

encourage greater Canadian participation in projects financed by the institutions. Countertrade is another source of financing in demand in the international marketplace as an alternative or complement to more traditional export financing. To strengthen Canada's ability to respond to countertrade demands in one of the most active areas, a study was published on the Canadian countertrade experience in Eastern Europe.

#### Capital projects

In response to exporters' requests for a focal point for overseas capital projects, attention was paid to the need for better and earlier information on project opportunities and advice to exporters on how best to pursue projects. The Cost Recoverable Technical Assistance Program, designed to provide public sector expertise in support of Canadian project bidding abroad, was extended for two years and is being promoted to exporters as a means of strengthening their project capability.

#### Trading houses

Trading houses are a good means for introducing small business to international markets. The Department co-sponsored over 20 seminars across Canada aimed at informing the public and private sectors of the role and function of trading houses. These were held in co-operation with the Council of Canadian Trading Houses, which is supported by the Department.

repaid if sales materialize as a result. The Department assists exporters by organizing a number of trade fairs or missions to which it invites Canadian companies to participate at a cost-sharing fee, or responds to requests from Canadian companies to assist their efforts through a conditionally repayable contribution for the purpose of market identification, trade fair attendance, project bidding, establishment of sales offices abroad or consortium formation. The PEMD budget now stands at \$34 million, which is 70 per cent of the 1984/85 level.

Measures have been taken to increase cost effectiveness of PEMD program government-initiated trade fairs and mission activities and in the industry-initiated part of the program, which remains responsive to industry demand. Improved monitoring led to improved export sales reporting. In the years preceding PEMD restructuring, reported export sales levels were usually below \$500 million; the level reported in 1987/88 was in excess of \$830 million. The higher sales were accompanied by higher repayment levels. In the year under review, repayments were close to \$5 million, compared to earlier levels of below \$2 million.

The number of PEMD applications received dropped by about 9.5 per cent to some 4 000, of which 2 700 were approved with a value of \$22 million. The decline in applications is attributable to a healthier economy which has reduced corporate incentive to pursue new export markets, elimination of assistance to divisions of larger companies, elimination of *per diem* expenses for market identification trips and assistance for sales offices in the U.S.

**Table 2**  
**PROGRAM FOR EXPORT MARKET DEVELOPMENT**  
(Industry-Initiated)

Year	Number of applications received	Number of applications approved	Amount approved (\$000)	Expenditures (\$000)	Sales (\$ millions)
1980-81	3 324	2 498	21 853	9 130	
1981-82	4 200	3 064	30 929	17 792	
1982-83	5 538	3 998	41 111	20 874	
1983-84	5 618	4 105	42 054	26 975	
1984-85	6 235	4 543	66 781	32 865	353
1985-86	5 363	3 664	36 260	33 706	583
1986-87	4 426	2 992	29 432	24 016	572
1987-88	3 997	2 738	22 258	19 000	1 024

#### Program for Export Market Development

The mandate of the Program for Export Market Development (PEMD) is to support growth of the Canadian economy through incremental export sales. These are sales achieved through incremental export marketing activities by companies that would not or could not undertake them without PEMD assistance. The government shares the risk of market development, and PEMD contributions are

While the number of events organized by the Department such as trade fairs and incoming or outgoing trade missions declined, more Canadian companies benefited from this type of assistance. The Department supported trade fair attendance at 140 events, with 700 companies participating. It organized 41 outgoing trade missions with 110 companies and 119 incoming buyers missions involving 275 foreign decision makers and buyers.