



STATEMENT

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NOTES FOR AN ADDRESS BY
THE HONOURABLE ROY MACLAREN,
MINISTER FOR INTERNATIONAL TRADE,
TO THE
TRADE COMMISSIONER SERVICE
CENTENARY CONFERENCE

TORONTO, Ontario
October 3, 1994

I am grateful to the International Trade Advisory Committee, and in particular to the chairman, Marshall Cohen, for this plaque, recognizing 100 years of service from the Trade Commissioner Service. I accept it on behalf of the hundreds of women and men, Canada-based and locally engaged, officers and support staff, who throughout the world, have given a true meaning to "public service" by devoting their energies and talent to the service of Canadian business people. Such an honour is all the more meaningful coming from those they serve.

Welcome all to this conference celebrating the centenary of the Trade Commissioner Service, a service that has been recognized by Canadians and by our competitors alike as one of the best official trade representation services in the world. The Service has been a critical component of the federal government's overall international business development strategy.

I am sure that my predecessors in this portfolio, and particularly those who are here today, would agree with me that the Trade Commissioner Service should not be considered as just another government program, but rather as a sound investment in Canada's prosperity.

Early next year, I plan to visit Australia where, in 1894, John Larke was appointed as Canada's first trade commissioner. While his world was so completely different from ours, John Larke did work that was remarkably similar to what trade commissioners do today. He collected commercial information, he promoted Canadian companies interested in trade with Australia. He provided advice on transportation and customs matters, and he stimulated trade in a wide range of Canadian goods, including textiles, carriage wheels and cereals.

Today, the 600 Canadians and 350 locally engaged trade officers working in 140 offices in Canada and around the world are still offering that kind of advice. Now, however, they promote exports of a much wider range of products and services. These include microchips, telecommunications equipment, financial and legal services, and information technology, to name just a few of the high-tech, value-added industries in which Canadian companies are world leaders.

Today's trade commissioners must also contend with a new range of issues that Larke could not even imagine. Quotas, subsidies, instant global communications, bilateral and international trade agreements, and falling tariff barriers coupled with expanding non-tariff barriers, are just some of the words that characterize the contemporary international trade landscape.

Today's trade commissioners are also engaged in more than traditional trade promotion activities. More and more, they are called to identify foreign partners for Canadian firms, to promote direct foreign investment in Canada, to promote tourism to Canada and to identify foreign technologies of interest to Canadian firms.

Our Trade Commissioner Service has been playing a major role in Canada's performance on international markets. John Larke was the first of the many trade commissioners who have been contributing significantly to the well-being of Canadians.

As we consider the future of the Service, we must ensure that it provides the support that business people need in a world that has become overwhelmingly complex. Indeed, that is what this conference is all about — to listen to what the business community has to say regarding the need for the Service to change to better address your requirements.

Over the last months, I have also been listening to what our clients have had to say through meetings I have held with small- and medium-sized enterprises across Canada, through a series of consultations with our Centres of International Business Studies, through the formalized consultative processes of the International Trade Advisory Committee (ITAC) and the Sectoral Advisory Groups on International Trade (SAGITs), as well as a number of other venues.

The message that I have heard has been consistent and clear: do less, but do what you already do, better. I am being told that there are too many programs, run by too many players, and that you want more market intelligence — on a timely basis. You are also asking us to be more responsive to the needs of small- and medium-sized enterprises.

As a result of these consultations, I have already taken some preliminary steps that fall into three broad areas.

First, we are undertaking a number of improvements to the way we collect and disseminate market intelligence and market information. We have put into place an electronic Bulletin Board Service that allows exporters access to the latest international market information via a personal computer and a modem. We are also developing a Market Intelligence Messaging System for broadcast faxing of trade opportunities.

A second set of measures relates to providing greater cohesion and focus to the support role played by governments. There is a need for better co-ordination of international business development activity, among both federal departments and the provinces.

Accordingly, this year's International Trade Business Plan will include the input and international business activities of all provinces, as well as 18 federal departments and agencies that are already part of the process.

In addition, in conjunction with the provinces, Industry Canada and a number of federal agencies, we are undertaking a new initiative called "Trade Team Canada." We are looking to optimize services to clients by co-ordinating the delivery of international business development activities among various levels of government. We intend to move ahead promptly by setting up pilot projects in co-operation with those provinces that have already shown an interest in the idea.

The third broad set of initiatives we are undertaking is in the area of support for small- and medium-sized enterprises. From the federal government's point of view, SMEs are a vital national resource, the fastest growing component of the economy, the most knowledge-intensive, the most responsive to rapid change, and the largest creator of new jobs. However, SMEs need to become much more involved in international business if we are to increase our presence in new markets.

To that end, we are increasing our focus and adapting our programs toward the needs of SMEs. We are also developing new products. For instance, a promising new concept is under development by the Export Development Corporation, in partnership with Canadian financial institutions. It involves increased operating lines of credit for smaller exporters. This concept is being designed to provide them with more credit — from their local bank — for their short-term foreign sales.

As Minister for International Trade, I am conscious that we must balance domestic initiatives with new projects to help Canadian exporters in emerging markets. As such, I'm very pleased to announce today an undertaking with this goal in mind. It's located in Mexico City. It is called the Canadian Business Centre. I have no doubt that those of you who have an eye for emerging business opportunities in Mexico will want to take full advantage of it. Let me tell you about this initiative.

The Canadian Business Centre in Mexico City is designed to be a "home away from home" for Canadians doing business in Mexico. It will help you make the right impression with business partners in a key market. It has fully equipped temporary offices, corporate meeting and conference rooms, and up to 30 individual booth spaces for trade shows and other exhibitions. The services of the Business Centre are available at competitive rates, and cover everything from telephone, fax and computer support to secretarial, clerical and even translation and interpretation services.

We know that Canadian business is looking to government to take a leadership role in trade development efforts in Mexico. Certainly the business community itself is getting on with the job. Exports to Mexico increased by more than one third through the first seven months of this year, and there have been more than 7000 Canadian commercial inquiries to our Embassy and consulates in Mexico.

With this sort of enthusiasm in the Mexican market, I have no doubt that the Business Centre will help individual Canadian companies

develop their business interests in Mexico. I should also point out that this is a pilot project, which, if successful, could be replicated in other key markets.

I would like to invite you personally to visit the Business Centre and see for yourself how this new facility can make a difference for you in Mexico.

We all know how important international trade is to this country. Canada ranks 37th in population, but 8th in the world as a trading power. However, our export base remains too narrow. More companies should and could engage in international markets, do it more aggressively and with yet more success. Small- and medium-sized enterprises, in particular, must adopt a determined trading mentality and a strong outward orientation.

With this in mind, our government undertook to conduct a thorough review of the Trade Commissioner Service and implement necessary changes to ensure that we are giving businesses the support they need, that we are being as effective as possible in helping them abroad, and that we are using our limited resources in the best way possible.

To that end, I look forward to receiving your recommendations today, as well as the recommendations of the Parliamentary Committee on Foreign Policy Review, which is expected to table its report in approximately one month.

Over the summer, I also asked "Red" Wilson, a former Trade Commissioner and currently Chairman of Bell Canada Enterprises, to put together a group of business people and undertake what we have called the International Business Development Review (IBDR). I asked them to examine whether the government's international business development approach meets business needs, and how it might be changed to reflect current world market conditions. I also asked them to suggest how we could deliver programs and services more efficiently and effectively, keeping in mind budgetary constraints.

The IBDR Committee has now completed its work, and submitted its report to me last Friday. I had thought that this conference would be the most appropriate venue to release this report, and I am therefore pleased to make copies available for those who are interested.

Although I shall have to examine the report in greater detail, consider some of its implications and consult with Cabinet colleagues, I was most interested in the general direction of the recommendations.

The Committee's recommendations centre on five main areas:

- the government's international business development focus and structure;
- international business development programs and services;
- export financing;
- aid and trade;
- and, last but not least, the Trade Commissioner Service.

More specifically, the Committee recommends that:

- all federal and provincial activities relating to international business promotion be better co-ordinated;
- the government select, for special attention, high-technology sectors and geographical markets with major export potential for their products and services;
- companies be "filtered in" for export assistance in order to improve service to "export ready" companies;
- the Canadian Commercial Corporation report directly to the Minister for International Trade;
- the international business operations and personnel at headquarters be streamlined while preserving the services overseas;
- the Program for Export Market Development and the Trade Fairs program be restricted to small- and medium-sized companies;
- private-sector participation in all government-organized outgoing trade missions be self-financed;
- international trade program funding within the Department of Foreign Affairs and International Trade be consolidated;
- some Canada Account concessional funds be replaced by an increase in the Canada Account non-concessional facility;
- a portion of our official development assistance budget be used to fund Canada Account concessional financing;
- a stronger link be established between aid and trade by, for example, transferring the responsibility for the CIDA Inc. program to the Minister for International Trade, improving program criteria and taking steps to ensure an increased level of follow-up work for Canadian manufacturers; and

- the Trade Commissioner Service strengthen its ability to respond to rapid changes in the international environment, notably by providing more training to officers in priority areas, by increasing the number of short-term executive exchanges with the private sector and International Financial Institutions, and by lengthening the duration of postings.

Based on the Committee's calculations, the implementation of the report's 20 recommendations would result in substantial savings within the Department of Foreign Affairs and International Trade and for the government as a whole.

Overall, the Committee's message is clear: sharpen the focus of programs, streamline operations, and better co-ordinate activities among federal and provincial departments and agencies.

The consultative process that produced the IBDR reflects the government's ongoing commitment to client-driven service. I thank the Committee members for their time and effort in preparing a timely and challenging report. These recommendations will be looked at closely, together with recommendations of the current Foreign Policy Review.

I shall put into place concrete measures to prepare the Trade Commissioner Service for the next century. Given the severe fiscal constraints in government, some difficult choices will have to be made. However, I would like to emphasize that the resource cuts outlined in the report are secondary to the goal of improving our effectiveness in delivering our programs and in being more responsive to private-sector needs.

I urge you to continue your discussions this afternoon on the important questions that are facing the future of the Trade Commissioner Service. Your views are important to me.

It is appropriate that we consider such important questions during the 100th anniversary of the Service. But we cannot and should not, serve business needs in isolation. This is and must remain an interactive process.

We are making a conscious effort to consult extensively with our clients. But we need to hear from you more often. I invite you to think about some of the initiatives we are undertaking and about the recommendations in the International Business Development Review, and give us your views.

Let us know also if our efforts are paying off. And, let us know when things are going well. The women and men of the Trade Commissioner Service who serve Canadian companies around the world are dedicated professionals who deserve our recognition.