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ONTARIO AND CANADA SIGN MOU ON INTERNATIONAL BUSINESS DEVELOPMENT COLLABORATION

The signing of a memorandum of understanding (MOU) between Ontario and the federal government to improve co-ordination of international business development activities was announced today by International Trade Minister Roy MacLaren, Industry Minister John Manley and Ontario Economic Development and Trade Minister Frances Lankin.

The MOU provides for co-ordinated planning and delivery of trade and investment activities and information sharing. It follows Ontario's 1993 decision to close its 17 international offices and responds to private sector demands to cut duplication and increase efficiency in trade and investment marketing.

"We want to ensure greater co-operation and collaboration between the two levels of government in the delivery of international business activity," Mr. MacLaren said. "This is a perfect example of what we can achieve when we put our minds to building a Team Canada approach to global markets. We intend to work with other provincial governments to achieve similar arrangements."

Ms. Lankin said the MOU represents progress toward the ultimate goal of eliminating duplication of effort and making better use of public resources for international business. "We see this as a significant first step," she said. "We support a team approach, and we look forward to developing more effective partnerships to promote business efforts in international markets."

"Both levels of government recognize that encouraging innovation, upgrading skills and increasing access to technology are keys to success," said Mr. Manley. "This MOU will encourage collaborative activities and an exchange of views that reinforce Canada's industrial and technological competitiveness."

The MOU seeks to broaden the access of Ontario business to international markets, improve export preparedness, strengthen



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of Canada

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du Canada



Ontario

It also marks progress on a Canada-Ontario Action Plan to improve the efficiency of the federation signed at the July 18 First Ministers' Meeting by Prime Minister Jean Chrétien and Premier Bob Rae.

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A copy of the MOU is attached.

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MEMORANDUM OF UNDERSTANDING
ON
ONTARIO-CANADA COLLABORATION FOR INTERNATIONAL BUSINESS
ACTIVITY

BETWEEN: DEPARTMENT OF FOREIGN AFFAIRS AND
INTERNATIONAL TRADE

AND: INDUSTRY CANADA

AND: ONTARIO MINISTRY OF ECONOMIC DEVELOPMENT
AND TRADE

The Ontario Ministry of Economic Development and Trade ("MEDT"), the Department of Foreign Affairs and International Trade ("DFAIT") and Industry Canada ("IC"),

RECOGNIZING that international agreements and globalization are creating new business opportunities in existing and new markets;

FURTHER RECOGNIZING that many Canadian and Ontario businesses have yet to fully capitalize on the trade, technology and investment implications of the global economy;

CONVINCED of the need to increase the number of exporters and expand and diversify Ontario's exports in existing and new markets;

ACKNOWLEDGING a need to communicate a clear message to the Canadian and Ontario business communities as to the strategies and roles which the respective governments will pursue;

HAVE REACHED THE FOLLOWING UNDERSTANDING:

I. OBJECTIVES

1. MEDT, DFAIT and IC will seek to achieve the following objectives:
 - (a) broaden the access of Ontario businesses to international markets;
 - (b) improve the "export-preparedness" of the Ontario business community;

- (c) strengthen the international business performance of Ontario businesses;
 - (d) ensure effective promotion of Ontario for investment and business opportunities.
2. Building on existing cooperative efforts, MEDT, DFAIT and IC will work collaboratively in support of the international business activities of Ontario firms and pursuant to this Memorandum of Understanding ("MOU") to:
- (a) strengthen cooperation in the planning and delivery of international business development activities and outline the roles of MEDT, DFAIT and IC in cooperative efforts;
 - (b) reduce duplication through integration, streamlining and coordination of programs and resources;
 - (c) improve the linkages between business and government on trade, technology, and investment promotion activities;
 - (d) ensure the timely and effective dissemination of trade, investment and technology information, intelligence and opportunities to the Ontario business community; and,
 - (e) provide a mechanism to review opportunities to increase efficiency through cooperation.

II. SPECIFIC AREAS OF CONSULTATION AND COOPERATION

INTERNATIONAL TRADE BUSINESS PLAN

3. MEDT, DFAIT and IC will use the International Trade Business Plan (ITBP) as the principal planning vehicle to coordinate international business development efforts, including determining strategies to address the international business needs of industrial sectors and setting priorities and allocating resources for their activities.
4. MEDT, DFAIT and IC will strengthen planning efforts in the following manner:

- (a) DFAIT and IC will provide for timely and full participation by MEDT in the development of the ITBP, which will reflect, as fully as possible, provincial priorities in international business development activities;
 - (b) IC, in concert with other partners including the Province, will provide sectoral frameworks and strategies and DFAIT will provide the international framework within which such needs can be assessed and addressed;
 - (c) MEDT will support, participate in and provide timely input into the ITBP development and review process, including sectoral strategies and provincial priorities in international business development activities;
 - (d) MEDT, DFAIT and IC will exchange sector strategies and initial listings of proposed activities related to the ITBP early in the planning process. Updated activity lists will be exchanged each quarter;
 - (e) copies of the ITBP will be made available to the Ontario business community early in the first quarter of the year;
 - (f) MEDT, DFAIT and IC will coordinate planning for and participation in missions and fairs involving Ontario firms, and incoming buyers and delegations into Ontario.
5. Recognizing the importance of investment and the development and acquisition of technology to international business development efforts, MEDT, DFAIT, and IC will examine ways of reflecting these activities more fully in the ITBP.

INFORMATION SHARING

- 6. IC, DFAIT and MEDT recognize greater information sharing as a priority and agree to share business and market information and intelligence on a timely basis and to collaborate in collecting such information.
- 7. IC, DFAIT and MEDT will work towards greater information sharing in the following manner:

- (a) MEDT, DFAIT and IC will exchange information such as that contained in the World Information Network (WIN), Strategic Business Information Service, and Opportunities Management System (OMS) databases, including non-confidential firm specific information, current international business capabilities and their trade, technology and investment activities and interests;
- (b) MEDT will, in concert with IC's regional office, identify the information requirements of the Ontario business community for foreign markets intelligence, assessments and studies and provide DFAIT with these requirements in a timely manner;
- (c) DFAIT will provide to IC and MEDT, on a timely and consistent basis, market intelligence, business opportunities and sourcing requests from foreign posts. Such information or requests will be forwarded directly from foreign posts to designated MEDT, IC, and other client contacts;
- (d) MEDT, IC and DFAIT will establish internal work practices to encourage increased and timely communication and exchange of information between the various parts of their organizations;
- (e) to facilitate and encourage communications between the federal foreign posts and MEDT, seamless direct telecommunications access links will be made available in 1994, subject to technical and financial feasibility. On any MEDT requests for logistical support or assistance from posts beyond the routine exchange of information, guidance will be sought from the appropriate geographic branch at DFAIT headquarters.

INTERNATIONAL TRADE DEVELOPMENT

8. MEDT, DFAIT and IC agree on the need to encourage firms to expand and diversify their International business activities and on the need for governments and the private sector to develop effective business development and market penetration strategies. This will require both an export education emphasis by MEDT to help more firms reach "export ready" status and to encourage existing exporters, particularly SMEs, to pursue new market opportunities; and a strategic intelligence emphasis by DFAIT and IC to assist industry in assessing export market opportunities. MEDT, DFAIT, IC recognize that the development of export education and awareness products is a shared responsibility.

9. MEDT, DFAIT and IC recognize the benefits of a coordinated team approach essential to eliminate duplication and improve the delivery of trade development services and programs to Ontario business and therefore commit to:
 - (a) strengthen existing collaboration arrangements between their respective organizations, including collaboration between IC's Ontario Regional Office and the International Trade Centre, and the Province's International Trade Corporation and regional field offices;
 - (b) maximize the integration of federal and provincial planning, resources, and program delivery;
 - (c) delineate their respective roles and responsibilities in the design and delivery of international trade development programs and activities in support of Ontario firms.

10. MEDT, DFAIT and IC commit themselves to the establishment of an Implementation Team to carry out the resource and program collaboration and integration provided for in Paragraph 9 including, but not limited to the following:
 - (a) the roles and responsibilities for the planning, delivery, and facilitation of programs and services related to export promotion, awareness and education of Ontario firms. Such programs and services include but are not limited to Trade Shows Made Profitable, Export Essentials, ExportVision, sectoral trade events, new exporter programs, trade fairs and missions, including incoming purchaser visits and delegations;
 - (b) the development of criteria for the recruitment, qualification, and preparation of Ontario firms participating in export related events;
 - (c) the exchange of program results for PEMD and TEF;
 - (d) the implications and feasibility to license delivery of PEMD to MEDT;
 - (e) the sharing of results reporting systems and the assessment of future requirements for common results needs;

- (f) the development of better mechanisms for the handling of trade enquiries from Ontario businesses received by DFAIT, the federal Info Centre, the Canada-Ontario Business Services Centre (COBSC), the International Trade Centre, IC or MEDT;
- (g) arrangements for joint market assessment studies, as appropriate.

INVESTMENT

11. MEDT, DFAIT and IC will cooperate so as to maximize the effectiveness of international investment promotion and prospecting programs and to ensure that Ontario's investment strengths and opportunities are brought to the attention of potential investors. This will be done in the following manner:
 - (a) MEDT, DFAIT and IC will coordinate planning to address strategies for international investment development and retention programs;
 - (b) recognizing the importance of providing a coordinated, single source of customized information and services to potential and existing international investors, MEDT will in partnership with the private sector, create and manage the Ontario Investment Service Inc. to provide a world class resource as the principal focus of federal, provincial and municipal investment promotion and marketing efforts undertaken within Ontario;
 - (c) MEDT, DFAIT and IC will explore the possibility of finding shared solutions to strengthen investment promotion resources in selected foreign federal posts;
 - (d) MEDT, DFAIT and IC will develop procedures and criteria to share information related to potential foreign investments in Canada;
 - (e) MEDT, DFAIT and IC will support each other in soliciting, qualifying and responding to investment enquiries;
 - (f) MEDT, DFAIT and IC will, where appropriate, jointly develop, fund and deliver cooperative programs for investment promotion, including but not exclusive to such activities as investment prospecting kits and materials, and related studies and research;

- (g) MEDT, DFAIT and IC will coordinate domestic and international programs for calls on transnational corporations with operations in Ontario, and share information in preparation for and arising from such calls, subject to requests from clients for confidentiality;
- (h) MEDT, DFAIT and IC will exchange information on investment trends and priorities, review planned activities and identify programs where participation will be required from foreign posts.

TECHNOLOGY

- 12. MEDT, DFAIT and IC recognize that encouraging innovation, upgrading skills, increasing technological capacity, developing linkages and networks, and building international capabilities are the key elements that drive economic renewal and create jobs.
- 13. MEDT, DFAIT, and IC will share results of technology assessments and consultations, review proposed strategies and jointly plan their implementation to maximize the effective use of resources.

INDUSTRY DEVELOPMENT

- 14. MEDT, DFAIT and IC recognize that a competitive marketplace is a precondition to strong international performance and that linkages between international and domestic policy agendas are increasing.
- 15. The Management Committee provided for in Paragraph 18 will:
 - (a) examine ways of developing collaborative activities and framework policies to strengthen industrial competitiveness;
 - (b) exchange views on and examine ways to improve investment, technology and strategic alliance opportunities;
 - (c) invite the participation of other senior officials in their respective organizations or designate the appropriate officials to carry on these discussions once agreement has been reached on a specific agenda or workplan.

REPRESENTATION ABROAD

16. DFAIT will provide support, within existing resources, at Canadian posts for Ontario companies participating in Ontario sponsored missions and fairs identified and agreed to in the ITBP and related post plans. Foreign market visits by Ontario ministers, senior government officials and special Envoys will require early planning and coordination with foreign posts and DFAIT's geographic sections at headquarters. MEDT will provide briefing and support materials.
17. DFAIT through its foreign posts will, where possible and appropriate, provide liaison services for communications, marketing and media relations activities of interest to Ontario and will display and distribute Ontario promotional materials. Posts will provide MEDT with mailing lists of relevant contacts in their respective territories or recommend mailing houses.

III. IMPLEMENTATION AND MONITORING

ESTABLISHMENT OF COMMITTEE

18. MEDT, DFAIT and IC will establish a Management Committee of three Assistant Deputy Ministers to implement this MOU, to undertake private sector consultation as appropriate, to review the operation of the MOU and to assess progress made in achieving its objectives. Officials from other parts of the organizations with an interest in the implementation of the Memorandum may be invited to participate from time to time as required.
19. MEDT, DFAIT and IC will jointly develop an action plan for the delivery, coordination and communication of a cooperative federal-provincial approach to international business development. An overall progress report will be prepared by the Management Committee and submitted to Ministers no later than March 31, 1995.

IV. OTHER PROVISIONS

20. This MOU does not create any contractual or other legal obligation to perform between MEDT, DFAIT and IC; nor will MEDT, DFAIT or IC be subject to any legal liability resulting from non-performance of any provisions of this MOU.

21. Amendments to this MOU require the written consent of MEDT, DFAIT and IC.
22. This MOU may be terminated by either MEDT, DFAIT or IC upon three month advance notice in writing to one another.

IN WITNESS WHEREOF THE UNDERSIGNED HAVE SIGNED THIS MOU.

DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE

_____, Date _____

INDUSTRY CANADA

_____, Date _____

ONTARIO MINISTRY OF ECONOMIC DEVELOPMENT AND TRADE

_____, Date _____