

## EXECUTIVE OVERVIEW

### I. Introduction

This report was prepared by Toronto Consultants International (TCI) for Industry Canada, and the Department of Foreign Affairs and International Trade (DFAIT). Valuable input to this assignment was provided by a steering committee which included representation from Industry Canada, DFAIT, Golder Associates Limited, the Association of Consulting Engineers of Canada, Export Development Corporation (EDC), the Canadian Construction Association, Monenco AGRA, CIDA, Canadian Commercial Corporation, Ellis-Don Construction Limited, Canadian Power Systems Export Promotion (CAPSEP), Royal Bank and Babcock & Wilcox. Appendix B contains the names of the steering committee members.

It is important to note that the views and findings reflected in this report are those of TCI Management Consultants and do not necessarily represent the opinions of the steering committee members or of Industry Canada or DFAIT.

The executive overview section of this report comprises seven sections, including this introduction. The second section addresses the background to the report and emphasizes the factors that readers should take into account in interpreting the information and findings. An overview of capital project implementation activity is set out in the third section. It provides the context for the fourth section which deals with ways of doing business, with special emphasis on selected European competitors. The fifth section deals with the critical success factors in the international marketplace as determined from five case studies which we undertook. The sixth section covers financing activities and sources of finance. Our conclusions are brought together in the final section.

The overall purpose of the report was to examine the trends in the implementation of international capital projects in light of the changing world environment and to identify a set of critical strategic marketing issues which must be addressed by Canadian firms and by the government, to effectively capture a fair share of projects that fit Canada's capabilities.

Developing information from scratch was quite limited simply because of the scope of our mandate. Nonetheless, the information on which this report is based stems from an extensive review of published material and a significant interview program (given the scope of our work) with a cross section of over 100 knowledgeable players in the international capital projects market including sub-contractors, consulting engineers, contractors, engineering contractors, equipment suppliers, competitors, and government agencies; and, discussions with international agencies, international commercial banks, experts on the structuring of international capital projects, and others.

"Competitiveness" has a special meaning in the international capital projects market because conditions under which business is conducted are not necessarily those of a "level playing field". Certain projects may be "tied" business and in other cases, it is