

TCI will be instituting a more strategic approach to the management of trade and investment missions to overseas markets. This will include improved mission coordination among federal departments and the provinces, as well as a broader consensus on best practices for effective missions. It will also include the development of a standard agreement, for use by all overseas Posts and mission organizers, to clearly define respective responsibilities and appropriate time-lines in the preparation of missions. This will help to ensure more consistent service to business clients as well as more effective missions.

□ **Renewing the Trade Commissioner Service**

TCS's Expand your Horizons program will continue to implement and consolidate its new "management by results" approach: a new service policy aimed at providing better service to Canadian clients abroad. Employee training and learning support programs will be pursued through the implementation period, taking into account the results of the 1998-99 employee and client surveys (to be repeated in the coming year). This program is expected to improve the six core services offered (Market Prospect, Key Contact Research, Visit Information, Local Company Information, Face-to-Face Briefing, and Troubleshooting) as well as additional services, including trade missions, delivered by trade officers at Post.

□ **Broadening the Exporter Community**

The financial risk of entering new markets, especially those far from the North American continent, is a major deterrent for Canadian business. The Program for Export Market Development (PEMD) was specifically designed to address this obstacle. To help meet the policy goal of doubling the number of active Canadian exporters, the government continues to re-allocate limited resources to increase first-time and new-to-market exporters by facilitating their success abroad. This is in accordance with the continued re-focusing of PEMD to support approximately 700 SMEs per year.

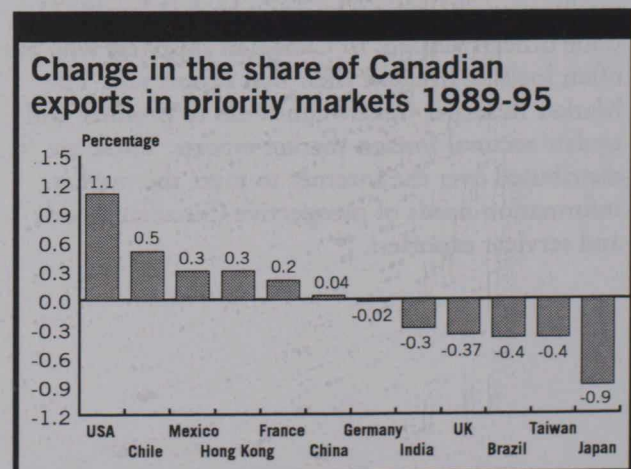
The long-standing New Exporters to Border States program (NEBS) is also being continuously improved, as a means to graduate exporters from U.S. regional markets to third markets. For example, a new NEXSA program has been established to assist exporters in South America.

The new SME Support Unit concentrates on the special needs of SMEs in export markets and to ensure that all trade promotion services appropriately reflect those needs. The unit continues to be conscious of the special requirements of women, aboriginal and young entrepreneurs, and to look for ways to bring these new constituents into the export fold. For example, an Aboriginal Trade Strategy is being formulated with IC, INAC and AAFC, and the Businesswomen in Trade web site now offers new information for exporter clients. The Unit's efforts will continue to build on the recent practice of having more young entrepreneurs join members of other under-represented business groups in trade missions and promotional initiatives.

□ **Increasing Market Share in Key Emerging and Fast-Growth Markets**

While Canada has experienced impressive expansion of trade in the past five years, much of the growth is concentrated in a limited number of markets and sectors. Dependence on the U.S. market has grown to 85 percent of all merchandise exports; our goods exports are highly concentrated in certain key sectors (40 percent in natural resources, 23 percent in automotive); and export gains have been concentrated in sectors already experiencing the best net performance. At the same time, we have lost market share in many of the world's rapidly growing markets. The economic turbulence in Asia and Latin America has added risk and competitive pressures to the mix of factors faced by exporters.

Canadian exports are losing ground to foreign competitors in several major markets, particularly India, Brazil and Japan.



Source: DFAIT/Trade and Economic Analysis Division (EET) (1997)