

III. HORIZONTAL/INSTITUTIONAL MARKETING OPPORTUNITIES

3.1 International Financial Institutions Procurement

Substantial opportunities for sales of capital goods and services are generated through projects financed by international financial institutions (IFI's). In 1984, approximately \$10 billion was tendered through competitive international bidding for projects sponsored by the World Bank and the regional development banks. The procurement product mix in dollar terms was 60% equipment, 30% civil works and 10% consulting.

Canada captures about 2% of this market which, although roughly in line with our share of OECD exports to developing countries, is less than the share won by most other donor countries. Canada has done well in consulting services procurement but we have not been strong in competing for equipment and civil works contracts. One of the biggest constraints has been lack of Canadian bids. In those cases where they have tendered, Canadian suppliers have won 40% of the business.

Given the Third World's growing need for capital investment and the inhibiting debt situation faced by many developing countries, IFI financed procurement has become a major source of export opportunities and an important entrée into this expanding market. Canadian firms should be encouraged to compete more aggressively for these contracts with support provided by government in the critical areas of project identification, commercial intelligence and marketing assistance.