

DRAFT

EXPORT MARKET DEVELOPMENT INSTRUMENTS

Introduction

Export market development instruments/activities employed by the public sector are primarily designed to perform a supportive role for the private sector in its export marketing operations. Public sector activities are, inter alia, aimed at identifying market opportunities, communicating them to the private sector and assisting private firms, in various ways, in pursuing them to a successful business conclusion. Some public sector activities are "developmental" in nature and are usually ones which the private sector cannot afford to perform because of the extended period before any payoff or benefit result.

Identification of market opportunities is accomplished by various methods including reports from trade commissioners abroad as a regular part of their functions. Leads or inquiries may go directly to exporters or to them via DRIE regional offices, Provincial Governments and headquarters of External Affairs, DRIE and Agriculture Canada. Depending on the nature and circumstances of the inquiry or developmental activity various instruments or combinations of responses may be marshalled from the responsible departments.

Assessment of competitors strengths and weaknesses is an essential element in the identification of market opportunities. There is little point in pursuing a trade inquiry if competition is overwhelmingly strong.

Inventory of Market Development Instruments

Once an opportunity is identified as appropriate for a Canadian firm in the context of four main marketing criteria i.e. product, price, place (location/ transportation) and promotion, the public sector can often play a useful role with regard to promotion. As the private sector must compete internationally with respect to product, price, transportation of product and promotional activities so must the public sector also often compete internationally with respect to governmental promotional activities and market development assistance to the private sector. An interesting example was the occasion of the Queen's visit to China last year. British businessmen were following through on this occasion and were provided the Royal Yacht Britannia in Shanghai harbour to entertain Chinese officials.

The main promotional vehicles or market development instruments traditionally used by the public sector include the following:

- a) Outgoing trade missions
- b) Incoming trade missions
- c) Trade fairs
- d) P.E.M.D.
- e) Incoming buyers
- f) Promotional material
- g) Technical seminars
- h) Technical support/Trouble Shooting
- i) Technical assistance/Training