

knowledge of the exporter's business sector. One of these teams — the Emerging Exporter Team — is responsible for maximizing support to firms with annual export sales of less than \$1 million.

EDC has also increased financing options for firms with annual export sales of less than \$10 million. The Smaller Exporters Guarantee Framework increases available sources of export financing support by providing partial guarantees to participating Canadian banks. Another new program, the Master Accounts Receivable Guarantee Program, will make it easier for smaller firms to access operating lines of credit on the strength of their foreign receivables.

The Canadian Commercial Corporation's (CCC) new Progress Payments Program — a joint initiative of the Corporation and Canada's financial institutions — will provide greater access to pre-shipment financing for export sales by SMEs. Under the Program, CCC will assess the capabilities of an exporter as well as the risks of a proposed sale. If the sale is endorsed, participating banks will be authorized to provide funds beyond a firm's normal line of credit as progress payments for work completed against the contract. CCC has also launched new automated sourcing systems to identify U.S. federal, United Nations (UN), and certain international business opportunities and match these to the capabilities of registered Canadian companies.

Recent changes to the mandate of the Business Development Bank of Canada will allow it to better serve the financial and management needs of SMEs. The Bank will offer a range of innovative products and services, particularly for emerging and knowledge-based firms, while maintaining its traditional client base.

In addition to helping small businesses financially, the Bank has developed new ways to help SMEs develop their skills and access new markets.

- *Improve Canadian Participation in International Financial Institution Procurement*

Annual loans by international financial institutions (IFIs) to developing countries average about US\$40 billion. Last year, the World Bank alone disbursed over US\$15 billion. More than half of these loans were for goods and services provided by suppliers outside of the borrowing country, providing excellent potential opportunities for Canadian exporters. Unfortunately, Canada's success rate in bidding for IFI-related business has been mixed.

To help more Canadian companies win capital projects financed by IFIs, the Government has developed a strategy to double Canada's IFI procurement by the year 2000. The cornerstone of the strategy is the creation of a Capital Projects Action Team to improve co-ordination of government efforts to assist exporters in procuring IFI contracts. The team will allow the federal government to focus a major part of Canadian financial and marketing assistance on priority industry sectors and countries. It will also play an important role in improving the dissemination of IFI project-related market intelligence and information to firms across the country.

- *Target Exporters of Business Services*

As part of its strategy to increase services exports, the Government will continue its successful outreach program to encourage services industry associations to engage more actively in export promotion. A number of tools and training programs have already been developed for associations and their members. Assistance is also available to associations interested in setting up export committees or awards programs to promote their members in new markets. Other new initiatives will be launched, such as an electronic exporters kit for services sector firms, describing all facets of exporting services. Several country-specific guides are also included.

Diversifying International Business Markets

While exports of goods and services account for more than a third of Canada's GDP, most are bound for a single market — the United States. To build on Canada's success in the U.S. market, and broaden its trade, technology and investment relations with other fast-growing priority markets (e.g. Latin America, Asia-Pacific), the Government proposes to undertake the following initiatives:

- *Focus Resources on High-growth Markets and Sectors*

While maintaining the capability to identify and respond to opportunities in all markets and industry sectors, to the extent resources allow, the Government will focus its international business development efforts more strategically.

In response to recommendations from the private sector, resources will be focussed on key markets and sectors that offer exceptionally promising export and investment opportunities. To this end, the Government proposes to establish a limited number of priority markets/sectors, drawing on three essential criteria: