

In an attempt to deal with budget pressures, DFAIT has made various adjustments. In some cases, the reduced capacity of DFAIT and questions about the role best played by TCs has led to the contracting-out of some functions. This involves a reallocation rather than reduction of tasks and, presumably, only produces savings when the new party is able to perform the task at a lower cost than that incurred by DFAIT. Cost-recovery and cost-sharing are other recent initiatives. With worsening government budgets, companies are now being asked to participate more fully in the funding of trade and investment promotion activities. As well as helping to stretch budgets further, many feel that by insisting on cost recovery, government helps to ensure the involvement of more serious exporters. Cost-sharing is another initiative, enabling promotional funds to be "leveraged" through the involvement of other like-minded organizations.

6

Another consequence of financial pressure has been fresh questioning of the way in which resources are allocated. DFAIT is primarily organized on a geographic basis and budgets are seen to favour the traditional markets of the OECD and newer markets in Asia. It has been suggested that more emphasis be placed on forward estimates of demand, and on the marginal utility of TCs in different locations, in resource allocation.<sup>6</sup>

①  
change  
in  
how  
TCS  
services  
are  
provided

### PERFORMANCE

Like many other export promotion organizations, DFAIT conducts periodic evaluations of its export assistance activities. Since the TC is the primary point of contact for Canadian companies, many of the program evaluations focus at least partially on the Trade Commissioner Service (TCS)<sup>7</sup>. These evaluations are usually quite positive. In a survey of 501 exporters, for example, 41 percent of companies reported that the TCS was "very useful" and a further 34 percent "fairly useful." Overall, the TCS was rated slightly lower than the "Program for Export Market Development" (PEMD) and "Trade Fairs and Missions Abroad" in terms of usefulness.<sup>8</sup> On a more specific level, exporters often point to the need for considerable improvement. Two recent studies are indicative. Three areas of complaint were identified in one study: companies perceived a lack of business acumen on the part of TCs; felt more training was required to make TCs as effective as possible; and regard there to be

Client  
Service  
Survey

<sup>6</sup> Griffith, Andrew, "From a Trading Nation to a Nation of Traders: Towards a Second Century of Canadian Trade Development," Policy Planning Staff Paper No. 92/5, Ottawa: External Affairs and International Trade Canada, 1992.

<sup>7</sup> Because of (a) the way that evaluations of TCs are designed, and (b) the contact patterns of companies, it is said that the results reflect company views about TCs at foreign posts rather than those serving in Ottawa or in the ITCs.

<sup>8</sup> Canadian Facts, "Survey of Canadian Exporters," Report prepared for External Affairs and International Trade Canada, Ottawa, 1991, p. 15.