non-refundable. Two approvals per applicant per government fiscal year are permitted.

- **Marketing Agreement** — The new PEMD will offer applicants the flexibility to enter, with the government, a maximum two-year marketing agreement that combines the eligibility activities of the regular program. It is aimed primarily at medium-size manufacturers with some experience in exporting.

External Affairs' Export Programs Division currently is developing guidelines for application for this type of assistance. This sector will be effective sometime later than the rest of the program.

Further information on the PEMD types of assistance will be available from the regional offices of the Department of Regional Industrial Expansion (DRIE), or by calling External Affairs' Info Export.

Coming up next ... PEMD's eligibility criteria. ★

Marketplace

Turkey — A tender, with a bid closing date of Feb. 19, has been issued by Turkish Iron and Steel Mills for the supply of approximately 200,000 tons of iron ore. Stipulations are that it be a minimum 62 per cent Fe, a maximum 5 per cent SiO₂ and a maximum 1.5 per cent Al₂O₃. Also required are approximately 250,000 tons of acidic iron pellet, with specifications being minimum 66 per cent Fe, 204.5 per cent SiO₂ and maximum 0.8 per cent Al₂O₃. Bid bond is U.S. \$25,000. Performance bond is 5 per cent. Post can forward documents to interested Canadian companies, billing later through External Affairs. Contact the Canadian Embassy, Ankara. Telex: (Destination code 607) 42369. Answerback: (42369 DCAN TR).

Turkey — A tender for the supply of 1,500 tons of non-petroleum base hydraulic fluid for automotive brake systems has been issued by Turkey's Petrol Office. Specifications are to SAE J 1703F, FMVSS 116 DOT 3 and VV-B-680-B. Performance bond required is 6 per cent. Bid closing date is Feb. 18. Post can forward documents to interested Canadian companies, billing later through External Affairs. Contact the Canadian Embassy, Ankara.

Pipeline route to profits

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pipeline sector," Olafson added.

"We are grateful to the Canadian High Commission in Kuala Lumpur for the valuable and timely advice it provided us."

Scheduled for completion in 1991, the entire project, say officials in the field, will be one of the greatest engineering challenges ever undertaken in Malaysia. It will involve up to 30 Canadian staff being onsite, giving NovaCorp "a high profile involvement in Malaysia" for at least five years.

Noting that NovaCorp won the contracts against 54 competitors, the Canadian High Commissioner to Malaysia, Manfred von Nostitz, called the deal "a prestigious accomplishment" and one that "advertises Canada as a technological leader in the oil and gas industry and serves to reinforce Canada's credibility as an effective competitor and important commercial player on the international scene."

"It will also," added von Nostitz, "strengthen

substantively the Canadian presence in Malaysia and is bound to have a positive spillover effect in other areas of the Canada/Malaysia relationship."

The Turkey contract will see NovaCorp audit and monitor the engineering design, materials procurement, construction and commissioning of the USSR-Turkey natural gas pipeline — the actual design and construction of which was contracted to SpieCapag (France), Browne and Root (U.S.) and Enka (Turkey).

The entire project, say NovaCorp spokesmen, includes the construction of 842 km of natural gas pipeline, both onshore and offshore; one compressor station; and 10 metering stations.

They also say the project will involve NovaCorp stationing some 20 Canadians in Turkey for 18 months and supplementing its staff with an additional 12 Canadian employees. ★