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Canada*

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**INVESTMENT OFFICERS'
CROSS CANADA TOUR**

APRIL 17 - 28, 1989

**Investment Officers' Cross Canada Tour
Final Report
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Min. des Affaires extérieures

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Investment Officers' Cross Canada Tour

April 17 - 28, 1989

Introduction

During the period April 17 to 28, 1989, the Export and Investment Programs Division (TPE) led the Investment Officers' Cross Canada Tour. During the tour 17 Investment Officers from 16 Canadian missions abroad travelled across the country to meet with key private and public sector business people to discuss opportunities for foreign investment in Canada. The meetings were held in St. John's, Halifax, Charlottetown, Fredericton, Montreal, Ottawa, Toronto, Winnipeg, Saskatoon, Calgary, Edmonton, and Vancouver. All officers participated in Ottawa, Toronto, and Montreal programs, but were divided into two groups for the western and eastern portions of the tour.

Tour Objectives

The tour was designed to raise the profile of the Investment Development Program inside Canada among those involved or potentially involved in investment development within federal, provincial, and municipal governments and the private sector. The purpose of the tour was to support post investment development activities through working sessions, meetings and social functions with existing or potential Canadian IDP clientele and the parties already mentioned. The tour was designed to support effective post program development through interchange of experience on program operations and initiatives. Meetings were held in all provinces in order to ensure that the post plans and activities more adequately reflect sectoral and regional investment interests of domestic clients, and that officers further develop Canadian networks which they can use to service investment inquiries. This network can also be mobilized to participate in post programs and to leverage IDP funds.

Background

The tour was organized and sponsored by TPE with the support of the Trade Communications Abroad Division (BTA), the geographic bureaux, Industry, Science and Technology Canada, and the provincial governments. TPE developed the initial concept, including program content, and coordinated the overall effort. TPE prepared the briefing materials for participants, and worked very closely with BTA in the preparation of communications materials and a media relations strategy.

The ISTC regional offices in all provinces accepted responsibility for coordinating and hosting the local programs. In particular, the ISTC offices provided guidance regarding the content of local program, invited participants, identified sponsors, and set the agenda. In many cases ISTC also provided financial support for the local programs. For the most part, the provincial governments worked very closely with the ISTC offices in developing the program and the list of invitees. They were often generous sponsors of hospitality

functions. In addition, ISTC Ottawa and Investment Canada were active participants and hosts during the "kick-off" program held in Ottawa on April 17, 1989.

The Program

While individual participant listings are provided later in this report, generally the program participants included: DEA Investment Officers; ISTC; provincial government departments; the Department of Western Economic Diversification; the Atlantic Canada Opportunities Agency; municipal and regional economic development authorities; private sector investment intermediaries (e.g. banks, and brokerage, accounting and legal firms); and, Canadian companies interested in joint venturing, strategic partnerships and technology transfer agreements with foreign investors. Typically, the programs were organized along the following lines:

- Refreshments and welcoming by ISTC Regional Executive Director;
- Presentations by ISTC, the province, WED/ACOA, municipal/regional economic development groups, and the Investment Officers;
- Informal discussions and question and answer periods;
- Luncheon;
- Individual prescheduled meetings between municipal/regional economic development representatives and potential Canadian business clientele, and the Investment Officers;
- Reception.

The programs were set up in this manner in order to ensure that the Investment Officers could go back to their missions with a stronger understanding of the investment interests and requirements of the various regions in Canada. It was important that they gain an appreciation for the investment opportunities in all parts of Canada, particularly given the diversity of interests that exist across the country. Essentially we were relying on those active in investment development in Canada and Canadian companies with investment needs to task the Investment Officers. This enables Officers to undertake initiatives designed to meet existing Canadian investment requirements.

Communications

The communications strategy was designed to raise the profile of the IDP in Canada; to clarify how the program can be used by Canadian clientele to their benefit; and to demonstrate to existing and potential clientele the benefits to them of foreign investment. The communications messages were:

- that DEA and other agencies provide a variety of programs and resources designed to attract foreign investment, and that these are pursued as part of a larger technology/trade development effort which is crucial to Canada's future economic competitiveness;
- foreign investment develops Canada's economy in terms of job creation, growth, and technology flows;
- concerns about foreign ownership are misplaced. In today's economy, capital moves more freely. Just as major foreign investments do not represent a worrisome trend, neither does the inflow of foreign capital;
- the high level of foreign investment represents a vote of confidence for the Canadian economy and its future development by investors from around the world; and,
- for small or medium sized Canadian companies seeking to penetrate markets in post-1992 Europe, or in the U.S. and Asia-Pacific economies, joint ventures (especially those involving technology transfers) are going to be ever more important aspects of business plans that must involve achieving competitiveness through economies of scale.

The components of the tour communications program included the production of a number of information pieces (e.g. press releases, investment fact sheet, officer and post biographies, background on the IDP, role of the investment officer, investment success stories, and others) as well as a full communications strategy and supporting questions and answers to prepare the officers and other DEA participants for media inquiries.

Astroff Corkum Ross Associates Inc. was retained to write investment success stories to be used as a means of demonstrating to the press that the IDP has been effective and that foreign investment is indeed beneficial to the Canadian economy. In total, 17 stories were prepared, and in all cases the companies were prepared to entertain media inquiries. The success stories are now being re-written to reflect a foreign investment perspective so that they can be used as promotional tools by DEA Missions. These testimonials will concentrate on why companies invested in Canada and the benefits of a Canadian location, rather than what the investment means to the Canadian economy.

Continental Golin/Harris was retained to provide media relations assistance for the tour. Their responsibilities included: the dissemination of news releases by Canada News Wire; contact with national business and financial media, and local and regional media and arrangements for interviews with the Investment Officers and TPE personnel; coordination of media efforts with ISTC regional offices; staffing of media tables; and, monitoring media coverage. Favourable media coverage was received in all of the tour locations, and there appeared to be a definite interest on the part of the media in the IDP and the programs undertaken in Canadian missions abroad. Now that the media has an interest in the IDP we plan to follow-up with them with new success stories and program updates as they become available.

Contents of this Report

This report contains a section for each of the local programs included in the tour. For each program we have included an agenda, a summary record of the meetings, copies of participants presentations/speaking notes where available, and listings of participants in the various components of the programs. The Investment Officers' speaking notes and the Media Relations Final Report are contained in Sections 13 and 14, respectively, of this report. The conclusions, recommendations and summary of items requiring follow-up are in Sections 15 and 16.

Monday, April 17, 1989
Ottawa, Ontario

ISTC - 235 Queen Street

- 8:30 a.m. - Working breakfast hosted by Mr. Harry Rogers, Deputy Minister of Regional Industrial Expansion and Secretary of Ministry of State for Science and Technology, at the Executive Complex.
- Presentations regarding ISTC sectoral and regional priorities.

Minto Place Hotel - 433 Laurier Avenue, West (Salon Stanley)

- Reg H. Dorrett
Chairman - Welcome and comments
- 10:15 a.m. - DEA presentations - IDP issues and program directions.
- Tour logistics and housekeeping matters.
- Media relations briefing by Continental Golin/Harris.
- 12:15 p.m. - Luncheon co-hosted by Reg H. Dorrett, Assistant Deputy Minister International Trade Development, Department of External Affairs and Mr. Jon Church, Vice President, Research and Policy, Investment Canada.
- Presentation by Investment Canada

Department of External Affairs

- 2:30 p.m. - Meetings between investment officers and geographic bureaux
- 4:30 p.m. - Reception hosted by Minister Crosbie for Provincial Ministers and Delegation and Investment Officers
Tower A, 9th Floor in the Hospitality Centre
- 6:00 p.m. - Officers depart for airport.

Depart for Winnipeg: 19:30
Depart for Charlottetown: 18:30
Accommodation: Minto Place Hotel

Summary
Record

Ottawa, Ontario
April 17, 1989

Participating Officers: Audrey Turner (Atlanta), David Lenihan (New York), Andrew de Schulthess (London), Loepy ten Hoopen (The Hague), Pierre Belanger (Paris), Bob Mason (Kuwait), George Phillips (Chicago), Preston Shea (Los Angeles), Brian Casey (Santa Clara), Bill Johnston (London), Marta Moszczenska (Milan), Otch Von Finkenstein (Bonn), Pierre Boyer (Seoul), Peter Sutherland (Riyadh), Daniel Lawrence (Hong Kong), Brian Wilkin (Tokyo).

- The Ottawa program commenced with a working breakfast at ISTC Ottawa hosted by Mr. Harry Rogers, Deputy Minister of Regional Industrial Expansion and Secretary of the Ministry of State for Science and Technology. Mr. Rogers welcomed the officers and gave a speech outlining the direction of ISTC and their perspective on the IDP.

- The program re-convened at Minto Place at 10:15 a.m. with welcoming remarks and introduction from the program chairman, Reg Dorrett, Assistant Deputy Minister, International Trade Development Branch. He then provided a general DEA overview and summary of the DEA reorganization and future directions. Reg also outlined the general directions of the IDP.

- Jon Swanson, Director General, Export Development Programs and Services Bureau, outlined the preparations undertaken in order to launch the tour and thanked everyone involved for their hard work.

- Loring Finney of Continental Golin/Harris provided a very brief summary of their role in the tour communications, and what the officers could expect in terms of media coverage. He also explained the procedures to be followed in the regions with respect to media interviews.

- Tammy Davies, Export and Investment Programs Division (TPE), outlined the purpose of the tour and reviewed a number of logistical matters as well as the briefing materials supplied to the officers.

- Bob Fournier, Deputy Director of TPE, outlined the communications strategy for the tour as well as the wrap-up session planned for Toronto.

- Following the luncheon co-hosted by Investment Canada, Jon Church, Vice President, Research and Policy, provided an overview of a number of the projects his division is working on. He also showed a few slides which illustrated the status of foreign investment in Canada.

- Carol Racine presented a few new investment promotion and

communications pieces, and outlined other communications work in progress.

- The meeting was adjourned and the Officers spent the balance of the afternoon in meetings with their geographic bureaux.

- The afternoon program finished with a reception at DEA hosted by Minister Crosbie for the Investment Officers and Provincial Ministers and their delegations. Minister Crosbie made a brief impromptu speech and wished the officers good luck as they headed across the country for the balance of the tour.

Investment Officer Cross Canada Tour
List of Participants
DEA Reception April 17, 1989

Deputy Minister, Department of External Affairs

Mr. Gerry Shannon, International Trade (DMT)

Assistant Deputy Ministers, Department of External Affairs

Mr. Reg H. Dorrett, International Trade Development (TFB)
Mr. Marc Perron, Africa and Middle East Branch (GGB)
Mr. S. Jacques Roy, Europe Branch (RGB)
Mr. Jean C. McCloskey, Asia and Pacific Branch (PGB)
Mr. Donald W. Campbell, United State Branch (UGB)
Mr. Peter C. Daniel, Communications and Culture Branch (BCB)

Director Generals, Department of External Affairs

Mr. Jon L. Swanson, Export Development Program and Services Bureau (TPD)
Mr. Arthur C. Perron, Asia Pacific North Bureau (PGB)
Mr. Percy A. Sherwood, Middle East Bureau (GMD)
Mr. Jean-Pierre Janeau, Western Europe Bureau (RWD)
Mr. Bill L. Clarke, United States Trade, Tourism and Investment Development Bureau (UTD.)

Investment Officers

Post

Pierre Belanger	Paris
Pierre Boyer	Seoul
Brian Casey	San Francisco
Andrew de Schulthess	London
Bill Johnston	London
Daniel Lawrence	Hong Kong
David Lenihan	New York
Bob Mason	Kuwait
Marta Moszczenska	Milan
George Phillips	Chicago
Preston Shea	Los Angeles
Peter Sutherland	Riyadh
Lupin Ten Hoopen	The Hague
Audrey Turner	Atlanta
Otch Von Finckenstein	Bonn
Brian Wilkin	Tokyo
TOKYO INV.COUN.-????	Tokyo



Government
of Canada

Gouvernement
du Canada

Regional Industrial
Expansion

Expansion industrielle
régionale

P.O. Box 981
608-330 Portage Avenue
Winnipeg, Manitoba
R3C 2V2

C.P. 981
608-330 avenue Portage
Winnipeg (Manitoba)
R3C 2V2

AGENDA
INVESTMENT OFFICERS - MANITOBA TOUR
APRIL 18, 1989
WESTIN HOTEL - HARROW ROOM
WINNIPEG, MANITOBA

CHAIRMAN

- Rainer Andersen
Director
Industry, Technology & Trade
Manitoba Office
Industry, Science & Technology Canada

8:00 - 8:30 a.m. o Coffee and Danish

8:30 - 8:45 a.m. o Opening Remarks
- Hon. Clayton Manness
Manitoba Minister of Finance

8:45 - 9:00 a.m. o Investing in Manitoba
- Dennis H. Cleve
Assistant Deputy Minister
Manitoba Industry, Trade and Tourism

9:00 - 10:00 a.m. Industrial Sector Initiatives Update

- o Health Care Sector
- Ian Blicq
Assistant Deputy Minister
Manitoba Health Industries Development Initiative
Manitoba Industry, Trade and Tourism

- o Hydro Development
- Brian Ransom
Chairman of the Board
Manitoba Hydro

- o Aerospace Sector
- Les Tough
Program Manager
Manitoba Aerospace Technology Program

- o Tourism Sector
- Joanne Sigurdson
Director of Tourism Development and,
Provincial Manager of Tourism Development Agreement
Manitoba Tourism Division
Manitoba Industry, Trade and Tourism

Canada

- Charles Hatzipanayis
Manager, Tourism - Manitoba Office
Industry Science & Technology Canada

10:00 - 10:15

- o Coffee

10:15 - 12:00

- o Business Immigration Program
 - R.T. Alden, Manitoba Investment Promotion
Manitoba Industry, Trade and Tourism
- o Regional Development Corporations
 - Sam Schellenberg
General Manager
Pembina Valley Development Corporation
- o Winnipeg Business Development Corporation
 - Ted George
General Manager, W.B.D.C.
- o Western Economic Diversification Program
 - Barry Brickman
Director of Trade Planning & Development
 - Tim Douglas
Director of Operations
- o Canadian Institute of Industrial Technology
 - Bill McGregor
General Manager - C.I.I.T.
- o I.S.T.C. Manitoba's Investment Strategies
 - Gary Hosea
Manitoba Office, Industry, Science & Technology Canada

12:00 - 2:00 p.m.

- o Lunch
 - Summit Room, Top of the Westin
 - Sponsor:
Winnipeg Business Development Corporation
- Speaker
W.E. (Bill) Watchorn
President & Chief Executive Officer
Federal Industries Industrial Group

2:00 - 5:00 p.m.

- o Private Sector Sessions
with Individual Investment Officers
Registration - Cambridge Room

5:00 - 7:00 p.m.

- o Reception
 - Sponsor:
Canadian Imperial Bank of Commerce
Summit Room, Top of The Westin

Summary Record

Winnipeg, Manitoba - Tuesday April 19, 1989

Participating Officers:

Pierre Boyer (Seoul), Brian Casey (Santa Clara), Bill Johnston (London), Marta Moszczenska (Milan), George Phillips (Chicago), Preston Shea (Los Angeles), Peter Sutherland (Riyadh), Otch Von Finckenstein (Bonn), Daniel Lawrence (Hong Kong), Brian Wilkin (Tokyo).

- Rainer Anderson, Director of the ISTC Regional Office, welcomed the participants, reviewed the program for the day, and provided some background on investment promotion relationships between ISTC, the provincial Department of Industry and Tourism, the Winnipeg Business Development Corporation, and regional development corporations, and Western Economic Diversification Canada.
- The Honourable Clayton Mannes, Minister of Finance for the Province of Manitoba, gave an opening statement outlining Manitoba's current financial situation, the province's financial and economic prospects, and provincial advantages for economic development. The latter was amplified in some detail in comments by Dennis Cleve, Assistant Deputy Minister, Manitoba Industry Trade and Tourism who, after a further overview of provincial locational advantages, outlined priority sectors upon which the province will be concentrating in 1989/90. The priorities are health care, environmental industries, food processing, and transportation technologies.
- More detail was provided on individual sector initiatives relevant to investment promotion in the health care sector by Ian Blicq, Assistant Deputy Minister, Manitoba Health Industries Development; in energy intensive advantages by Brian Ramsom, Chairman of the Board, Manitoba Hydro; Aerospace initiatives by Les Tough, Program Manager, Manitoba Aerospace Technology Program; and, in the tourism sector by Paul Robson, Assistant Deputy Minister, Manitoba Tourism and Charles Hatzipanays, Manager Tourism, ISTC. In health care, as amplified later by Gary Hosea, the province is putting some emphasis on blood protein products and products for aging and is seeking joint ventures/strategic partnerships/technology transfers for new product development. It was emphasized Manitoba has world class blood fractionators and ABI biotechnology provides a base upon which to further develop in the sector.
- Manitoba initiatives and objectives in business immigration were outlined by R.T. Allden and the respective roles of the Western Diversification Program, the Winnipeg Business Development Corporation and regional development corporations as well as the Canadian Institute of Industrial Technology.

- The ISTC perspective on Manitoba investment priorities was reviewed by Gary Hosea, Manager, Industry Technology and Trade of the ISTC office. In addition to the previous comments on health care he indicated the priorities attached to environmental industries (hazardous waste management and other is to be identified), food processing (valued added food processing with a focus on starch and cereal grain), and transporation technologies (building upon the current bus/truck facilities and the Canadian Institute of Industrial Technology).
- Lunch was sponsored by the Winnipeg Business Development Corporation with some 45 local businessmen with interests in the investment program attending.
- The afternoon was devoted to private sector one-on-one sessions involving all investment officers; some 38 private sector individuals were involved.

Companies Invited

Mr. Paul Lopez
Atomic Energy of Canada Ltd.

Mr. E.M. Sloane
Boeing of Canada Ltd.

Mr. Bill Paulsen
Philips-Temro Group

Mr. Al Derkson
Heli-Fab Ltd.

Mr. Doug Eryou
Mid-Canada Equipment Sales

Mr. Norm Smith
Normique Investments

Mr. Alvin Johnson
Normique Investments

Mr. Allan Turnball
Carshaw Inc.

Mr. Al Wexler
Quantic Laboratories

Mr. Brian Cooper
Atomic Energy of Canada Ltd.

Mr. Bert Trainor
Victoria Beach, Manitoba

Mr. Eric Allison
Farm King Allied

Mark Reimer

Joe Van Bellingham
Lake View Development Corp.

Mr. Bill Moore
Pritchard Engineering Co. Ltd.

Mr. Leslie Carvalho
STC Laboratories

Mr. David Baldner
R.W. Packaging Ltd.

Mr. L.O. Pollard
Pollard Banknote Ltd.

Mr. Vic Janzen

Mr. G.A. Fullerton
Quorum Funding (Manitoba) Ltd.

Ms. Carolyn Gelhorn
Carshaw Inc.

Mr. Eric Sigurdson
Quantic Laboratories Inc.

Mr. G.T. Steinman
Gemini Fashions

Ms. Jaye Fredrickson
Agri-Tec Canada Inc.

Mr. Len Harapiuk
Farm King Allied

Cyber Share

William Armit
Canadian Imperial Bank of Commerce

Alan McKay
The Kaley Group

The following is a list of the individual meetings which took place between Investment Officers and businessmen at the Winnipeg meeting.

LONDON - Bill Johnston

Raul Lopez-AECL

MILAN - Marta Moszczenska

Raul Lopez-AECL
Eric Sigurdson-Quantic Laboratories
Joe Van Bellegham-Lakeview Dev.
Vic Janzen-

BONN - Otch Von Finkenstein

Raul Lopez-AECL
Joe Van Bellegham-Lakeview
Eric Sigurdson-Quantic Lab.
Carolyn Gelhorn-Carshaw Inc.

TOKYO - Brian Wilkin

Joe Van Bellegham-Lakeview Dev.
Bert Trainor-Trainor Water
Brian Cooper-AECL
Bill Moore-Pritchard Engineering
Bill Paulsen-Philips-Temro Group

SEOUL - Pierre Boyer

Brian Cooper-AECL
Bill Paulsen-Philips Temro
Vic Janzen
Joe Van Bellegham-Lakeview

HONG KONG - Daniel Lawrence

Brian Cooper-AECL
Bill Paulsen-Philips Temro Group
Vic Janzen
Joe Van Bellegham-Lakeview Dev.
Eric Sigurdson-Quantic Lab.
Al Wexler-Quantic Lab.
Bert Trainor-Trainor Water
Bill Moore-Pritchard Engineering

CHICAGO - George Phillips

Raul Lopez-AECL
Bert Trainor-Trainor Water
Alan McKay-Kayley Group

SANTA CLARA - Brian Casey

Raul Lopez-AECL
Brian Cooper-AECL

LOS ANGELES - Preston Shea

Bill Paulsen-Philips-Temro
Bert Trainor-Trainor Water
Raul Lopez - AECL
C. Gelhorn-Carshaw

RIYADH - Peter Sutherland

Hemant Shah-
Joe Van Bellegham-Lakeview Dev.
Raul Lopez-AECL

**Draft Agenda For
Investment Counsellors' Tour
Saskatoon, April 19
Saskatoon Inn, Ballroom A**

- 8:15 a.m.** Coffee, orange juice and danish
- 8:45 a.m.** Synopsis of the program for the day -
Mr. A.D.D. McEwen, Senior Trade Commissioner
International Trade Centre, ISTC
- 9:00 a.m.** General Introduction: Role of the Investment
Counsellor (DEA) Mr. J. Swanson, Director General,
Export Development Programs and Services
- 9:15 a.m.** Country overview by Investment Counsellors
- 10:00 a.m.** Provincial Government Investment Priorities,
Mr. Garth Gish, ADM, Trade and Investment or
Ms. Robin Reenstra-Bryant
- Provincial officials of:**
- Trade and Investment
Energy and Mines
Rural Development/Agriculture
Tourism
Public Participation
Science and Technology
- 10:30 a.m.** Mixer/Coffee Break/Orange Juice
- 12:00 a.m.** Luncheon, informal, Investment Counsellors and
Provincial Officials (hosted by ISTC)
- 1:00 p.m.** The Honourable R. Andrew, Minister of Trade and
Investment and Attorney General
- 1:30 p.m.** Private Sector Program commences with words of
welcome and Overview of Role of Investment
Counsellors.
- Introduction - Mr. Bill Johnston, Counsellor,
London
- 2:00 p.m.** Individual meetings between Investment Counsellors
and Private Sector. Provincial officials also
available for individual meetings. (Coffee
available).

5:00 p.m. Wine and cheese reception for private sector,
provincial officials and investment counsellors.

8:10 p.m. Depart Saskatoon on CP357/684 enroute to Edmonton.

Summary Record

Saskatoon, Saskatchewan - Wednesday April 19, 1989

Participating Officers:

Pierre Boyer (Seoul), Brian Casey (Santa Clara), Bill Johnston (London), Marta Moszczenska (Milan), George Phillips (Chicago), Preston Shea (Los Angeles), Peter Sutherland (Riyadh), Otch Von Finkenstein (Bonn), Brian Wilkin (Tokyo).

- The Saskatoon program was developed on the basis of a morning session being internal to government participants and involving an interchange of information between investment officers and provincial officials, and an afternoon sessions involving presentation of descriptions of federal programs and one-on-one sessions with private sector participants.
- The day's program commenced with words of welcome and a review of the day's program by Mr. Al McEwen, Senior Trade Commissioner, International Trade Centre, ISTC.
- The review was followed by a description of DEA investment promotion activities and a backgrounder on investment promotion programs overseas by Mr. Jon Swanson, Director General, Export Development Programs and Services Bureau. This was followed by a review of country programs, investment promotion activities, and particular details on objectives in each market by each of the investment officers.
- With introductions, questions and answers the remainder of the morning was devoted to review of general Saskatchewan investment priorities by Robin Reenstra-Bryant and departmental priorities and activities by representatives of energy and mines, rural development/agriculture, tourism, public participation, and science and technology. This was followed by an informal luncheon which provided an opportunity for investment counsellors and provincial officials to pursue discussion on a one-to-one basis.
- The afternoon program again started with an introduction, overview of DEA investment promotion initiatives, and review of the functions of investment officers abroad by Jon Swanson. This was followed by additional comments by Bill Johnston, Counsellor (Investment) London as well as country overviews by participating officers.
- The remainder of the afternoon was devoted to individual meetings between investment counsellors and the private sector; some 73 private sector participants were registered.
- The day ended with a wine and cheese reception for all participants to provide an opportunity to further review on a one-on-one basis subjects of interests which arose during the day.

INVESTMENT COUNCELLORS' SEMINAR

APRIL 19, 1989

SASKATOON INN

SASKATOON

International Trade Centre

Mr. William A. Reid, Executive Director
Mr. A.D.D. McEwen, Senior Trade Commissioner
Mr. Ron McLeod, Trade Manager
Mr. Tom Rogers, Trade Commissioner
Mr. Fred Haack, Trade Commissioner
Mr. Burke Darling, Trade Commissioner

Sector Specialists

Mr. Gerry Arundel, Director, Planning
Mr. Dalton Tamney, Manager, Advanced Technology
Subsidiary Agreement
Mr. Joel Young, Sector Specialist, Food Processing
Industries and Health Care Product Industries
Mr. Daryll Sewell, Sector Specialist, Resource
Processing Industries
Mr. Brian Beattie, Sector Specialist, Metal Fabrication
and Agricultural Equipment

Department of Industry, Science & Technology

Mr. Larry Bagnell, Acting Director, Whitehorse
Mr. Paul Berthelet, Director, Yellowknife
Mr. A. Svetkov, Manager, Regina
Mrs. Lynn Tait, Trade & Tourism, Regina

Department of External Affairs

Mr. Robert Fournier, Deputy Director, Investment Development
Mr. J. Swanson, Director General, Export Development
Programs and Services
Ms. Harriet Finner, Project Manager

PROVINCIAL PUBLIC SERVANTS IN ATTENDANCE
AT THE INVESTMENT COUNCELLORS'

SEMINAR 19 APRIL '89

SASKATOON INN

SASKATOON

Department of Trade and Investment

Mr. Don Wright, Deputy Minister
Ms. Robin Reenstra-Brytant, Director, Strategy & Policy
Branch
Mr. David Dotchin, Senior Analyst
Mr. Matt Troniak, Director, Investment Development
Mr. Garth Gish, Assistant Deputy Minister, Investment
Division

Department of Public Participation

Mr. Graham Parsons, Deputy Minister
Mr. Ken Brehm, Assistant Deputy Minister, Policy &
Communications

Department of Agriculture Development and
Diversification Secretariat

Mr. Darryl Dunn, Project Manager
Mr. David Sim, Executive Director

Department of Agriculture

Mr. Les Bowd, Assistant Deputy Minister
Mr. Etienne Von Engelhardt, Project Manager

Department of Tourism

Mr. Tom Young, Director, Tourism Business Development

Department of Energy & Mines

Robert Lee, Acting Director, Metallic Minerals Branch

Department of Science & Technology

Wayne McElree, Director, Policy & Planning, Technology
Development Division

- 2 -

Department of Economic Development

Mr. D. Jesse, Director, Regina
Mr. D. Fairlie, Saskatoon

Investment Councillors' Seminar**April 19, 1989****Saskatoon Inn****Saskatoon**

Mr. Pierre Boyer, Seoul
Mr. Brian Casey, Santa Clara
Mr. Bill Johnston, London
Mr. Daniel Lawrence, Hong Kong
Ms. Marta Moszczenska, Milan
Mr. George Phillips, Chicago
Mr. Preston Shea, Los Angeles
Mr. Peter Sutherland, Riyadh
Mr. Otch Von Finkenstein, Bonn
Mr. Brian Wilkin, Tokyo

List of Attendees at Investment SeminarWednesday, April 19, 1989

Lynn Shyluk
Economic Development & Tourism
311 - 21st Street East
Saskatoon, Sask.
S7K 0B3
(306) 975-2508

Mr. Don Funk
Fabtron
2333 Avenue C North
Saskatoon, Sask.
S7L 5Z5
(306) 242-1141

Mr. Ian B. Dykes
President
Everest Technologies Ltd.
15 Innovation Blvd.
Saskatoon, Sask.
S7N 2X8
(306) 343-1646

Mr. Alan J. Carson
Saskatchewan Wheat Pool
2625 Victoria Avenue
Regina, Sask.
S4T 7T9
(306) 569-4254

Mr. Bob Ayra & Mr. Cec Kanigan
Safeflight Aviation Inc. (Husky Manufacturing Inc.)
R.R. #5, GB 105
Corman Park Airport
Saskatoon, Sask.
S7K 3J8
(306) 934-3336 or
(306) 975-7626

Mr. Larry Guthrie
Coopers & Lybrand
600 PCS Tower
122 - 1st Avenue South
Saskatoon, Sask.
S7K 7E5
(306) 652-9890

- 2 -

Mr. Larry Olain
CSP Foods Ltd.
75 - 33rd Street East
Saskatoon, Sask.
S7K 3K7
(306) 244-1335

Ms. Judie Dyck & Mr. Harold Dopko
Agmar International Equipment
1215 Emerald Crescent
Saskatoon, Sask.
S7K 1J5
(306) 953-8151

Mr. Al Rankin
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(306) 955-2695

Mr. Dennis Colter
Intercontinental Packers Ltd.
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EXTERNAL AFFAIRS INVESTMENT COUNSELLORS TOUR

7:00 am - 8:00 am Breakfast with Calgary delegation - Chateau Airport

8:30 am Depart Calgary CP629

9:10 am - Arrival Edmonton Municipal Airport

9:30 am INVESTMENT COUNSELLORS ARRIVE at offices of Alberta Economic Development & Trade, 11th Flr boardroom, Sterling Place

9:40 am OPENING REMARKS - Mr. George de Rappard, Chief Deputy Minister, Alberta Economic Development & Trade

9:50 am GENERAL BRIEFING - Dr. George Adorjany, Managing Director, Investment Promotion Branch, Alberta Economic Development and Trade

10:10 am ALBERTA AGRICULTURE - Mr. Lou Nurmand, Head, Agri-Food Processing Development Branch

10:30 am ALBERTA TECHNOLOGY RESEARCH & TELECOMMUNICATIONS - Mr. Peter Horcica, Executive Director, Investment Development

10:50 am ALBERTA ENERGY - Mr. Michael Day, Assistant Deputy Minister, Energy Resources Sector

11:10 am ALBERTA FORESTRY - Mr. A. Brennan, Executive Office, Forest Industry Development Division

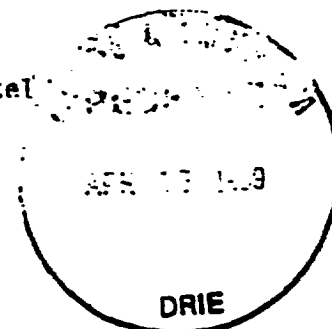
11:30 am ALBERTA CAREER DEVELOPMENT AND EMPLOYMENT - Mr. Dave Corbett, Director, Business Immigration Program

11:45 am DEPARTURE for Claude's Restaurant

12:00 noon LUNCH at Claude's Restaurant

01:30 pm DEPARTURE for Westin Hotel

01:45 pm ARRIVAL at Main Ballroom, Westin Hotel



02:00 pm GENERAL PLENARY SESSION
 - External Affairs Investment Counsellors
 - Government of Canada
 - Government of Alberta
 - Municipal Economic Development Authorities
 - Alberta Private Sector Representatives (one-on-one
 meetings with counsellors)

 OPENING REMARKS - Dr. George Adorjany, Alberta Economic
 Development & Trade

 - John Swanson, International Trade
 Development, Dept. of External Affairs
 Ottawa

 - Jack Kepper, International Trade
 Centre, Edmonton

02:10 pm CANADIAN EMBASSY TOKYO - Brian F. Wilkin

02:20 pm CANADIAN HIGH COMMISSION HONG KONG - Daniel Lawrence

02:30 pm CANADIAN EMBASSY SEOUL - Pierre Boyer

02:40 pm CANADIAN EMBASSY BONN - Ottfried (Otch) Von Finckenstein

02:50 pm CANADIAN CONSULATE GENERAL MILAN - Marta Moszczenska

03:00 pm CANADIAN EMBASSY LONDON - William Johnston

03:10 pm CANADIAN CONSULATE GENERAL CHICAGO - George Phillips

03:20 pm CANADIAN CONSULATE GENERAL LOS ANGELES - Preston J. Shea

03:30 pm CANADIAN HIGH COMMISSION SANTA CLARA - Brian P. Casey

03:40 pm CANADIAN EMBASSY SAUDI ARABIA - Peter H. Sutherland

03:50 pm COFFEE BREAK

04:00 pm ONE-ON-ONE MEETINGS BETWEEN PRIVATE SECTOR AND
 INVESTMENT COUNSELLORS

06:00 pm RECEPTION
to
07:00 pm

Summary Record

Calgary/Edmonton, Alberta - Thursday April 20, 1989

Participating Officers:

Pierre Boyer (Seoul), Brian Casey (Santa Clara), Bill Johnston (London), Marta Moszczenska (Milan), George Phillips (Chicago), Preston Shea (Los Angeles), Peter Sutherland (Riyadh), Otch Von Finkenstein (Bonn), Brian Wilkin (Tokyo).

- The Alberta program started with a 7:00 a.m. breakfast in Calgary, hosted by Bruce MacDonald, Executive Director, Calgary Economic Development Corporation. The breakfast provided an informal occasion for the Calgary delegation to briefly review their promotional objectives and programs and for informal discussions on current cooperation and/or cooperation which can be developed with federal initiatives.
- The Edmonton program started at 09:40 with opening remarks by Mr. George de Rappard, Chief Deputy Minister, Alberta Economic Development and Trade and Dr. George Adorjany, Managing Director, Investment Promotion Branch, Alberta Economic Development and Trade. They outlined Alberta provincial investment promotion objectives and reviewed the provincial programs and delivery system currently in place.
- The remainder of the morning was devoted to individual presentations outlining the investment priorities and activities of particular provincial departments: by Mr. Lou Normand, Head, Agri-Food Processing Development Branch, Alberta Agriculture; by Mr. Perter Horcica, Executive Director, Investment Development, Alberta Technology, Research and Telecommunications; by Mr. Michael Day, Assistant Deputy Minister, Energy Resources Sector, Alberta Energy; by Mr. A. Brennan, Executive Officer, Forest Industry Development Division, Alberta Forestry; and by Mr. Dave Corbett, Director, Business Immigration Program, Alberta Career Development and Employment.
- The afternoon session, open to the private sector, started with a general plenary session which included opening remarks on the respective activities/priorities of their organizations by Dr. Adorjany, Alberta Economic Development and Trade; Jon Swanson, International Trade Development and Services Bureau, Department of External Affairs; and Jack Kepper, International Trade Centre, Edmonton.
- This was followed by individual presentations by each of the participating officers outlining their program initiatives and priorities, and the particular country circumstances with which they work.
- The remainder of the day was devoted one-on-one meetings between investment counsellors and private sector participants as well as municipal development agencies.

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General Manager
Calgary Office
Phone: 297-6234

Trade and Investment Development Division

The Trade and Investment Development Division exists to enhance the economic growth and further diversification of the Alberta economy by assisting the private sector to participate more effectively in expanding exports and attracting investment. This will be accomplished by working with Alberta-based businesses, business-related organizations, post secondary institutions, other divisions and Alberta government departments as well as businesses from outside Alberta and other governments.

Contacts: Managing Director
Canada and The Americas Branch
Phone: 427-4809

Managing Director
Investment Promotion Branch
Phone: 422-6236

Managing Director
International Trade Branch
Phone: 427-4809

Director
Trade Shows Branch
Phone: 427-4809

Director
Marketing & International Finance Branch
Phone: 427-2582

Policy and Planning Division

The Policy and Planning Division provides policy analysis, development and coordination in the areas of business development, investment, trade, diversification, and transportation issues. The Division also provides planning, project and program support toward the development of an effective transportation system for Alberta companies to compete in export markets. The above will be accomplished by working with cabinet committees, other divisions, departments, governments, the private sector and the general public with the objective of improving the short and long term economic well being of Albertans.

Contacts: Chairman
Futures Compendium
Phone: 427-0665

Executive Director
Transportation Services Branch
Phone: 427-5232

Executive Director
Policy Development & Coordination Branch
Phone: 427-3627

b) Department of Energy

The Department has the responsibility for administration of the Crown's energy resources and for the management and development of these and freehold resources. Energy applies sound management practices to encourage participation by the private sector in the development of the resources and to optimize the royalty revenue for the province. The Department has three major divisions: mineral resources, policy analysis and planning, and scientific and engineering services. (9915-108 Street, Edmonton, Alberta T5K 2L9 (403) 427-3590).

Alberta Energy Resources Conservation Board

Under the Statutes of Alberta, the Energy Resources Conservation Board is charged with certain energy resource and environmental management functions with regard to oil, gas, oilsands, pipelines, electrical energy and coal. The Board is also responsible for the preservation and effective use of certain of Alberta's energy resources.

Under the Oil & Gas Conservation Act, the Board, with the approval of the Lieutenant Governor in Council (ie. Cabinet), may grant an Industrial Development Permit for the use of gas, methane, ethane, propane, butanes, pentanes plus, condensate, crude oil, crude bitumen, or synthetic crude oil, or any primary derivative of them or any of them as a raw material or fuel in an industrial or manufacturing operation. Permits are not required where the total quantity of energy in the energy resource used in any year as raw material and fuel does not exceed one trillion British thermal units (1.1×10^{14} joules). A similar provision exists in the Coal Conservation Act regarding the use of coal or a coal product as a raw material, reductant, or fuel in an industrial or manufacturing operation. (640 - 5th Avenue SW, Calgary, Alberta T2P 3G4 (403) 297-8311).

c) Department of Environment

The Department of Alberta Environment was established in 1971 and was the first of its kind in North America.

Since its inception, the Department continues to be a forerunner in environmental practices ranging from its solid water management principles to its innovative solutions of managing hazardous waste.

The Department has made a transition in its mandata, moving away from its previous balancing role and progressing towards a more stringent approach to sound environmental protection and managment of Alberta resources.

When re-defining its mission, the department has instigated several key initiatives reflecting this changing role as it pertains to policies, programs, services and administrative procedure of departments and agencies in matters regarding the environment.

One of the most significant initiatives launched by the department was the appointment of a review panel to undertake a comprehensive look at environmental law enforcement in Alberta. The panel's purpose was to strengthen and improve the enforcement of Alberta's Environmental Statutes, and make further recommendations. Implementation of these recommendations have already commenced in order to increase the department's efficiency and effectiveness.

The Industry Development Division of Alberta Economic Development and Trade, works closely with Alberta Environment and will introduce companies to this department.

Major environmental guidelines for petro-chemical projects are published by Alberta Environment in conjunction with the Energy Resources Conservation Board under the Industrial Development Permit Application Guidelines. These guidelines detail the amount of information that must be provided to the Department of Environment regarding the environmental impact of the proposed projects (Standards and Approvals Division, 4th Floor, Oxbridge Place, 9820 - 106 Street, Edmonton, Alberta T5K 2J6 (403) 427-6267).

d) Department of Forestry, Lands and Wildlife

The new Department of Forestry's primary function is to expand Alberta's forest sector. Greater use of hardwood resources and expansion of the pulp and paper industry will be emphasized by encouraging new major projects and research initiatives. Assistance will be provided to modernize existing sawmill and panelboard plants. New technologies, transportation improvements, and marketing assistance will be made available to help small-scale forestry producers. The new Department will also continue its high priority on the proper planning and management of our lands, fish, and wildlife resources. (9915 - 108 Street, Edmonton, Alberta T5K 2C9 (403) 427-3542).

e) Department of Technology, Research and Telecommunications

The Department of Technology, Research & Telecommunications was formed in 1986 to serve as a focal point in the province's efforts to diversify the economy through the application of new technology to existing and new industries, and the creation of new industrial opportunities arising out of science and technology developments within Alberta. The Department also promotes Alberta as a national and international centre for research on, and the commercial application of, advanced technologies.

Finally, the Department is also responsible for ensuring that all Albertans are served by high quality, reliable and affordable communications systems and information services, and to actively support the development of intellectually and technologically advanced communication systems and information services in Alberta.

Edmonton: Alberta Technology, Research & Telecommunications
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10909 Jasper Avenue
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Technology Commercialization Division

The Technology Commercialization Division is responsible for promoting targetted advanced technology sectors and assisting Alberta companies in developing new and innovative products having local and international market potential.

This Division coordinates and administers a \$2.5 million Commercialization of Technology Program which provides financial assistance to private sector requests for the support of institutes, the development of new products, the commercialization of research, as well as feasibility studies.

CONTACTS: Senior Director
Technology Commercialization
Phone: 422-0561

Investment Development Division

The prime objective of the Investment Development Division is to promote and facilitate investment in Alberta, specifically in the advanced technology sector.

Activities in support of that objective include:

- o developing and reinforcing an awareness in the Canadian and international business communities of Alberta's commitment to the advanced technology sector;
- o identifying and facilitating potential investment in Alberta;
- o liaising with various government agencies and private sector groups to optimize our efforts for promoting investment; and
- o developing strategies and programs to meet our objectives, and systematically assess these activities for their merit.

CONTACT: Executive Director
Investment Development
Phone: 422-0561

Research and Planning Division

The Research and Planning Division provides research advice and coordination in the ongoing development and administration of Alberta Government policy in both communications and science and technology.

The Division is responsible for long-term planning within the Department and assisting in the development of specific sectoral plans for advanced technology industries. - It also provides technical, economic, financial, and policy advice to support Departmental programs and other initiatives.

In addition, the Research and Planning Division provides support to the Minister in relation to the administration of related acts and statutes.

The Division has administrative responsibility for the delivery of two Departmental programs, the Alberta-Heilongjiang Science and Technology Exchange Program, and the Satellite Dish Grant Program.

CONTACT: Senior Director
Research & Planning
Phone: 422-0561

f) Department of Tourism

Primary activities of the Department of Tourism involve developing Alberta as a major year-round travel destination area; marketing the province as a world class vacation spot; and fostering investment opportunities for the private sector. Alberta Tourism has an important and supportive relationship with the tourism industry, providing everything from financial assistance to marketing support and business counselling. The department works closely with the Travel Industry Association of Alberta (TIAALTA), (403) 250-2760, which represents Alberta's private sector tourism operators.

Alberta Tourism markets the province of Alberta as a leisure and business travel destination. The Marketing Division addresses the needs of consumer, travel trade and business travel markets through the support of cooperatives, advertising campaigns, travel shows and special promotions.

The Development Division supports many organizations and businesses in the planning, development, upgrading and expansion of tourism facilities. Among its support services are a full range of consulting services and programs including tourism planning, community tourism development and major resort development.

The Business Services Branch of Alberta Tourism works directly with the private sector to promote investment opportunities in the Alberta tourism industry. It serves as a "business catalyst", giving entrepreneurs a "one-window" approach to pursuing new tourism ventures and improving the profitability of existing business operators. The Branch serves a vital role in expediting the investment financing and development process.

Department of Tourism
18th Floor, 10025 Jasper Avenue
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Phone: Marketing 422-0483
 Development 427-2597
 Business Services 427-4324

g) Department of Agriculture

The Mission of the Department of Agriculture is to support the maintenance and further development of a viable agricultural and food economy in Alberta.

Marketing Services Division

The Marketing Services Division exists to show leadership in assisting and encouraging the maintenance and development of strong, competitive agriculture and food industries.

Contact: Director Marketing Services Division
Alberta Agriculture
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Agri-Food and Processing Development Branch
Alberta Agriculture
7000 - 113 Street
Edmonton, Alberta T6H 5T6
Telephone: (403) 427-7325

Market Development Division

The Market Development Division exists to assist Alberta agri-food industries to identify, create and take advantage of domestic and international market opportunities.

Contact: Director, Marketing Development Division
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INVESTMENT OPPORTUNITIES IN ALBERTA

Expansion and diversification of the process and manufacturing industry in Alberta is actively encouraged. It is Alberta Government policy to encourage local processing of resources to obtain maximum employment and investment benefits from resource up-grading as a means to achieve the goal of further diversification.

Manufacturing volume has risen steadily over the past decade, particularly in sectors such as petroleum refining, chemical and chemical products, metal fabrication/machinery, food processing and beverage sectors where expansion has closely related to energy resources development, new construction and population growth in the Province. The foundation for further diversification of the Alberta industry has been established. Furthermore, Alberta is also at the centre of the growing Western Canadian market and is located favourably to supply the north-western United States markets.

Several process and manufacturing industry development opportunities are available for direct investment, joint venture and licensing arrangements in Alberta industry. Opportunities have been identified in the following areas.

Conventional Crude Oil

Alberta's 1986 production of crude oil and equivalent amounted to 1.3 million barrels per day, 83 per cent of the country's oil production. About three quarters of this production is exported to other Canadian provinces and into the U.S. The balance is refined or consumed within Alberta.

Overall market prospects are excellent. The province's proximity to the large U.S. market ensures continued market growth. The free trade initiative between Canada and the United States confirms Canada's present policy in energy, which is based on world prices and essentially free markets within North America.

Alberta's extensive pipeline system covers more than 110,000 miles within the province, and is a vital factor in oil and natural gas prospects. Pipelines connect in all directions, supplying eastern Canada, part of British Columbia and a substantial part of the U.S.

Enhanced Oil Recovery

Alberta is a world leader in enhanced oil recovery (EOR) - the use of highly complex techniques to improve recovery rates from partially depleted reservoirs. Water injection, commonly referred to as secondary recovery technology, is the most common EOR method and is common practice in the Alberta oil fields.

The Government of Alberta is committed to the development and implementation of EOR projects. The principal provincial EOR program essentially reduces current royalties payable in exchange for future royalties from the incremental production derived from the miscible flood. This is termed "4.2 Relief" after the section of the Petroleum Royalty Regulations on which it is based.

Heavy Oil

Heavy oil is thick and viscous. A major project of heavy oil is asphalt used for highway paving, shingles and roofing tar.

Remaining established reserves of conventional heavy oil in Alberta contain an estimated 300 million barrels. Only a small percentage, however, is recoverable by primary methods. Thermal projects are in operation which use and develop new technology to recover heavy oil.

Most heavy oil is exported to the U.S. Midwest. With upgrading facilities to turn heavy oil into lighter conventional oil for refining, Alberta refineries would be assured of a compatible feedstock as conventional light crude oil supply declines. Industry and government interest in this aspect of energy development is increasing.

Natural Gas

Alberta accounts for 86 percent of Canada's production of natural gas.

Approximately 75 percent of Alberta's natural gas production is exported to eastern Canada and the U.S. The balance is used in Alberta for heating, generation of electricity and as petrochemical feedstock.

Market prospects look especially promising. As Canadian natural gas exports have become deregulated, Alberta producers have been able to price competitively in the key markets of California and Midwest states such as Illinois and North Dakota.

Natural gas requires processing to separate various components, which can include ethane and other natural gas liquids, as well as methane, the natural gas used for most heating. Demand is on the upswing for natural gas liquids, used for a variety of purposes, including feedstock and dilution of crude oil in pipelines.

Sulphur, produced from the hydrogen sulphide removed from raw natural gas streams, is of growing importance. Alberta's sulphur is shipped world-wide and in 1986 accounted for about 45 percent of the world's sulphur trade. The 1986 average world price for sulphur was \$97/tonne; revenue to producers reached nearly \$670 million.

Oil Sands

Oil sands development is progressing rapidly in terms of productivity, reliability and efficiency, both for surface mining and in situ extraction.

The drive to use new technology to reduce unit costs and improve reliability in surface mining is showing marked results. In 1987, Syncrude produced synthetic crude oil at a cost of \$11 per barrel, compared to \$19 per barrel in 1979. Recovery factors of up to 92 percent are being attained for surface mines. These facts are a tribute to Alberta's skill in the extraction of high-quality oil from sands.

The market for oil sands production is promising. Synthetic crude and bitumen output have risen rapidly over the last five years, with U.S. Midwest refiners taking the largest portion. Direct pipeline connections into Chicago position the province well to compete in this large market.

Petrochemicals

Alberta already has a moderate sized petrochemical industry based on plentiful supplies of hydrocarbon resources. This industry is competitive in international markets and offers future investment opportunities for the manufacture of additional ethylene derivatives. These could be made from ethylene purchased from existing, announced and potential world scale crackers based on ethane or from captive facilities built in conjunction with derivative plants. Significant volumes of other natural gas liquids and refinery off-gases offer other upgrading opportunities.

Alberta's position as Canada's major source of natural gas and as the world's largest source of export sulphur has led to the development of a large fertilizer industry which serves most of western Canada and much of the U.S. northeast. These strengths, and markets are expected to continue to grow, will place Alberta in an increasingly advantageous position for fertilizer manufacture.

Non-Commodity Chemicals

Western Canada's resource based economy coupled with the availability of products and by-products from Alberta's petrochemical industry suggest some attractive opportunities for non-commodity chemical manufacture. Surfactants based on ethylene oxide, products based on sulphur, agricultural chemicals, amines and styrene derivatives are examples of products that could benefit from the availability within Alberta of raw materials, skilled personnel and infrastructure that have developed as a consequence of Alberta's petrochemical, refinery and oil and gas industries. Western Canadian markets for these and other specialty products in the oil and gas, agricultural, pulp and paper and mining industries are currently largely served by imported products and represent excellent opportunities for local Alberta manufactures.

Metals and Minerals

Recommended areas of development opportunity for the metal and minerals industry in Alberta include catalyst, heavy metals, alloy and special steels, flat rolled steel products (hot or cold rolled, galvanized or coated), structural shapes, wire rod, specialty pipe, manganese/abrasion resistant steel castings, valve and pump.

Food Industry

The food and beverage industry is the dominant industry in Alberta manufacturing, accounting for over \$4 Billion, more than one quarter of Alberta's total manufacturing. There are opportunities for further development of the food processing industry in Alberta due to Alberta's solid base of agricultural resources, economic diversification, growing Western Canadian food market and favourable transportation factors in serving the western market.

Further development of the food processing industry in Alberta is encouraged by the provincial government as part of its strategy to diversify and strengthen the Alberta economy. Following are suggested areas for development in the secondary and tertiary food sub-sectors of the Alberta industry.

Frozen Foods - prepared poultry, prepared meat entrees, frozen baked goods products, baked desserts, prepared complete dinners, pasta dishes, ethnic foods and gourmet oriented foods.

Specialty foods - meat products (flaked meats, fabricated meat, specialty sausages, pate, prepared meat products for food service markets), snack food-crackers, specialty cheeses, salad dressings, spreads, soups, condiments, vegetable protein items, biscuits, confectionary, beverages.

Forest Industry

Due to the large volume of uncommitted timber in Alberta, opportunities for joint-venture manufacturing in the forest industry are numerous. Coniferous species of spruce and pine with large quantities of deciduous poplar species offer attractive development potentials. Specific areas of opportunity include utilization of aspen for the production of forest products, newsprint and coated printing paper, sawmills for hard and softwood lumber, boards and furniture dimensions, softwood and hardwood board plants, laminated veneer lumber mills, medium density fibreboard and hardboard mills, household furniture, kitchen cabinets, upholstered furniture and bedding, factory built houses, (including mobile modular, prefabricated and closed panel houses), pallets and other material handling systems, industrial shelters and camps, and preserved and fire retardent wood products.

Agricultural Machinery

Alberta is an annual half billion dollar market for the farm implement industry. Its farm implement manufacturers currently export 60% of provincial production outside the province, primarily to the other prairie provinces and north western U.S. - testimony to the durability of the Alberta product, the service provided by its companies and stability of the industry. Many of the products produced are recent and innovative steps toward greater agricultural productivity - efficient solutions to productivity problems.

Investment opportunities for the following types of agricultural implements exist in the province - cultivators, chisel plows, self propelled and high capacity output sprayers, fertilizer applicators - both liquid and solid, grain aeration and drying systems, complete grain handling, tilling and cleaning systems, hay handling and storage systems, rotary and pull type combines, swathers and direct cutting machines, irrigation systems, wear parts. Innovative electronic control systems and irrigation systems are also manufactured and provide excellent investment opportunities.

Engineering Consulting and Construction

Alberta has a strong engineering and construction industry which is a significant advantage to locating industrial and commercial projects in the Province. Alberta's development of natural resources has, from time to time, created opportunities in certain disciplines and specialties such as chemical and process engineering, special electronics, mining, forest products, machinery design, tool and die engineering, and coal conversion technology.

Some potential opportunities might exist in specialty areas like pipe stress analysis, rotating machinery, heavy oil upgrading and extraction process technology, energy conservation technology, forest products, food processing and mineral processing plants and energy recovery systems.

Furniture

The institutional and office furniture manufacturing sector is gaining prominence and Alberta is identified as the hub of Western Canada and the Pacific Northwest.

The furniture sector requires local availability of product components such as molded foam products, hardware and related parts. Opportunities in finished product areas including furniture to meet needs of computer and other electronic hardware within the office environment, institutional and residential.

Consumer Products Industry

This section consists of over 250 companies accounting for over \$350 Million in manufacturers value of shipments, which constitutes over 2% of Alberta's total shipments. Alberta consumer product manufacturers employ over 6,000 workers or 8% of Alberta's manufacturing sector.

Further immediate opportunities for development in the consumer products industry are in textiles (fabrics), clothings and soap products.

Medium term opportunities exist in sporting goods, hardware and plastic housewares, footwear products, toys and games, small household and garden appliances, and commercial products and packaging.

Machinery, Metal Fabrication, and Transportation Equipment

These sections account for 20% of the value added in the manufacturing sector. They have a profile of strong stable growth which has resulted in an industry with adequate physical, human and financial resources.

While the sections have developed to supply the needs of the Oil and Gas industry they are becoming increasingly diversified. This in turn has created investment opportunities to support expansion of markets and development of new products.

Areas of possible investment or joint venture include: forest industry equipment; components for heavy transportation equipment; investment casting; water treatment equipment; specialty oil field tools; and pipe fittings and valves.

Plastics

The plastics processing industry in Alberta is well diversified and expanding rapidly. Advantages of an Alberta location include local availability of a variety of plastic resins and favourable transportation costs to serve Western Canadian and Northwest U.S. markets.

Import replacement and product substitution continue to offer new possibilities for plastics manufacturing. Specific investment opportunities may be found in such areas as construction products, medical products, food and beverage containers, agricultural film and products, plastics recycling, and many others.

Electrical/Electronics

The electrical/electronics industries in Alberta benefit from a good supply of highly trained people from the province's universities and technical institutes. Close cooperation between universities, research organizations and industry is helping to keep Alberta firms at the forefront of technology. The industry benefits from a secure power supply at competitive prices and the spin-off opportunities arising from the development of the province's natural resources and agricultural base.

The electronics industry benefits from the services provided by infrastructure organizations such as the Electronics Test Centre, the Alberta Microelectronic Centre, the Alberta Telecommunications Research Centre and the Alberta Laser Institute.

Opportunities exist for the manufacture of power equipment, motors, electrical conduit, appliances, telecommunications equipment, pole line hardware, instrument transformers, telemetry equipment, control valves, specialized electronic equipment, bio-medical electronic equipment, computing equipment.

Aerospace

Having already emerged as a respected participant in Canadian and international aerospace markets, Alberta has yet to realize its potential. Initiatives to achieve lasting regional industrial benefits through aerospace projects are creating attractive market opportunities for Alberta companies. The Alberta Government actively promotes the establishment and expansion of high-technology companies serving the aerospace industry.

Film Industry

Alberta has gained prestige as a versatile location with its varied landscape and terrain. It has attracted an impressive number of film and television producers of international stature to choose the province as a production location.

In establishing and maintaining a healthy motion picture industry there are co-production opportunities for theatrical feature films, made for TV films, made for network television (cable) production, documentary and commercial productions and associated services facilities such as labs, sound studio equipment rentals and catering.

Health Care Products

Alberta offers several important advantages to research and scientific related investments. The Alberta Heritage Foundation for Medical Research is responsible for attracting world class scientific researchers providing a high level of investigative activity and support for health care industries.

Excellent opportunities exist in the field of human and veterinary pharmaceuticals, fine chemical production, biologicals, and diagnostics. Major new health care facilities in Alberta's cities and rural areas provide an established market base for medical and surgical devices, hospital equipment and supplies, physiological monitoring equipment and electronic medical devices. Other opportunities include human pharmaceuticals and dietary products, medical and surgical devices, veterinary pharmaceuticals, equipment and feed additives, fine pharmaceutical grade chemicals, ambulance and emergency equipment, biologicals and diagnostics (including blood fractionating products), electronic medical devices and physiological monitoring equipment and general hospital equipment and supplies.

For further information on opportunities in Alberta, contact should be made with the following Alberta Economic Development & Trade office:

Managing Director
Investment Promotion Branch
Alberta Economic Development & Trade
12th Flr., Sterling Place, 9940 - 106 Street
Edmonton, Alberta T5K 2P6
Telephone: (403) 422-6236
Telex: 037-42815

Economic Development and Trade
Hon. Larry R. Shaben
Accomplishments
1986 - 89

1. Reorganized the Department of Economic Development and Trade:
 - to maximize contacts between Trade Directors and buyers (sellers of Alberta products).
 - to redirect emphasis on the U.S. market to capture new free trade opportunities (1988)
 - to more effectively assist in the development of Alberta Small Business and Industry.

Trade and Investment

2. Increased value of Alberta exports:
 - from \$10.6 Billion in 1986
 - to \$12.0 Billion in 1987
 - to over \$13 Billion projected for 1988
3. Increased number of new Alberta exporters:
 - from approximately 800 exporters in 1986 to over 1,250 exporters in 1988.
4. Significantly expanded trade in 1987 over 1986 with most regions of the world with the outlook for continued trade increases in 1988 and beyond.
5. The Minister led two major Trade Missions to Asia and one to the Middle East.
6. Minister Shaben signed an Agreement covering the Alberta, Canada/Beijing Petroleum Technology and Training Centre between the China National Petroleum Corporation and the Government of Alberta (1988).
7. Minister Shaben helped the Alberta Chamber of Commerce establish a Trade and Investment Office in Taipei/Taiwan (1988).
8. Established a new Alberta Trade Office in Seoul, Korea (1988).
9. Created a new Investment Promotion Branch within Economic Development and Trade (1988).
10. Established a new program called Export Trade Readiness for Alberta (EXTRA) to help train new exporters (1988).
11. Established, in conjunction with the Federal Government, a new program called New Exporters to Border States (1988).
12. The Minister founded Conferences called Alta Trade '88 and Alta Trade '89 which invited representatives of over 300 ethnic groups and foreign consulates to a conference to discuss expanded trade, tourism and investment opportunities.

Small Business and Industry

13. Business Counselling - services to clients increased and expanded to accommodate over 40,000 contacts with general business counselling, as well as counselling for marketing, finance, manufacturing and merchandising/retail.
14. The Minister introduced the Business Line - a province-wide, toll-free telephone service - whereby anybody in Alberta can call free for basic information on business start-ups and management.
15. Under Minister Shaben the Management Assistance Program (MAP) (private sector management consulting research and assistance) was expanded to include general management counselling, as well as speciality MAPs for the hospitality and retail services sectors.
16. The Minister encouraged introduction of two new programs:
 - Market Feasibility Assistance - private sector management (marketing) consulting and research for small business (termed assistance).
 - Long Term Management Assistance - intensive private sector management consulting to small business where product or service and markets are reasonably sound but management capability is lacking (termed assistance).
17. Minister Shaben was instrumental in establishing the Alberta Small Business Incubator Support Program - developmental and finance assistance for new small business incubators, secure environments for new businesses where resources and space are shared with other businesses, management counselling is available, and seed capital is more accessible.
18. Under Minister Shaben, the Alberta Opportunity Company (AOC) - established a Venture Funding Division in order to financially assist those projects which have high potential in terms of economic, employment and technological benefits to Alberta.
19. The Minister introduced legislative revisions allowing the Alberta Motion Picture Development Corporation (AMPDC) to take an equity position in projects; an additional \$7 million for funding for the corporation will result in additional film activity in Alberta.
20. Minister Shaben encouraged the development of a provincial Quality Assurance policy - all programs for the promotion, education and assistance to Alberta manufacturers to implement Quality Assurance has been prepared and a series of seminars to achieve this objective have been held.
21. Ethane Policy - The ethane policy was made public in August, 1988 to ensure that ethane will be available for petrochemical use in Alberta. More specifically, the Government will take action to require the Energy Resources Conservation Board to include in further approvals of upstream ethane extraction facilities a condition that the upstream plants will be required to re-inject or supply to the petrochemical industry, which depends on straddle plant ethane, sufficient ethane to maintain the "threshold volumes" required by the petrochemical industry.

22. Recognizing the need to assist small business, the Minister introduced the Small Business Term Assistance Plan (SBTAP) in 1986 - aimed at supporting the small business sector through 9% debt financing for terms up to 10 years. Since its introduction, approximately 12,000 small businesses have applied under the program for total program funding for \$1.1 billion.
23. Olympic Business Program - Over 2,000 referrals were received, Alberta '88 Business House received over 1,200 visitors, 140 business prospects and contacts being registered to follow-up.
24. The Minister was responsible for the department's implementation of the Industrial Recovery Assistance Program (IRAP) - in the wake of Edmonton Tornado disaster in July 1987, the government provided direct assistance to businesses affected, additional to insurance pay outs.

International Assistance

25. Minister Shaben was instrumental in changing the re-orientation of the Government's Alberta Agency for International Development programs to emphasize the "developmental" nature of the work rather than relief. "Give a man a fish and you feed him for a day. Teach a man how to fish and you feed him for a life time."
26. More narrow focus of project categories supporting:
 - a) Primary Health Care,
 - b) Small Business Enterprises,
 - c) Vocational Training, and
 - d) Food Production"Trying to do fewer things better".
27. More emphasis on helping small local Alberta NGOs to develop, by providing additional financial incentives. Now over 20 of these NGOs.
28. Special program to strengthen the organizational and business skills of the NGOs, by funding for training workshops.
29. Response to disasters, such as, Mexico earthquake, Colombia earthquake, Bangladesh Flooding, Jamaica and Nicaragua hurricanes.

Transportation

30. Initiatives introduced by Minister Shaben resulted in reduced transportation costs to Alberta shippers through:
 - expansion of the Alberta Physical Distribution Program;
 - establishment of Shippers' Association;
 - continued success of Alberta Intermodal Services in keeping rail container sales at competitive levels; and
 - achieving major changes in the National Transportation Act.
31. In conjunction with Alberta Agriculture and the Province of B.C., the Minister pursued removal of the disincentives to value-added agricultural production caused by the payment of the "Crow Benefit" to the railways.

32. Minister Shaben, in cooperation with Alberta Tourism, identified and pursued a number of initiatives, particularly in the air mode, to improve transport service to the tourism industry.
33. The Minister supported constructing a rail line to access the new Peace River Pulp Mill.

Economic Policy

34. Mr. Shaben represented Alberta in an intergovernmental process to lower and reduce barriers to interprovincial trade across Canada. Mr. Shaben served as the first provincial co-chair, along with the federal government, of the Committee of Ministers on Internal Trade. This Committee has recently achieved a proposed Intergovernmental Agreement on the Reduction of Barriers to Interprovincial Trade Related to Government Procurement.
35. Mr. Shaben served on the Western Ministerial Working Group on Diversification established, pursuant to the 1987 Western Premiers Conference, to explore opportunities for cooperation amongst the western provinces. The Working Group has achieved success in the areas of trade promotion activities, standards, interprovincial trade barriers reduction, and transportation issues.
36. Mr. Shaben served as the Chairman of the Alberta Government's Ministerial Task Force for Coordination of Economic Development, Diversification and Trade. Set up in December, 1986, the Task Force has the responsibility for fostering cooperation amongst departments in the areas of economic development, diversification and trade. Among other achievements, the Task Force coordinated the major Ministerial Mission to the Asia/Pacific Region in the fall of 1987.
37. Mr. Shaben played a major role in the development of Alberta's position on the Canada/U.S. Free Trade Agreement, outlining the Province's priorities in the manufacturing and services sector. He coordinated the work associated with assessing the impact and determining the opportunities associated with the FTA, and has spearheaded the initiatives being planned by the Government of Alberta to ensure the private sector has the tools to take advantage of the opportunities from the FTA.

ALBERTA ON THE MOVE



A report of economic diversification news in Alberta

January, 1989

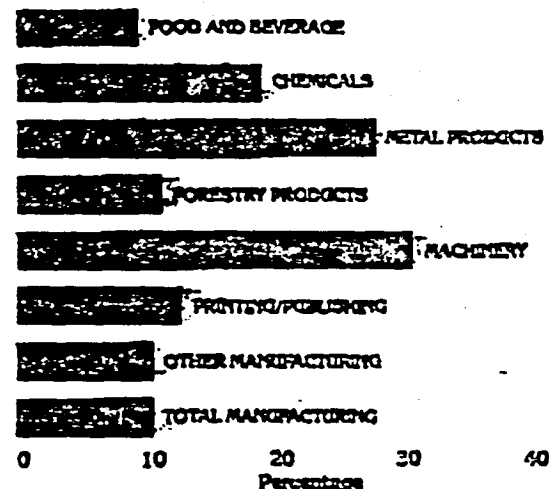
\$3.4 Billion for Forest Industry Launches '89 With a Bang

Recent months have brought new investment in Alberta's forest products industry to an unprecedented \$3.4 billion, providing a massive impetus to growth in northern Alberta and promising to make its impact felt throughout the province's economy. These 10 major projects are forecast to directly create more than 4,000 jobs and indirectly generate another 7,800. The investments include:

- \$1.3 billion for a pulp and paper mill, the biggest of its kind in the world, in Athabasca - Lac La Biche (Alberta Pacific Forest Industries Inc.)
- \$500 million for a bleached kraft pulp mill in Peace River (Diashowa Canada Co. Ltd.)
- \$400 million for construction of a sawmill and expansion of a bleached kraft pulp mill in Grande Prairie/Manning (Proctor & Gamble Cellulose Ltd.)
- \$393 million to double the capacity of a bleached kraft pulp mill in Hinton (Weldwood of Canada Ltd.)
- \$360 million for a newsprint mill in Whitecourt (Alberta Newsprint Company Ltd.)
- \$205 million for a chemithermomechanical pulp mill in Whitecourt (Millar Western Pulp Ltd.)
- \$168 million for a chemithermomechanical pulp mill in Slave Lake (Alberta Energy Co. Ltd.)
- \$50 million for a sawmill in Peace River (Weldwood of Canada Ltd.)
- \$32 million for a fibreboard plant, treating plant, and sawmill in Rocky Mountain House (Sunpine Forest Products Ltd.)
- \$16 million for a specialty products sawmill in Lac La Biche (Northern Forest Industries Ltd.)

Diversification is Working in Alberta's Manufacturing Sector

Percentage Increase in Manufacturing Shipments in 1988, By Sector



Alberta's manufacturing sector has rebounded strongly since the second half of 1987. Total manufacturing shipments in 1988 were estimated at \$18.3 billion, an increase of more than 10 per cent over 1987. Growth was strong in virtually all our manufacturing industries.

Major Operating Grants to Increase

Local authorities will receive a \$180 million increase in provincial funding for the 1989/90 fiscal year. Per student operating grants will increase by 5.5 per cent to schools across Alberta. Post-secondary institutions, hospitals, nursing homes, local health units and municipalities will receive a five per cent increase, bringing the basic operating grants to a total of nearly \$4.3 billion for the 1989/90 fiscal year.

Tourism Campaign Pays Off

Travel prompted by the province's "Take An Alberta Break" advertising campaign pumped more than \$138 million into the province's economy in the year ending last September, figures released by Alberta Tourism show. In just five months of 1988, distribution of the "Great Alberta Breaks" tabloid and related promotions resulted in nearly 400,000 additional in-province trips by Albertans, and more than 50,000 visits to Alberta by Saskatchewan and Montana residents.

Province Assists Private Irrigators

A \$10 million program has been established to help farmers on privately irrigated land with the cost of water conveyance. Under the Alberta Private Irrigation Development Assistance Program, farmers are eligible for up to \$30,000 per licensed project to offset costs such as rental of construction equipment and pumping units, and contracted labour.

Province Introduces Water Literacy Program

Alberta students are becoming water literate courtesy of a unique program developed by Alberta Environment. The Water Literacy Program is an Alberta-based water education program designed to assist teachers and students to better understand the province's most precious natural resource, water. The program is the first in Canada and is the most comprehensive of its kind in North America.

Farm Cash Receipts Up 27 Per Cent

Total farm cash receipts increased by 27 per cent in the third quarter of 1988 over the previous year. Crop receipts to the end of the third quarter were up by 12.1 per cent over 1987, while livestock receipts increased by 10.3 per cent.

Exports Continue Strong Growth

Alberta's total exports increased in value by 13 per cent in the first eight months of 1988 over the same period in 1987, the second highest rate of growth in Canada.

Alberta, Feds Team Up to Assist Food Processors

Alberta Agriculture and the federal Department of Western Economic Diversification have joined forces to promote the development of Alberta's food processing industry under the Agricultural Processing and Marketing Agreement. Companies in major centres as well as small communities have received assistance to produce goods ranging from cinnamon bun dough to poultry products.

Alberta Aids Armenian Earthquake Victims

The Province of Alberta contributed \$50,000 to the Canadian Red Cross to assist in providing relief to victims of the devastating earthquake in Armenia. The funds were provided through the Alberta Agency for International Development, as a complement to the generosity shown by the people of Alberta.

Alberta Goes After Share of Hibernia

Alberta Economic Development and Trade has organized a major Alberta-only trade show in Newfoundland in March to promote Alberta suppliers to the management of the Hibernia offshore oil development. ALTA TECH '89 will enable about 60 Alberta companies to showcase their expertise, forge contacts, and compete more effectively in the procurement process.

Action Plan Shares Tourism Benefits

Communities across Alberta are taking advantage of a program to strengthen their economies through tourism. Almost 300 communities to date have applied for assistance with tourism development planning under the Community Tourism Action Plan, a \$30 million incentive program administered by Alberta Tourism. Tourism currently brings annual revenues of \$2.3 billion to the province and creates approximately 100,000 jobs. By the year 2000, it is projected these figures could reach \$10 billion and 220,000 employees.



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The logo for the province of Alberta, featuring the word "Alberta" in a stylized, serif font with a vertical line through the letter 'A'.

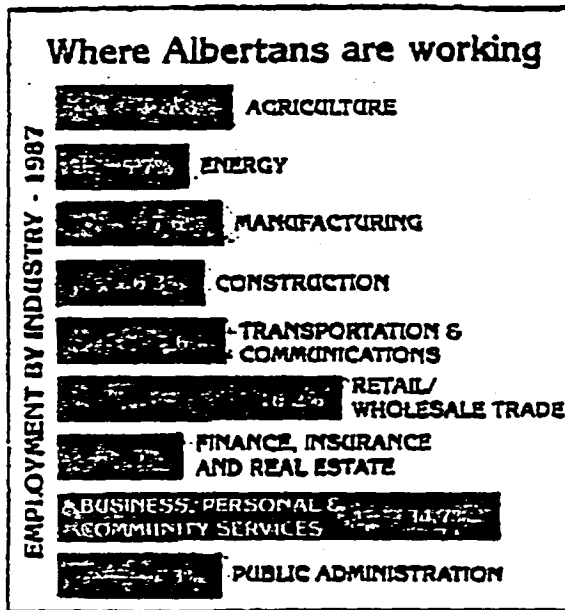
ALBERTA ON THE MOVE



A report of economic diversification news in Alberta

November, 1988

Diversification is Working For Alberta



Diversification is reflected in the province's changing employment profile. Today more Albertans than ever before work in the service industry, a category that includes business, personal and community services.

Source: Statistics Canada

Home Care Funding Increase

Health Minister Nancy J. Betkowski has announced the commitment of an additional \$6 million to the Coordinated Home Care Program. Established in 1978, the program now delivers health and support services to 17,000 Albertans through 27 health centres.

Alberta Will Reap Free Trade Benefits

A number of major economic studies show that Free Trade with the United States will provide significant long-term benefits to Alberta, including:

- the creation of up to 30,000 new jobs.
- a four-to-five per cent increase in investments.
- a 2.5-per-cent increase in Alberta's gross domestic product.

If Alberta companies prove successful in adjusting to Free Trade as they believe they will, these studies will have underestimated the potential benefits to our province.

Garment Plant Moving to Alberta

Angelica Uniforms, Toronto, has selected Calgary as the site for its western Canadian garment manufacturing facility. The plant will employ 75 workers to produce industrial and institutional uniforms for the western Canadian and the U.S. Pacific Northwest markets. The company plans to be in full operation by March of 1989.

Pulp Mill Opens

Millar Western's new chemithermomechanical pulp mill was officially opened October 14 in Whitecourt. The first of its kind in Alberta, the mill will produce pulp for a variety of consumer products such as tissues and paper towels.

More Funding for Speech Therapy

The Ministers of Health and Education have announced a \$6.9 million funding increase for speech therapy services throughout the province. The increase will be used to expand and enhance existing services, especially those for school aged children.

Oil Patch Assistance Announced

Alberta Energy Minister Neil Webber has announced changes to two programs designed to improve the cash flow of the province's conventional oil and gas industry by about \$200 million, depending on oil prices. The deadline for wells to qualify for the province's three-year royalty holiday has been extended by six months; and the royalty tax credit which rebates 75% of provincial royalties to small producers will be continued to the end of 1989.

Unemployment Down

Alberta's seasonally adjusted unemployment rate for October was down by 0.4% from a year ago, at 8.2%. While seasonal fluctuations pushed the rate up slightly from September, Alberta's unemployment rate remained the third lowest in the country. Alberta continued to have Canada's highest participation rate in the labour force among the working-age population at 72.3%.

Employment Standards Code Announced

Employees in the provincially-regulated industries across Alberta now have increased protection and enhanced benefits with the proclamation of the province's new Employment Standards Code. The new code sets out minimum standards for employment, including wages, hours of work, vacation, parental benefits, and notice of termination.

Alberta Company Joins Aussies in Crop Research

Biotechnica Canada is collaborating with an Australian group, the Commonwealth Scientific and Industrial Research Organization, to develop and commercialize flaxseed oil for

human consumption. Biotechnica foresees that the edible flax strains under development will be grown on several million acres by the mid-1990s, offering western Canadian farmers an opportunity to diversify their operations.

AOC Authorizes \$4.3 Million in Loans and Investments

The Alberta Opportunity Company authorized 22 loans to small business totalling \$1.7 million in the month of September, along with two venture investments totalling \$2.6 million. Recipients included a shoe repair shop, hairdressing salon, day-care centre, greenhouse and a pet store. AOC is funded through the Alberta Heritage Trust Fund.

Calgary Company Wins \$41.3 Million Defence Contract

Edo Canada Ltd., Calgary, the Canadian leader in fibre-wound composites technology, has been awarded a contract to manufacture external fuel tanks for the CF-18 fighter jet.

Business Starts Jump

Incorporations of Alberta firms in August increased by 16.5% over the same month last year. Incorporations of Alberta firms, whose head office is based outside the province, were up by 64.5% in the same period.

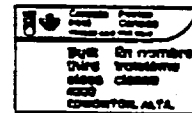
\$20 Million Winter Works Program

A \$20-million Government Gravel Stockpiling Winter Works Program for 1988/89 has been announced by Transportation and Utilities Minister Al "Boomer" Adair. The program will create job opportunities for as many as 2,500 gravel truckers and up to 700 related workers while stockpiling gravel inventories for the 1989 construction season.



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Friday, April 21, 1989
Vancouver, British Columbia

- 8:30 a.m. - Federal Government Session (closed to federal government only)
 - A federal government perspective on investment opportunities in British Columbia
 - Three, fifteen minute presentations by ISTC, WED and FBDB
- 9:30 a.m. - Private Sector Viewpoint
 - Three fifteen minute presentations by:
 International Financial Centre
 City of Vancouver
 Vancouver Stock Exchange
- 10:30 a.m. - Coffee
- 10:45 a.m. - Investment Officers Presentations
 - Three separate workshops featuring
 i) USA - Chicago, Los Angeles and Santa Clara
 ii) Pacific Rim - Tokyo, Hong Kong and Seoul
 iii) Europe/Middle East - London, Bonn, Kuwait and Milan
- 12:30 p.m. - Lunch - informal buffet style to provide networking opportunities - Hosted by Ministry of International Business and Immigration
 - (Invited guests to leave after lunch)
- 2:30 p.m. - Provincial Government outline of the investment climate and opportunities in British Columbia
 i) Geographic discussions
 ii) Generic & Sectoral discussions (aerospace, tourism, electronics, and resource/energy development)

Arrival:	April 20/89	23:25
Depart:	April 21, 22, 23/89	Consult individual itineraries
Accommodation:	Coast Georgian Court	

Summary Record

Vancouver, British Columbia - Friday, April 21, 1989

Participating Officers:

Pierre Boyer (Seoul), Brian Casey (Santa Clara), Bill Johnston (London), Marta Moszczenska (Milan), George Phillips (Chicago), Preston Shea (Los Angeles), Peter Sutherland (Riyadh), Otch Von Finkenstein (Bonn), Brian Wilkin (Tokyo).

- The morning commenced with a session closed to federal government participants consisting of presentations on prospectives on investment opportunities in British Columbia by three federal agencies - the ISTC Regional Office, Western Economic Development, and the Federal Business Development Bank.
- The next general session involved presentations, again on provincial priorities and opportunities, by representatives of the Vancouver International Financial Centre, City of Vancouver, and Vancouver Stock Exchange.
- The remainder of the morning was devoted to three separate workshops within which investment officers made presentations on the programs and priorities on their respective posts and dialogued with private sector and government participants on accommodation of provincial interest in post programs. The workshops included the U.S. with presentations by investment officers from Chicago, Los Angeles, and Santa Clara; the Pacific Rim with Tokyo, Hong Kong, and Seoul; and Europe/Middle East with London, Bonn, Saudia Arabia, and Milan.
- Discussions continued through an informal lunch which provided opportunities for one-on-one contacts between participants and individual investment officers.
- The day concluded with provincial government presentations on government perspectives on investment opportunities in British Columbia on both a geographic basis and a sectoral basis (aerospace, tourism, electronics, and resource/energy development).

VANCOUVER INVESTMENT OVERVIEW

**PRESENTATION TO INVESTMENT CANADA COUNSELLORS AND
OFFICERS**

21 April, 1989

**Thomas A. Hutton
Assistant Manager, Policy
Economic Development Office
Finance Department
City of Vancouver**

VANCOUVER INVESTMENT OVERVIEW

VANCOUVER'S INVESTMENT CLIMATE

ECONOMIC "RESTRUCTURING"

The structure of Vancouver's economy continues to evolve, towards an increasingly 'post-industrial' configuration, characterized in general terms by :

- * **industrial structure:** overall shift to specialized services, and advanced technology manufacturing
- * **regional structure:** rapid expansion of international finance, business and trade in the central city; high growth of population, retail functions, and industry in the suburbs (almost one million people in Vancouver CMA outside the city proper)
- * **market orientation:** expansion of international trade across the full range of tradeable commodities (goods, services, capital and technology), with a market propensity to the Pacific Rim, but also substantial trade with Western Europe, the COMECON nations, and so on.

HIGH OVERALL GROWTH PERFORMANCE

Vancouver City and Region have sustained high growth rates over the past five years, in terms of population, investment, production output, exports, and lead or "propulsive" sectors.

- * **population:** Vancouver and Toronto continue to lead population growth among Canadian metropolitan regions. Population currently stands at 1.4 million for Vancouver

CMA. Balance of population growth in the region continues to shift to the suburban areas, but the City proper also continues to grow (Exhibit 1)

* **investment:** investment in most sectors within Vancouver City and region continues to expand. Within the City proper, steady growth in residential, commercial and industrial investment has been recorded since the mid 80s (Exhibit 2), and a similar pattern holds true for the region overall (Exhibit 3)

- much of this investment is derived from U.S. and offshore sources, directed in large parts toward commercial and residential properties, but increasing interest in production and industrial categories is in evidence.

* **employment:** consistent with Vancouver's emergence as a Pacific Rim Centre of Finance, business and trade, employment growth in Vancouver is increasingly led by advanced service occupations, notably professional, administrative, and technical categories (Exhibit 4)

* **output and trade:** production of goods and services has experienced sustained growth since the recession of the early 1980s. The trade and transportation sectors continue to record growth at record levels.

- the Port of Vancouver recorded historical high levels of overall throughput with sustained growth in container and bulk cargoes, and also in cruise ship activity (Exhibit 5)

Exhibit 1

**POPULATION GROWTH, 1891-2006
HISTORICAL AND PROJECTED FIGURES**

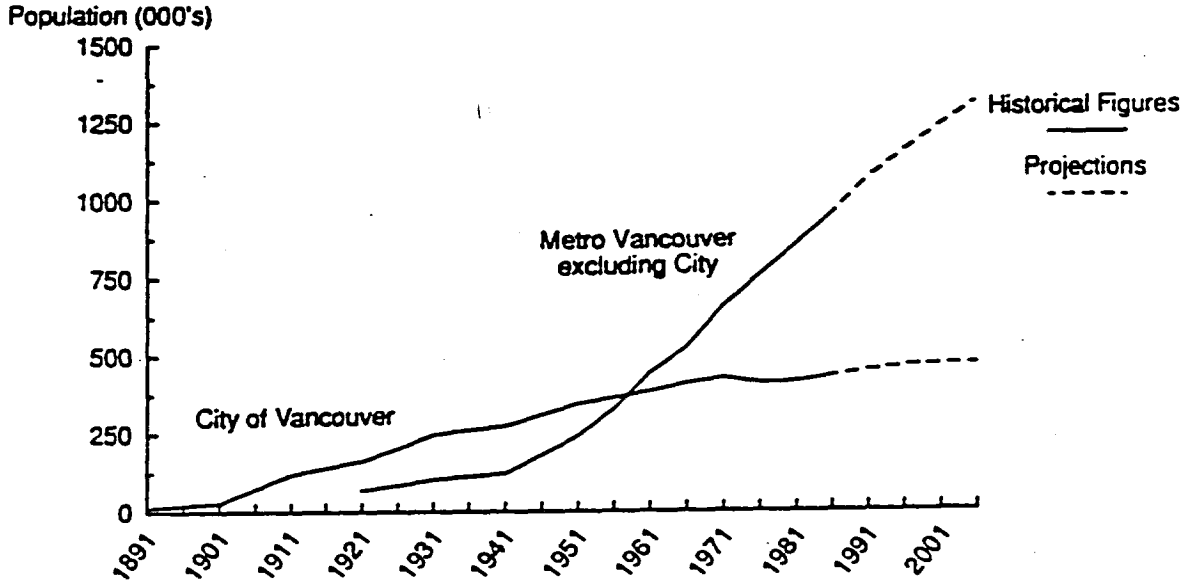


Exhibit 2

**ANNUAL VALUE OF BUILDING PERMITS ISSUED FOR
NEW CONSTRUCTION, 1979-1988**

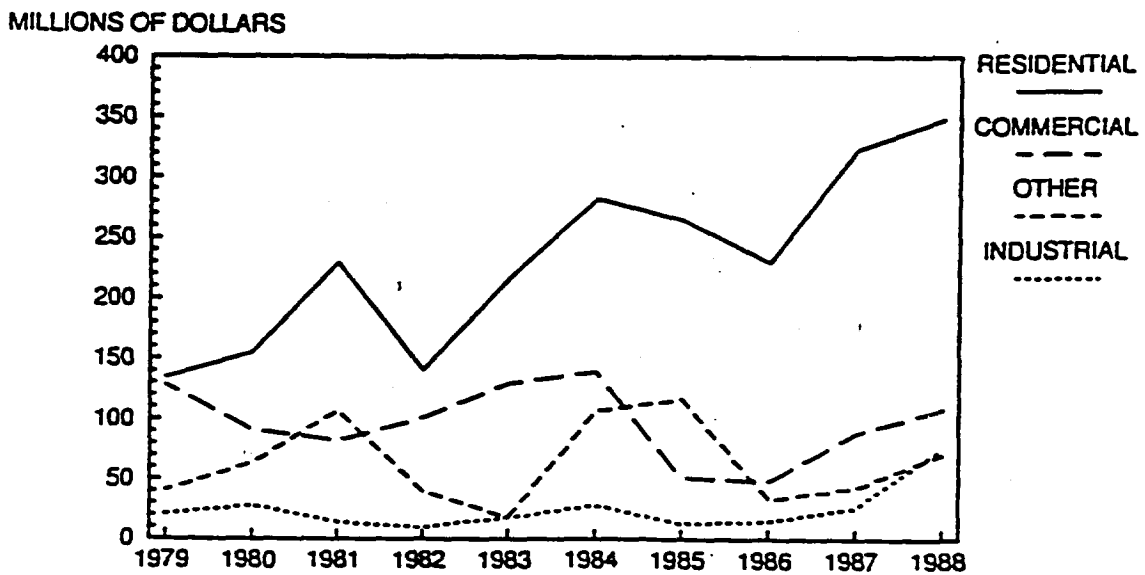


Exhibit 3

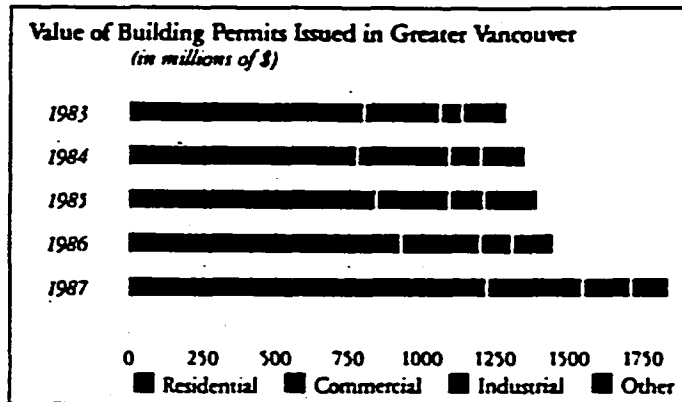


Exhibit 4

Greater Vancouver Labour Force			
	1971	1986	% Growth
Total Labour Force	474,560	757,520	60
Primary Industries	13,730	19,755	44
Manufacturing	78,770	91,065	16
Construction	32,035	46,155	44
Transportation / Communication / Utilities	49,980	73,005	46
Trade	85,705	136,815	60
Finance / Insurance / Real Estate	28,180	53,560	90
Business / Personal Services	69,965	171,725	145
Education / Health / Government	80,140	142,215	77
Other Industries	36,050	23,230	-36

Source: Statistics Canada

Greater Vancouver Service Labour Force			
Occupation	1976	1986	% Growth
Managerial and Professional	127,200	223,100	75
Clerical	98,400	135,800	38
Sales	69,000	80,300	16
Business and Personal Services	73,700	107,400	46
Total	368,300	546,600	48

Source: Employment and Immigration Canada

- Vancouver International Airport (YVR) also is achieving record levels of throughput, with the largest gains recorded in international traffic, especially on trans-Pacific routes. (Exhibit 6) YVR is now the second busiest airport in Canada.

- * **lead sectors:** double-digit annual growth realized in several "lead" or "propulsive" sectors and industry groups, such as information technology (IT), fashion and garment industry, etc.

GROWTH PROSPECTS: VANCOUVER'S COMPARATIVE ADVANTAGES

We anticipate that Vancouver will continue to attract high levels of interest from foreign investors, in light of the following attributes and influences:

Strategic Location

- * well-positioned with respect to the high-growth Asian Pacific Region, and U.S. West Coast
- * specifically, strong and expanding trade, investment and tourism/travel linkages with Japan, Peoples' Republic of China, Hong Kong, Singapore and South-east Asia, and southern California
- * Vancouver is exceptionally well-positioned to benefit from the Canada-U.S. Free Trade Agreement, and the more liberalised trading environment generally.

Exhibit 5

PORT OF VANCOUVER - INWARD- AND OUTWARD-BOUND TONNAGE

Year	Inward Tonnage	Outward Tonnage	Total Tonnage
1988	6,196,000	65,120,000	71,316,000
1987	5,806,000	58,151,000	63,957,000
1986	5,436,000	52,157,000	57,593,000
1985	5,338,000	50,765,000	56,103,000
1984	6,018,000	53,279,000	59,297,000
1983	4,641,000	47,007,000	51,648,000
1982	4,596,000	44,484,000	49,080,000
1981	5,138,000	44,357,000	49,495,000
1980	5,478,000	43,726,000	49,204,000
1979	5,560,000	39,423,000	44,983,000
1978	5,562,000	39,246,000	44,808,000

NOTE: All tonnages in metric tons.
SOURCE: Vancouver Port Corporation

Exhibit 6

(Updated March 1989)

TRANSPORTATION - VANCOUVER INTERNATIONAL AIRPORT: PASSENGERS ON
SCHEDULED FLIGHTS

Year	Passengers
1988	9,232,932 **
1987	8,023,520
1986*	8,385,356
1985	7,005,802
1984	6,895,059
1983	6,370,000
1982	5,858,000
1981	6,818,000
1980	6,777,000
1979	6,230,000
1978	5,416,000

NOTES: *Expo 86 operated in Vancouver from May to October 1986.
**1988 passengers consisted of 5,902,586 domestic, 1,850,986
transborder and 1,479,360 international.

SOURCE: Airports Authority Group, Transport Canada

Favourable Economic Structure

- * increasing market orientation toward specialized, export-oriented services (banking and finance, business and trade services, tertiary education); and international trade

International Travel and Communications Infrastructure and Systems

- * Vancouver/YVR served by many of the leading international airlines (JAL, Cathay Pacific, Singapore Airlines, Lufthansa, KLM, British Airways)
- * high quality telecommunications infrastructure and systems facilitates easy access to international business centres

High Quality "Human Capital" Base

- * large, expanding skilled workforce
- * expanding entrepreneurial base (indigenous and recent immigration)

Key Institutions and Economic Infrastructure

- * planned expansion of Port of Vancouver and Vancouver International Airport (YVR)
- * strong and expanding financial sector, including international banking and finance component (VSE, foreign subsidiaries, foreign banking operations of Canadian chartered banks, financial institutions designated under IBC legislation)

- * high quality tertiary education base
- * high quality public infrastructure

Superior Quality of Life

- * unrivaled recreational amenities
- * broad and expanding urban amenities
- * high degree of social harmony and public security

Cosmopolitan Character

transition from "West Coast Village" to "Pacific Rim Metropolis" (not just bigger, but "better", in terms of diversity, vitality, and interest)

Supportive Public Policies and Attitudes

- * co-operative economic policies among all levels of government for promoting Vancouver as Pacific centre of finance, investment, business, trade, travel, and education (Asia-Pacific Initiative, IBC Legislation, investment in infrastructure, marketing, etc.)
- * strong community commitment to combining dynamic economy with "livability": Vancouver is attractive to local and foreign investors, traders and business people.

KEY INVESTMENT SECTORS IN VANCOUVER

(1) Advanced Technology Production

- Information Technology (telecommunications, electronics, computers and software)
 - * 500 companies with 11,000 employees
 - * experiencing double-digit growth
 - * one of British Columbia's top 5 industry groups within 10 years

- Marine-subsea Industries
 - * world-class niches in submersibles, sub-sea communications, sub-sea apparel

- Bio-technology and Health Care

- Aerospace

- Advanced Process Technologies for basic industries (notably forest products)

(2) Basic Production

In addition to advanced-technology industries noted above, prospects are excellent for investment in basic production, stimulated by demands of local market (1.4 million in Vancouver CMA), by the city's expanding service sector, and by the Canada-U.S. Free Trade Agreement. Includes such industries as:

- food and beverages
- printing and publishing
- plastics

- consumer durables
- sports and leisure products
- garment production

(3) The Design Sector

One of the of the fastest growing sectors of Vancouver's economy is the "Design Sector", which caters both to local, and increasingly, export, markets. These activities include for example:

- fashion and jewellery design
- industrial design
- graphic design
- architecture and interior design
- furniture design

(4) Commercial Development

Following the major building boom of the late 70s and early 1980s, and the serious recession of the early to mid-80s, there was an appreciable slowdown in commercial development, and a sustained oversupply condition was in evidence. With the powerful economic recovery of the past five years, powered largely by office type functions, analysts now anticipate a major resurgence of commercial building (Exhibit 7). This should be a sustained opportunity over the next five years and beyond, as Vancouver's role as a Pacific Rim Centre consolidates and expands, and will likely include:

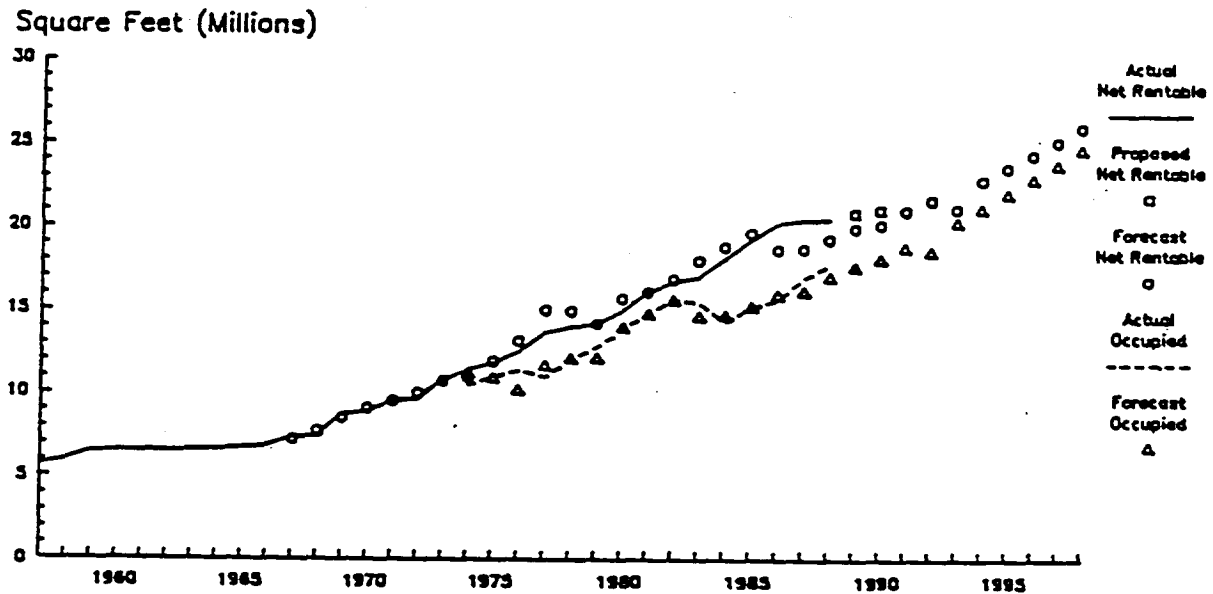
- opportunities for "Class A" office buildings in the City core, where the region's international business sector is concentrated; but also along the West Broadway corridor, and in the growth-oriented, suburban Regional Town Centres

Exhibit 7

NET RENTABLE AND OCCUPIED OFFICE FLOOR SPACE (ACTUAL, PROPOSED, AND FORECAST) DOWNTOWN VANCOUVER, 1957-1998

This graph and table present past, present, and future office floor space information for buildings located in downtown Vancouver. All floor space figures are in square feet. Actual net rentable space is calculated as 85 percent of gross space. Gross space is taken from City of Vancouver permit records. Actual occupied space is calculated using vacancy rates published by the Real Estate Board of Greater Vancouver. Proposed space, which is from approved development permit applications where the building is currently under construction, is assigned to the year of its expected completion. Proposed space without an indicated completion date is noted separately. Net rentable space is forecast from a linear regression model using B.C. Government estimates and forecasts of gross provincial product (constant dollars) as the single explanatory variable. The dependent variable, floor space, lags the explanatory variable by four years. Occupied floor space is also forecast from gross provincial product, but with only a one-year lag. All floor space forecasts were last updated on 1988 09 01. This table is updated periodically as revised estimates and forecasts are released.

DOWNTOWN OFFICE SPACE, 1957-1998



- tourism and convention sector: this is now a \$1.5 billion business in the Vancouver Region, and is poised for high levels of sustained growth over the next decade. We expect recent high levels of interest in business-class hotels by offshore investors to continue.

(5) Residential Development

High levels of demand for housing, which has dramatically inflated prices in Vancouver recently, are being driven by local demand, inter-provincial migration, and immigration, notably from Asia. Consequently, there are excellent opportunities for investment in residential development both in the City proper (e.g. in the Downtown South, False Creek, and Central Waterfront districts), and also in the fast-growing suburbs. The trend is distinctly towards multiple unit dwellings in most districts, following social trends and lifestyle preferences, affordability requirements, and other factors.

CITY OF VANCOUVER'S ROLE IN PROMOTING FOREIGN INVESTMENT

Much of Vancouver's dynamism and prosperity can be attributed to foreign investment, and therefore the city as a principle favours such inflows. As a matter of priority and preference, investment is particularly welcome in the lead sectors and key investment areas noted above, in the interests of economic diversification, and a range of public policy and community objectives.

The City itself has a small and necessarily selective role in promoting foreign investment, in the following areas,

- (1) market intelligence and information services
- (2) in-house counselling services
- (3) response to overseas inquiries
- (4) business missions to selected U.S. and overseas centres
- (5) co-operative initiatives with federal and provincial trade and investment divisions in U.S. and overseas posts.

We are always looking for ways to improve and/or expand these functions, and would welcome suggestions from Investment Canada officers, building on the good relationships we already enjoy.

(edo-0207)

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V6Z 2M1 Mr. Odishaw

Tuesday, April 18, 1989
Charlottetown, Prince Edward Island

Chairman: Hugh W. Plant
Regional Executive Director, ISTC

- 7:30 a.m. - Transportation by vans from lobby to:
University of P.E.I. - Kelly Building Boardroom
- 7:45 a.m. - Refreshments and media and program briefing
- 8:00 a.m. - Opening Remarks - Welcome by Hugh Plant
(Participants include CEIC, ISTC, province, investment
intermediaries and EDOs)
- 15 minute presentations by:
 - IDP - Gaetan Bruneau
 - ACOA - Brian Smither
 - ISTC - Hugh Plant
 - P.E.I. Development Agency-Investment Prospecting
Branch - Don Backer
- Closing Remarks
- 10:00 a.m. - Coffee Break
- 10:15 a.m. - Informal discussions
- 12:15 p.m. - Luncheon (ISTC to Host)
- 1:30 p.m. - Company visits
(Officers will be divided into 2 or 3 groups)
 - Mid - isle Farms (Potato)
 - Ohav Dirkton Fish Farm
 - George Mason (Irish Moss extraction)
 - Gerald Fitzpatrick CA
 - John Morrison (Fibreglass tanks)

Arrival:	April 17/89	22:30	(Bus will be waiting for Officers)
Depart:	April 18/89	18:10	
Accommodation:	Prince Edward Hotel		

Summary
Record

Charlottetown, P.E.I.
Tuesday April 18, 1988

Participating Officers: Audrey Turner (Atlanta), David Lenihan (New York), Andrew de Schulthees (London), Loepy ten Hoopen (The Hague), Pierre Belanger (Paris), and Bob Mason (Kuwait).

- Fraser Dickson, Senior Trade Commissioner, ITC, provided a brief overview of the P.E.I. economy, attitudes, the nature of P.E.I. industry and new sectoral initiatives.
- Hugh Plant, Executive Director, ISTC P.E.I., welcomed all participants and provided a brief introduction of the program and participants.
- Gaetan Bruneau, Director, TPE, DEA, reviewed the Investment Development Program (IDP), including purpose, budget, evolution, impact of the FTA, sectoral focus, etc.. He also reviewed the tour objectives.
- Each of the investment officers provided a brief outline of the investment program they operate in Canadian missions abroad. All officers stressed the importance of receiving specific project and opportunities information.
- Joseph Gillan, Senior Business development Officer, P.E.I. Development Agency, provided an overview of the Agency's investment interests, responsibilities and incentive programs. The Agency was formed in 1984 and represented the amalgamation of a number of P.E.I. development groups. It is the focal point for industrial development, but works very closely with a number of provincial line departments.
- The Agency administers the Equity Investors Program which provides a cash rebate (up to 30% of the equity investment and non-taxable) to minority arms-length investors. There is no stated maximum regarding the size of the investment although historically most investments have been less than \$1 million. The rebate can be used to increase the capital invested in the company or to reduce the investor's exposure. The rebate is not considered stackable in terms of other federal incentive programs.
- Agency investment interests: Low energy users; high value added products (to reduce impact of shipping distances and costs); and companies that can have an adequate marketing presence from P.E.I..

Very concerned that new businesses do not disrupt the "Island way of life".

- Brian Schmeisser, ACOA, provided a brief outline of ACOA's mandate, budget, nature of available assistance, and approval process. ACOA has a 5 year mandate and budget of \$1.05 billion to provide support to small and medium sized companies in Atlantic Canada, as well as a responsibility to ensure that Atlantic Canada is seen and heard in Ottawa. Approval limits: under \$1 million - P.E.I. office; \$1 to \$5 million - regional office approval; and, over \$5 million - Ministerial approval.

- Gaetan Bruneau asked that ISTC, the P.E.I. Development Agency, ACOA, and the Province get together to develop a "best case scenario" for the assistance (financial and other) available to foreign investors.

- ISTC (Hugh Plant/Fraser Dickson) indicated that they should be the contact point in the province for incoming inquiries, and they are prepared to provide strong service when called upon.

- Hugh Plant reviewed the proposed "Fixed Link" crossing between P.E.I. and New Brunswick (a \$1.4 billion project - largest in Atlantic Canada outside the proposed Hibernia oil fields project). A plebiscite was held in December 1987 resulting in a slight majority favouring the crossing. The Crossing proposal is now being reviewed by an environment review board and the selection of a developer may be delayed by 6 to 12 months. ISTC will continue to advise posts regarding progress on this project.

- Balance of morning and luncheon involved informal discussions.

- Officers were divided into 3 groups for afternoon company visits. In total 11 companies were visited.

**A PROSPECTING STRATEGY
FOR PRINCE EDWARD ISLAND**

**SEEKING OUT NEW
BUSINESS TO DIVERSIFY
OUR ECONOMY**

1987

FOREWORD




I am pleased to present our Government's future plan for industrial prospecting on Prince Edward Island, entitled A Prospecting Strategy For Prince Edward Island.

Our Government's first priority, in terms of business development on Prince Edward Island, is to encourage local entrepreneurs within Island communities. Our second priority is to carry out industrial prospecting as outlined in this document.

It is my hope that our efforts over the coming year will yield some exciting new enterprises which will create jobs, introduce new technologies into the P.E.I. economy and produce a product or service in keeping with the tradition of Prince Edward Island.

This document represents the first of its kind for Government, a first effort at clearly mapping out where we would like to see business development flourish on P.E.I.


Leonce Bernard, M.L.A.
Minister of Industry

Changes in the global economy are eroding P.E.I.'s competitive position in world markets. Countries previously considered to be under-developed and non-threatening as markets are now competitors. Other provinces in Canada are aggressively attempting to attract new industry, and bidding wars for new business and industry are emerging.

Prince Edward Island's new Science and Technology Strategy argues for the need to take advantage of the opportunities presented by technological innovation, not only to increase competitiveness in our natural resources areas, but also to seek out and attract new industries to P.E.I. Prospecting is a way of taking advantage of new development elsewhere to create new opportunities for economic growth here at home.

We realize that the creation of new business ventures on P.E.I. will happen in a number of ways-- three notable ways are:

- local entrepreneurs, independently or assisted by government, will see an opportunity and form or expand a business;
- entrepreneurs from off-Island will come to P.E.I. and, aided or unaided by government, will establish new businesses or branch operations;

- government will actively seek out and attract firms, potential entrepreneurs or investors to set up businesses on P.E.I., create new enterprises, enter into joint ventures with Island firms or establish branch operations.

Prince Edward Island's Prospecting Strategy addresses the latter approach, commonly referred to as "prospecting." In short, prospecting is defined as the process that seeks out and attracts appropriate business interests to locate and conduct business on P.E.I. for mutual advantage.

The prospecting strategy is an aggressive and sharply focussed effort intended to complement government promotion of small business development throughout the Province, at a community level.

While the prospecting program will be located, co-ordinated and directed from the P.E.I. Development Agency, the involvement of many people will be critical to the overall success of the strategy. The Premier of the Province, as well as Provincial Cabinet Ministers, will continue to be ambassadors for new business for P.E.I. As well, Provincial Area Industrial Commissions and Industry Associations will be asked to provide assistance and community liaison. The intention is to

co-ordinate all provincial efforts toward the common goal of diversifying our economy.

THE STRATEGY

One of the most promising areas for future development within our Island economy is that of the food industry. New food products, new ways of growing food and new ways of preserving food are in increasing demand and rapid development. The biotechnology industry is experiencing phenomenal growth, particularly in animal and fish health, also areas with tremendous promise for P.E.I. These industries relate to our traditional strengths. Both will only evolve as areas of promise through the progressive application of research and technological innovation.

To ensure the development of the food and biotechnology industries and that of other industries such as health care, educational technology and selected services, we must seek out partners to help us. P.E.I. has the rich resources and the promise of a lucrative future, but we need entrepreneurs in emerging technologies to join us in a partnership to help develop our economy. The objective of our strategy is to:

ATTRACT APPROPRIATE FIRMS TO LOCATE AND
CONDUCT BUSINESS IN PRINCE EDWARD ISLAND, IN
ORDER TO:

- diversify the economy of the province;
- assist in the growth and expansion of local

business and industry;

- assist in technology transfer and
- create employment opportunities for Islanders.

General criteria shall be applied to guide the selection of desirable firms and business prospects.

Included among the criteria will be:

- export potential of products;
- import substitution effect of product/process;
- potential for value-added to a raw product;
- small size, low weight and low energy consumption of product;
- future growth potential of firm;
- environmental impact of firm;
- existence of new technologies;
- appropriateness to Prince Edward Island.

The following business types are considered to be logical "fits" for the Prince Edward Island economy and, thus, are the priorities for prospecting.

A) FOOD BUSINESSES

Food Processing

Firms that process our raw products into new products, using new and emerging technologies to do so.

Food Technology

Firms involved in food technology, i.e. Research and Development, of new food products, new ways to process raw food, new ways to preserve food and new ways to grow food.

Food Harvesting/Processing Equipment

Firms involved in the manufacture of food harvesting or processing equipment, including robotics.

B) BIOTECHNOLOGY

Research and Development

Firms involved in the area of Research and Development in animal and fish health, particularly in the development of vaccines, foods, pharmaceuticals, etc.

Manufacturing

Firms involved in the actual manufacturing of animal and fish vaccines, foods or pharmaceuticals.

Information Technology

Firms involved in the development of information systems related to biotechnology efforts.

C) HEALTH CARE SYSTEMS

Technology Equipment Development

Firms involved in the development of new technologies supportive of health care, i.e. needleless injectors, diagnostic kits for hospitals, monitoring systems, etc.

Research and Development

Firms involved in research and development in the field of gerontology--particularly in such areas as patient care in hospitals and nursing homes, food preparation and care in hospitals, etc.

D) EDUCATIONAL TECHNOLOGY

Software Development

Firms involved in the development of computer-assisted training systems and computer-assisted learning systems using the expertise at Holland College as a base from which to begin.

E) SERVICE

Tourism

Firms involved in new and innovative services to the travelling public.

Business Services

Firms involved in new and innovative services

in such areas as insurance and financial consulting services.

Educational Services

Schools which provide specialized education, i.e. personal development, fashion modelling, theatre.

Services to the Elderly

Firms involved in providing innovative services to the elderly.

Cultural Industries

Firms involved in the film and video industry, book publishing, crafts, etc.

To implement this prospecting strategy, staff of the province will use a number of innovative research and communication methods. As well, new types of assistance programs with differing degrees of flexibility will be available. Prospecting is considered a top priority of government designed to attract new innovative businesses and increase employment opportunities for Islanders.

INVESTMENT COUNSELLORS TOUR

April 18, 1989

Morning Session Attendance List

Ross MacDonald	Toronto Dominion Bank
Terry Brake	Bank of Montreal
John Cain	West Prince Ventures
Brian Thompson	P.E.I. Department of Agriculture
Dave Younker	P.E.I. Department of Fisheries
Gerry Ridgeway	P.E.I. Department of Fisheries
Carol Mayne	P.E.I. Department of Industry
Doug Smith	P.E.I. Department of Tourism and Parks/ UPEI
Joe Gillan	P.E.I. Development Agency (Speaker)
Hubert Proud	P.E.I. Development Agency (Driver)
Leo Walsh	ACOA
Brian Schmeisser	ACOA (Speaker)
David Cook	ACOA
Hugh Plant	ISTC (Speaker)
Stuart Shepherd	ISTC
Ed Jordan	ISTC (Driver)
Fraser Dickson	ISTC (Driver)
Janeth Crosby	CEIC

TEAM 1

DRIVER - Fraser Dickson

MEMBERS - Loepy ten Hoopen - The Hague
- William Johnston - London
- Tammy Davies - Tokyo

- 1:30 - 2:30 - Eric Robinson Inc.
Albany, P.E.I.
Potatoes - Chemicals - Processor - Farm
Contact - John Robinson
- 2:35 - 3:35 - Mid-Isle Farms Inc.
Albany, P.E.I.
Table potato processor - count pack carton
Contact - Rod Nicholson
- 4:00 - 4:40 - Prince Edward Island Bag Company Limited
Summerside, P.E.I.
Bags, Covers, Sails
Contact - Paul Sambrooke

TEAM 2

DRIVER - Ed Jordan

MEMBERS - David J. Lenihan - New York
- Gaetan Bruneau - Tokyo

- 1:30 - 2:20 - SeaSprings Farms Ltd. - (At ISTC)
Charlottetown, P.E.I.
Consultants/Developers - On land marine farms
Contact - Olav Dirkton
- 2:30 - 3:20 - Gulf Realtors Ltd.
Charlottetown, P.E.I.
Real Estate Development
Contact - Charles MacLennan
- 3:30 - 4:10 - Beaton, Fitzpatrick, C.A.
Charlottetown, P.E.I.
Chartered Accountants
Contact - Gerard Fitzpatrick
- 4:20 - 5:10 - Carratech Inc. - (At ISTC)
Hunter River, P.E.I.
Developers of Irish Moss Extraction Process
Contact - George Mason

TEAM 3

DRIVER - Hubert Proud

MEMBERS - Audrey Turner - Atlanta
- Bob Mason - Kuwait
- Pierre Bélanger - Paris

- 1:30 - 2:20 - Diagnostic Chemicals Limited
Charlottetown, P.E.I.
Diagnostic and Fine Chemicals;
Blood and other Health Testing Kits
Contact - Dr. Regis Duffy
- 2:30 - 3:20 - Island Metal Fabricators Ltd.
Charlottetown, P.E.I.
Food Processing equipment
Contact - Wendell MacDonald
- 3:30 - 4:10 - AP-Chem Inc.
Charlottetown, P.E.I.
Fibre Glass Holding System - Fishery &
Agriculture
Contact - John Morrison
- 4:20 - 5:10 - Atlantic Fish Specialties Ltd.
Charlottetown, P.E.I.
Smoked Fish
Contact - Tom Hayes

Wednesday, April 19, 1989
Fredericton, New Brunswick
Fredericton Motor Inn

Chairman: Victor Landry, Manager
Technology and Investment Development ISTC

- 8:45 a.m. - Officers' briefing session (Salon E)
- Media
- Fredericton Program
- 9:00 a.m. - Opening Remarks (closed session)
- Victor Landry
- Presentations by the following (open dialogue encouraged throughout)
ACOA
ISTC
Province - Commerce and Technology
Department of Labour
Investment officers (5 to 10 minutes each)
- 10:15 a.m. - Coffee break
- 10:30 a.m. - Presentations continued
(Individual meetings if requested)
- 12:00 p.m. - Luncheon - Regency Room
Provincial Minister - keynote speaker: (Possibly Minister of Finance or Intergovernmental Affairs (guests include ISTC, Province, Private sector, ACOA)
- 2:00 p.m. - Individual meetings* with private sector
- 4:30 p.m. - Adjourn

Departure for airport by taxi no later than 6:15 p.m.

Arrival: April 18/89 20:40
Depart: April 19/89 19:40
Accommodation: Fredericton Motor Inn

* Individual meetings will be scheduled in advance and all participants will receive a schedule of their appointments in the morning.

Fredericton, New Brunswick
April 19, 1989

Participating Officers: Audrey Turner (Atlanta), David Lenihan (New York), Andrew de Schulthees (London), Loepy ten Hoopen (The Hague), Pierre Belanger (Paris), Bob Mason (Kuwait), and Deanna Horton (Tokyo).

- Victor Landry, Manager, Technology and Investment Development, ISTC and chairman of the program in New Brunswick, welcomed the officers and provided a brief introduction of the program and participants.

- John Fudge, Director - Investment and Industrial Benefits, Province of New Brunswick, provided a brief overview of the Province's investment interests and mandate. The Province has a staff of 5 working on investment development in Canada as well as offices in Hamburg, Germany and Boston. Their investment development initiatives are concentrated on english, french and german speaking countries.

- The Province supports the FTA and are confident that it will be of benefit to N.B., particularly given its close proximity to major U.S. markets. The FTA is also an incentive for U.S. companies to take advantage of the federal procurement opportunities that exist in N.B..

- Informally, the Province has identified the following sectoral priorities: processing of natural resources; bio-engineering and chemistry; advanced ceramics; and, plastics. The identification of these priorities is not meant to exclude investment opportunities that might exist in other sectors.

- Major N.B. selling points include: good rail and water transportation; deep sea port at St. John, open all year; quality of life; and, access to a quality labour force. The Province can put together a very strong financial incentives package for potential investors due to the flexibility that exists with respect to ACOA programs and federal/provincial sub-agreements (30% federal tax credit available only in Atlantic Canada).

- Peter Snowball, Province of N.B. - Pacific Rim, indicated that the Province is promoting investment from Japan in the following sectors: medical/pharmaceutical; machining/tooling; and, fish/food biotechnology. In the Pacific Rim in general, the Province concentrates on business immigration and the access to the North American market provided by the FTA.

- ACOA representatives made a slide presentation similar to that given in P.E.I.

- Gaetan Bruneau (TPE) and Audrey Turner (Atlanta) outlined the DEA request for a best case scenario example showing maximum incentives at all levels, as well as infrastructure support available to investors. ISTC, ACOA and the Province agreed to work together to produce a tangible, generic one-page example.

- Gaetan Bruneau reviewed the IDP, including purpose, budget, evolution, areas of concentration, relationship with ISTC, etc.. He also reviewed the tour objectives.

- Each of the visiting investment officers provided a brief overview of the program they operate from their missions abroad. All officers stressed the importance of receiving specific project and opportunities information.

- Participants asked that we send out notifications when new Investment Counsellors are assigned to Canadian missions.

- Luncheon hosted by ISTC included morning participants as well as the company representatives that participated in the afternoon one-on-one appointments with the officers. Guest speaker Greg Morton, Premier's Office, provided a strong speech on the merits of investing in New Brunswick and outlined the Province's investment interests. He reinforced the message delivered earlier by John Fudge that the Province was eager to provide support and service to investment officers in bringing new investment to New Brunswick.

- The afternoon was dedicated to one-on-one meetings between New Brunswick companies and the investment officers.

NOTES FOR REMARKS BY
GREG MORTON
ECONOMIC DEVELOPMENT COMMISSIONER

VISIT OF CANADIAN EMBASSY
INVESTMENT COUNSELLORS
FREDERICTON MOTOR INN
WEDNESDAY APRIL 19, 1989

GOOD AFTERNOON. BONJOUR ET
BIENVENUE.

IT GIVES ME VERY GREAT PLEASURE TO
WELCOME TO THE PROVINCE OF NEW
BRUNSWICK EMBASSY AND CONSULATE
INVESTMENT COUNSELLORS FROM JAPAN,
ENGLAND, FRANCE, THE NETHERLANDS, THE
UNITED STATES AND KUWAIT. AND I THANK
YOU FOR TAKING TIME FROM YOUR BUSY
SCHEDULES TO PAY US THIS VISIT.

WELCOME, ALSO, TO OFFICIALS FROM
INDUSTRY, SCIENCE AND TECHNOLOGY
CANADA, AND FROM THE ATLANTIC CANADA
OPPORTUNITIES AGENCY.

I UNDERSTAND THAT YOUR ORIGINAL
GROUP SPLIT IN TWO, WITH ONE GROUP
VISITING WESTERN CANADA AND YOUR GROUP
COMING EAST. LET ME TELL YOU, YOU MADE
THE RIGHT CHOICE!

I SHOULD LIKE TO TAKE THIS
OPPORTUNITY OF TELLING YOU A LITTLE
ABOUT NEW BRUNSWICK AND OUR STRENGTHS
AND PRIORITIES.

I KNOW YOU HAVE HAD A HEAVY SERIES OF MEETINGS LAST NIGHT AND THIS MORNING SO I WILL KEEP MY REMARKS SHORT.

SINCE TAKING OFFICE SOME 18 MONTHS AGO, OUR GOVERNMENT HAS PUT NEW BRUNSWICK ON A SOUND FINANCIAL FOOTING. WE HAVE JUST ENDED THE YEAR WITH A \$20-\$30 MILLION SURPLUS ON OUR ORDINARY ACCOUNT, AND WE HAVE BROUGHT DOWN A BALANCED BUDGET FOR THE YEAR AHEAD. AND ALL OUR ECONOMIC INDICATORS ARE GOOD.

NEW BRUNSWICK IS A SMALL PROVINCE. BUT WE HAVE THE FASTEST GROWING ECONOMY IN ATLANTIC CANADA. WE ARE EXPECTED TO LEAD THE COUNTRY THIS YEAR IN CAPITAL INVESTMENT. AND THAT FOLLOWS A RECORD-HIGH GROWTH IN INVESTMENT IN NEW BRUNSWICK LAST YEAR.

TOTAL EMPLOYMENT WAS UP IN 1988 AND WE EXPERIENCED A RECORD-HIGH PARTICIPATION RATE IN OUR LABOUR FORCE; OUR UNEMPLOYMENT RATE REACHED THE LOWEST LEVEL SINCE 1981; OUR INFLATION RATE WAS BELOW THE NATIONAL AVERAGE; PERSONAL INCOME WAS UP; AND SO WERE EXPORTS.

TALKING OF EXPORTS, NEW
BRUNSWICK IS VERY DEFINITELY AN
EXPORT-ORIENTED PROVINCE. IN FACT,
WITH EXPORTS ACCOUNTING FOR SOME 30 PER
CENT OF OUR GROSS PROVINCIAL PRODUCT,
EXPORTS ARE AS IMPORTANT TO US AS THEY
WERE TO THE ANCIENT TRADING NATION OF
PHOENICIA.

OUR ECONOMY IS TRADITIONALLY
RESOURCE-BASED. OVER THE PAST FEW
YEARS, HOWEVER, WE HAVE SUCCESSFULLY
BLENDED OUR ABUNDANT NATURAL RESOURCES
WITH THE VERY LATEST TECHNOLOGIES TO
DEVELOP A BROAD AND DIVERSIFIED
INDUSTRIAL BASE.

WE HAVE A NUMBER OF MEGA PROJECTS
UNDERWAY -- OR RECENTLY COMPLETED -- IN
THE PROVINCE:

- WE WERE SUCCESSFUL IN OBTAINING
THE LARGEST SHIPBUILDING CONTRACT EVER
ISSUED BY THE CANADIAN GOVERNMENT: A
\$5 BILLION CONTRACT TO BUILD CANADIAN
PATROL FRIGATES. AND WE GOT THAT
CONTRACT BECAUSE WE COULD BUILD THEM
BETTER, FASTER AND CHEAPER THAN ANYONE
ELSE. INCIDENTALLY, BOTH U.S. AND
DUTCH TECHNOLOGIES FORM A SIGNNIFICANT
PART OF THIS PROJECT.

- REPAP'S MIRAMICHI PULP & PAPER, IN NORTHEAST NEW BRUNSWICK, IS A MULTI-MILLION DOLLAR, WORLD-CLASS, LIGHTWEIGHT COATED PAPER MILL. THE COMPANY RECENTLY ANNOUNCED THE CONSTRUCTION OF A NEW \$65 MILLION PLANT, WHICH WILL DEVELOP, TEST AND DEMONSTRATE A NEW, ALCOHOL-BASED PULPING TECHNOLOGY CALLED ALLCELL. THE NEW PLANT WILL MAKE REPAP THE MOST TECHNOLOGICALLY ADVANCED PULP AND PAPER COMPLEX IN THE WORLD.

WE RECENTLY CONCLUDED A MAJOR
OFFSET DEAL WITH MITSUI CANADA, AND ARE
PLANNING A NEW 450 MEGAWATT, \$800
MILLION COAL-FIRED GENERATING STATION
IN NORTHERN NEW BRUNSWICK.

OTHER MAJOR PROJECTS UP-COMING
INCLUDE A PROPOSED FIXED-LINK TO
PRINCE EDWARD ISLAND, AND MAJOR
UPGRADING OF THE TRANS-CANADA AND
ARTERIAL HIGHWAYS.

BUT ALTHOUGH WE HAVE SOME MAJOR PROJECTS UNDERWAY, THE HEART OF NEW BRUNSWICK LIES IN ITS ENTREPRENEURS AND IN ITS SMALL BUSINESSES; BUSINESSES WHICH ARE OFTEN FAMILY-OWNED AND RUN, AND WHICH HAVE BEEN PASSED ALONG FROM ONE GENERATION TO THE NEXT.

IT IS THE SMALL BUSINESSES THAT ARE THE PERFORMERS IN OUR ECONOMY BECAUSE THEY ARE THE JOB CREATORS, AND THE WEALTH GENERATORS.

AND MANY OF OUR ENTREPRENEURS HAVE
RECOGNIZED THE OPPORTUNITIES PROVIDED
BY THE RESOURCE ENVIRONMENT, AND HAVE
ACTIVELY AND SUCCESSFULLY PURSUED THEM.

OUR GOVERNMENT FIRMLY BELIEVES
THAT THE KEY TO OUR FUTURE PROSPERITY
LIES IN ENTREPRENEURIAL DEVELOPMENT,
AND IN CREATING A CLIMATE CONDUCIVE TO
INVESTMENT.

WITH THIS IN MIND, WE ARE ABOUT TO
RELEASE A COMPREHENSIVE ECONOMIC
DEVELOPMENT STRATEGY FOR THE PROVINCE,
DESIGNED TO CHALLENGE NEW BRUNSWICKERS
TO ADOPT A PHILOSOPHY OF GROWTH AND
CHANGE, THEREBY BRINGING ABOUT
INCREASED PROSPERITY.

WHILE WE ARE NURTURING OUR OWN
ENTREPRENEURIAL TALENT, WE ARE -- AT
THE SAME TIME -- AGGRESSIVELY SEEKING
INVESTORS AND ENTREPRENEURS FROM ABROAD.

WE KNOW THAT THESE INVESTORS BRING
WITH THEM A WEALTH OF EXPERTISE,
KNOWLEDGE AND RESOURCES.

AND WE RECOGNIZE THAT WE NEED MORE
INVESTMENT FROM OUTSIDE; MORE GOOD,
SOLID INVESTMENT.

AND WE HAVE PLENTY OF GOOD THINGS
TO OFFER INVESTORS:

NEW BRUNSWICK HAS A UNIQUE,
STRATEGIC LOCATION. WE ARE IDEALLY
SITUATED AS A GATEWAY TO NORTH AMERICAN
AND WORLD MARKETS -- PARTICULARLY
IMPORTANT GIVEN THE FREE-TRADE
AGREEMENT BETWEEN CANADA AND THE U.S.
MAJOR U.S. CENTRES SUCH AS BOSTON AND
NEW YORK ARE ONLY ONE DAY'S DRIVE
AWAY. IN FACT, INTERSTATE 95 COMES
RIGHT UP TO OUR DOORSTEP.

AND NEW BRUNSWICK IS ON WORLD SEA
SHIPPING LANES, ONLY 3,000 MILES FROM
MAJOR EUROPEAN PORTS.

INVESTORS WILL DISCOVER THAT NEW BRUNSWICK HAS A LABOUR FORCE THAT IS SKILLED, PRODUCTIVE AND STABLE. THE PRODUCTIVITY AND COMPETITIVENESS OF OUR LABOUR FORCE IS INCREASINGLY A FUNCTION OF ITS ABILITY TO MASTER AND ADAPT TO NEW TECHNOLOGIES.

WE HAVE A FIRST-RATE EDUCATION SYSTEM -- IN BOTH ENGLISH AND FRENCH -- WITH MODERN AND WELL-EQUIPPED ELEMENTARY AND SECONDARY SCHOOLS LOCATED THROUGHOUT THE PROVINCE.

AND AS CANADA'S ONLY OFFICIALLY BILINGUAL PROVINCE, NEW BRUNSWICK HAS A VERY DEFINITE ADVANTAGE IN DOING BUSINESS IN INTERNATIONAL MARKETS.

OUR COMMUNITY COLLEGES PROVIDE TRAINING PROGRAMS TO MATCH INDUSTRY REQUIREMENTS. AND WE HAVE FOUR EXCELLENT UNIVERSITIES.

THERE ARE APPROXIMATELY 38 RESEARCH CENTRES IN NEW BRUNSWICK, INCLUDING A PEAT RESEARCH INSTITUTE -- VERY IMPORTANT TO NEW BRUNSWICK, GIVEN THE FACT THAT APPROXIMATELY 80 PER CENT OF CANADA'S TOTAL PEAT MOSS EXPORTS TO JAPAN COME FROM NEW BRUNSWICK.

WE HAVE LARGE, SECURE AND DIVERSE SOURCES OF ENERGY. OUR RATES ARE THE THIRD LOWEST IN CANADA, AND WE HAVE NOT HAD A RATE INCREASE IN FOUR YEARS.

WE ALSO HAVE FINANCIAL INCENTIVES: DIRECT LOANS, BOND OR LOAN GUARANTEES; A VENTURE CAPITAL SUPPORT PROGRAM; GRANTS FOR SMALL BUSINESS DEVELOPMENT; ONE OF THE MOST GENEROUS INVESTMENT TAX CREDIT PROGRAMS IN THE COUNTRY; AND A FOREIGN TAX CREDIT.

AND WE ARE VERY FORTUNATE THAT THROUGH THE ATLANTIC CANADA OPPORTUNITIES AGENCY, INVESTORS IN NEW BRUNSWICK CAN OBTAIN DIRECT LOANS, LOAN GUARANTEES AND INTEREST BUY-DOWNS.

THESE, THEN, ARE SOME OF THE FACETS OF NEW BRUNSWICK THAT INVESTORS FIND ATTRACTIVE. BUT THERE IS ANOTHER FACTOR THAT SHOULD BE MENTIONED:

IN NEW BRUNSWICK WE ARE VERY PROUD OF OUR QUALITY OF LIFE. IN FACT, WE CONSIDER IT TO BE ONE OF OUR MAIN ASSETS.

THROUGHOUT CANADA NEW BRUNSWICK IS KNOWN AS THE "PICTURE PROVINCE".

FALL IN NEW BRUNSWICK IS A PHOTOGRAPHER'S AND SPORTSMAN'S DREAM.

AND IN THE SUMMER YOU CAN ENJOY
LITERALLY MILES OF BEAUTIFUL,
UNSPOILED, AND UNCROWDED BEACHES. WE
HAVE THOUSANDS OF ACRES OF PARKLAND
WHERE GOLFING, HIKING AND BOATING CAN
BE ENJOYED. WE ALSO HAVE THE BEST
ATLANTIC SALMON RIVERS IN THE WORLD.

BUSINESS PEOPLE WHO SETTLE IN NEW
BRUNSWICK FIND THAT WHILE THEY HAVE
EASY ACCESS TO MAJOR CANADIAN CITIES,
NEW BRUNSWICK'S OWN URBAN CENTRES HAVE
ALL THE AMENITIES OF MODERN LIFE,
WITHOUT THE ACCOMPANYING PROBLEMS.

WE HAVE PLENTIFUL LAND -- BOTH INDUSTRIAL AND RESIDENTIAL -- AND LOW-COST HOUSING. FOR EXAMPLE, AN EXECUTIVE HOME HERE IN FREDERICTON CAN BE BOUGHT FOR AROUND \$170,000. OR A LUXURY CONDOMINIUM FOR ABOUT \$80,000.

OVERCROWDING AND TRAFFIC CONGESTIONS SIMPLY DO NOT EXIST.

FOR EXAMPLE, IT TAKES ME ABOUT FIVE MINUTES TO DRIVE HOME FROM MY OFFICE DOWNTOWN.

AND THERE IS AN AVERAGE OF ONLY
TEN PEOPLE PER SQUARE KILOMETRE
THROUGHOUT THE PROVINCE.

ALL IN ALL, NEW BRUNSWICK IS, OR
SO WE BELIEVE, ONE OF THE VERY BEST
LOCATIONS FOR INVESTMENT AND BUSINESS
START-UP.

AND MANY COMPANIES HAVE FOUND
THESE FEATURES ATTRACTIVE ENOUGH TO SET
UP BUSINESS HERE.

WE HAVE INVESTMENT FROM JAPAN,
FRANCE, GERMANY, THE UNITED STATES AND
GREAT BRITAIN.

BUT WE WANT MORE. AND WE HOPE TO
ATTRACT INVESTMENT IN A NUMBER OF AREAS
OF OPPORTUNITY. THESE INCLUDE:

- . PULP AND PAPER
- . FISH PROCESSING, PARTICULARLY OF
UNDERUTILIZED SPECIES
- . BIO-TECHNOLOGY
- . AQUACULTURE
- . SPECIALTY MACHINERY AND
EQUIPMENT
- . PEAT MOSS PRODUCTION
- . POTASH PRODUCTION; AND
- . TECHNOLOGY TRANSFER

THERE ARE AMPLE OPPORTUNITIES FOR
INVESTMENT -- RIGHT HERE AND NOW.

AND THAT IS WHY MEETINGS SUCH AS
THIS ARE GREATLY APPRECIATED. THEY
GIVE US A CHANCE TO OUTLINE THOSE
OPPORTUNITIES, DESCRIBE OUR INVESTMENT
CLIMATE, AND STRENGTHEN OUR LINKS WITH
MEMBERS OF THE INVESTMENT COMMUNITY
ABROAD.

BUT THE BOTTOM LINE IS THAT WE
WANT THE BUSINESS YOU CAN BRING US.

AND ANY WAY YOUR CLIENTS WANT TO DO BUSINESS IS FINE WITH US. IF THEY'RE INTERESTED IN DIRECT INVESTMENT THAT'S FINE. IF THEY WANT JOINT VENTURES, SO DO WE. BUT WE WANT THE BUSINESS.

WELL, I GUESS THAT JUST ABOUT WRAPS UP WHAT I WANTED TO SAY. AND IF IT SOUNDS LIKE A SALES PITCH, THAT'S EXACTLY WHAT IT IS!

IN NEW BRUNSWICK WE HAVE THE
LOCATION, THE RESOURCES, THE CLIMATE
FOR INVESTMENT AND THE
GOVERNMENT-INDUSTRY PARTNERSHIP.

BUT PERHAPS BEST OF ALL, WE HAVE
THE WILL AND THE DETERMINATION TO
SUCCEED AT EVERYTHING WE DO.

I THANK YOU FOR GIVING ME THE
OPPORTUNITY OF TALKING TO YOU TODAY.
I HOPE I MIGHT HAVE RAISED YOUR
INTEREST IN DOING BUSINESS WITH US.

AND I HOPE WE SHALL BE ABLE TO
WELCOME YOU BACK SOON TO NEW BRUNSWICK.

THANK YOU.

MR. CHAIRMAN, LADIES AND
GENTLEMEN, MY NAME IS JOHN FUDGE,
DIRECTOR OF INVESTMENT AND INDUSTRIAL
BENEFITS WITHIN THE INDUSTRIAL
DEVELOPMENT SECTION OF THE PROVINCIAL
DEPARTMENT OF COMMERCE AND TECHNOLOGY.
I WISH TO WELCOME YOU TO FREDERICTON,
THE CAPITAL OF OUR PICTURE PROVINCE.
VICTOR WILL ATTEST TO THE FACT THAT WE
HAVE BEAUTIFUL WEATHER YEAR ROUND IN
N.B. WITH THE EXCEPTION OF THIS
PARTICULAR PERIOD IN MID-APRIL.

I WOULD LIKE TO START OUT BY SAYING THAT THE DEPARTMENT APPRECIATES THIS OPPORTUNITY TO LIASE WITH OUR COUNTERPARTS WITH THE FEDERAL GOVERNMENT AND PRIVATE SECTOR GUESTS. WE LOOK FORWARD TO DISCUSSING INVESTMENT ISSUES WITH YOU AS THE DAY PROGRESSES.

I AM GOING TO TAKE THIS OPPORTUNITY TO DESCRIBE HOW THE COMMERCE AND TECHNOLOGY'S INVESTMENT AND INDUSTRIAL BENEFITS SECTION IS ORGANIZED, HOW IT OPERATES AND ITS MAJOR RESPONSIBILITIES. THE INVESTMENT AND INDUSTRIAL BENEFITS SECTION IS COMPRISED OF THREE GROUPS - TRADE POLICY, INVESTMENT AND IMMIGRATION AND THE INDUSTRIAL BENEFITS GROUP.

THE TRADE POLICY GROUP IS RESPONSIBLE FOR THE F.T.A., GATT, MULTI AND BI- LATERAL AND INTERPROVINCIAL TRADE ISSUES AND NEGOTIATIONS.

THE INDUSTRIAL BENEFITS GROUP IS PRIMARILY RESPONSIBLE FOR INDUSTRIAL OFFSETS, RELATED TO MAJOR CAPITAL PROJECTS AS WELL AS PROVINCIAL AND FEDERAL PROCUREMENT.

OUR INVESTMENT AND IMMIGRATION SECTION IS RESPONSIBLE FOR PROMOTING NEW BRUNSWICK AS A LOCATION FOR THE ESTABLISHMENT OF NEW MANUFACTURING, PROCESSING AND RELATED SERVICE INDUSTRIES AS WELL AS FOR ADMINISTERING THE BUSINESS IMMIGRANT PROGRAM WHICH INCLUDES THE ENTREPRENEURIAL AND INVESTOR IMMIGRANT.

THE INVESTMENT PROMOTION GROUP IN FREDERICTON IS MADE UP OF FIVE INDUSTRIAL DEVELOPMENT OFFICERS. IN ADDITION, OUR SECTION MAINTAINS TRADE AND INVESTMENT OFFICERS IN HAMBURG AND BOSTON.

OUR INVESTMENT PROMOTION EFFORTS ARE FOCUSED IN WESTERN EUROPE ON THE GERMAN AND FRENCH SPEAKING NATIONS. WE ARE BEGINNING TO MAKE IN-ROADS INTO THE NETHERLANDS, SCANDINAVIA AND THE UNITED KINGDOM.

PETER SNOWBALL, WHO IS WITH US TODAY, IS PRIMARILY RESPONSIBLE FOR TRADE AND INVESTMENT PROMOTION IN THE PACIFIC RIM COUNTRIES INCLUDING JAPAN, KOREA, TAIWAN AND HONG KONG. WE ARE SEEING AN INCREASE IN INTEREST FROM HONG KONG IN THE BUSINESS IMMIGRANT PROGRAM. WE BELIEVE THAT BUSINESS IMMIGRANTS WILL PROVIDE FUTURE ENTREPRENEURS FOR THE PROVINCE.

IN ADDITION TO THESE OFFSHORE LOCATIONS, WE ARE ENDEAVORING TO ATTRACT INVESTMENT FROM THE EASTERN U.S. AND CENTRAL CANADA.

THE FREE TRADE AGREEMENT, WE BELIEVE, WILL AND IS MAKING NEW BRUNSWICK AN ATTRACTIVE LOCATION FOR FOREIGN INVESTORS. OFFSHORE INVESTORS WILL BE ABLE TO ESTABLISH MANUFACTURING FACILITIES TO SELL PRODUCTS TARIFF FREE INTO THE U.S. IN THE FUTURE. WHILE N.B. IS OPEN TO BUSINESS FOR THE AMERICAN INVESTOR TO TAKE ADVANTAGE OF OPPORTUNITIES AVAILABLE HERE IN N.B., THE F.T.A. WILL ACCELERATE THE EXPORT ACTIVITIES OF ESTABLISHED FIRMS AND MAKE US MORE OUTWARD LOOKING.

LET'S TAKE A LOOK AT THESE OPPORTUNITIES. THE ACOA FINANCIAL INCENTIVES COMBINED WITH THE FEDERAL INVESTMENT TAX CREDIT SYSTEM WHICH VARIES FROM 15-30% FOR THE ATLANTIC REGION REPRESENTS INCENTIVES THAT ARE NOT AVAILABLE IN CANADA. IN ADDITION, WE ARE STRATEGICALLY LOCATED, HAVING ACCESS TO 43 MILLION CONSUMERS WITHIN ONE DAY'S DRIVE AND 100 MILLION CONSUMERS JUST TWO DAYS AWAY. WE HAVE A PRODUCTIVE, QUALIFIED AND COMMITTED LABOUR FORCE, ABUNDANT NATURAL RESOURCES, AN EMPHASIS ON NEW TECHNOLOGIES AND INNOVATION, A DIVERSIFIED INDUSTRIAL BASE, AND PLENTIFUL LOW-COST LAND AND HOUSING. WE HAVE LARGE ENERGY RESOURCE AND EFFICIENT TRANSPORTATION SYSTEMS INCLUDING YEAR ROUND PORTS.

MORE IMPORTANTLY, WE OFFER A
QUALITY OF LIFE WHICH IS UNMATCHED.
THIS INCLUDES EXCELLENT HEALTH,
EDUCATION, RESEARCH FACILITIES, AS WELL
AS RECREATIONAL ACTIVITIES SUCH AS
SALMON FISHING, BEACHES, GOLFING,
RESTAURANTS, ETC.

NEW BRUNSWICKERS ARE HARD WORKING
PEOPLE WHO WANT TO WORK. IT IS OUR
RESPONSIBILITY TO HELP FACILITATE THE
DEVELOPMENT OF A STRONG, VIABLE
INDUSTRIAL BASE IN NEW BRUNSWICK WHICH
WILL CREATE JOBS FOR NEW BRUNSWICKERS.

IN TERMS OF INDUSTRIAL SECTORS, WE ARE PARTICULARLY INTERESTED IN FURTHER PROCESSING OF OUR SUBSTANTIAL NATURAL RESOURCES INCLUDING WOOD, METALS, FISH AND AGRICULTURAL PRODUCTS.

IN THE HI-TECH AREAS WE ENCOURAGE INVESTMENT IN THE FIELD OF ELECTRONICS, BIO-TECHNOLOGY, HEALTH CARE PRODUCTS, PLASTICS AND CERAMICS. NEW BRUNSWICK FIRMS ARE WORLD LEADERS IN THE FIELD OF TRANSLATION AND GEOGRAPHIC INFORMATION SYSTEMS. THESE ARE SOME OF THE AREAS IN WHICH FOREIGN INVESTORS MAY BE INTERESTED.

THE DEPARTMENT IS ACTIVELY ENCOURAGING ADVANCED TECHNOLOGY TRANSFER THROUGH JOINT VENTURES AND LICENSING ARRANGEMENTS WITH EXISTING NEW BRUNSWICK COMPANIES.

OUR PRIMARY FOCUS IS TO PROMOTE THE DEVELOPMENT OF SMALL AND MEDIUM SIZE MANUFACTURING AND PROCESSING FACILITIES.

ONE AREA OR OPPORTUNITY WHICH REMAINS PRIMARILY UNTAPPED IS THE FEDERAL PROCUREMENT PROGRAM. I UNDERSTAND THAT IN CERTAIN CASES, FIRMS THAT QUALIFY TO QUOTE ON D.N.D. OR D.S.S. CONTRACTS WOULD BE BETTER POSITIONED TO OBTAIN CONTRACTS IF THEY ESTABLISH PLANTS IN NEW BRUNSWICK. I WOULD LIKE TO EXPLORE THIS SUBJECT WITH YOU ON A ONE TO ONE BASIS.

IN CONCLUSION, N.B. HAS
TRADITIONALLY BEEN VERY OPEN TO FOREIGN
INVESTMENT. WITH THE F.T.A., OUR
ACCESS TO THE U.S. MARKET IS SECURED
AND ENHANCED. OUR PRIVATE SECTOR IS
ADEPT, OUR INVESTMENT DOOR IS OPEN.
JOINT VENTURES, FURTHER PROCESSING
OPPORTUNITIES, ENHANCED DISTRIBUTION
CHANNELS, AND GREATER MARKET
INTELLIGENCE WILL BE DEVELOPING WITH
OUR AMERICAN NEIGHBORS. THE
OPPORTUNITY FOR FOREIGN INVESTORS TO
PARTICIPATE IN THIS NEW ENVIRONMENT IS
HERE, IT IS NOW. WE NEED YOUR HELP.
WE PLEDGE OUR CO-OPERATION AND WILL
ATTEMPT TO PROVIDE YOU WITH CURRENT AND
SIGNIFICANT INFORMATION ON OUR
PROVINCE, ON OUR STRENGTHS AND OUR
OPPORTUNITIES.

TO ACHIEVE OUR GOALS OF ATTRACTING
MORE INDUSTRY TO THE PROVINCE, WE
REQUIRE A CO-ORDINATED APPROACH BY THE
FEDERAL, PROVINCIAL, MUNICIPAL AND
BUSINESS GROUPS IN THE PROVINCE. WE
NEED YOUR CONSIDERATION MORE THAN THE
MORE INDUSTRIALIZED PROVINCES.

DON'T FORGET US. THINK NEW
BRUNSWICK.

INVESTMENT COUNSELLORS TOUR

APRIL 19, 1989

ATTENDEES - MORNING SESSION

<u>Name</u>	<u>Department</u>
Victor Landry	ISTC - Moncton
Audrey Turner	External Affairs - Atlanta
Pierre Belanger	External Affairs - Paris
Brad Sawlor	ACOA - Fredericton
Deanna Horton	External Affairs - Tokyo
Tammy Davies	External Affairs - Ottawa
Judy Urquhart	Commerce & Technology
Bernard Lemay	External Affairs - Ottawa
John Fudge	Commerce & Technology
David Lenihan	External Affairs - New York
Gaetan Bruneau	External Affairs - Ottawa
Peter Snowball	Commerce & Technology
Lupin Ten Hoopen	External Affairs - The Hague
Bob Mason	External Affairs - Kuwait
Joanne Lewis	ISTC - Moncton
Basil Small	ACOA - Fredericton
Eric Anderson	ISTC - Moncton
Andrew de Schulthess	External Affairs - London
Bev MacDonald	N. B. Dept. of Labour

Paul Belanger - Appointments

- Jim Sutherland
G.O.C. Electronics
- Mike Quinn/Sat Lalla
Lalla and Associates
- Ted DeLong/Mark DeLong
Tigney Technologies Inc.
- Barb Depow/Les Hull
Eastern Gypsum
- Sterling Estey
Sundry Sea Harvesters Ltd.
- Victor Landry (representing)
Canadian National

Deanna Horton - Appointments

- Barb Depow/Les Hull
Eastern Gypsum
- Ted DeLong/Mark DeLong
Tigney Technologies Inc.
- Paul Lemmon/Hazen Calabrèse
Yorkhill Financial
- Duncan McGeachy/Bill Young/Brian Matthews
Charlotte County Business Development Centre
- Sterling Estey
Sundry Sea Harvesters Ltd.
- Sat Lalla/Mike Quinn
Lalla & Associates
- Eric Anderson (representing)
Canadian National

Bob Mason - Appointments

- Paul Lemmon/Hazen Calabrese
Yorkhill Financial
- John Fudge/Peter Snowball
Commerce & Technology
- Duncan McGeachy/Bill Young/Brian Matthews
Charlotte County Business Development Centre
- Ted DeLong/Mark DeLong
Tigney Technologies Inc.
- Vic Landry (representing)
Canadian National
- Barb Depow/Les Hull
Eastern Gypsum
- Sat Lalla/Mike Quinn
Lalla & Associates

David Lenihan - Appointments

- Ted DeLong/Mark DeLong
Tigney Technologies Inc.
- Duncan McGeachy/Bill Young/Brian Matthews
Charlotte County Business Development Centre
- Sat Lalla/Mike Quinn
Lalla & Associates
- Vic Landry (representing)
Canadian National
- Barb Depow/Les Hull
Eastern Gypsum

Audrey Turner - Appointments

- Duncan McGeachy/Bill Young/Brian Matthews
Charlotte County Business Development Centre
- Vic Landry (representing)
Canadian National
- Barb Depow/Les Hull
Eastern Gypsum
- Sat Lalla/Mike Quinn
Lalla & Associates
- Ted DeLong/Mark DeLong
Tigney Technologies Inc.
- Jim Sutherland
G.O.C. Electronics

Andrew de Schulthess - Appointments

- Sat Lalla/Mike Quinn
Lalla & Associates
- Barb Depow/Les Hull
Eastern Gypsum
- Jim Sutherland
G.O.C. Electronics
- Vic Landry (representing)
Canadian National
- Ted DeLong/Mark DeLong
Tigney Technologies Inc.

Lupin Ten Hoopen - Appointments

- Jim Sutherland
G.O.C. Electronics
- Vic Landry (representing)
Canadian National
- Paul Lemmon/Hazen Calabrese
Yorkhill Financial
- Sat Lalla/Mike Quinn
Lalla & Associates
- Barb Depow/Les Hull
Eastern Gypsum

Thursday, April 20, 1989
Halifax, Nova Scotia
World Trade and Convention Centre (WTCC)

Chairman - Bob Russel,
Regional Executive Director, ISTC

- 8:15 a.m. - Officer briefing session - Media and Program Refreshments (Highland Suite 10)
- 8:30 a.m. - Welcome and opening remarks - Bob Russel
- 8:45 a.m. - Role of IDP
Gaetan Bruneau - DEA
- 9:00 a.m. - Investment Officer presentations by London and Atlanta (15 minutes)
- 9:30 a.m. - Investment in Nova Scotia - Presentation by Province
- 9:45 a.m. - Coffee
- 10:00 a.m. - Roundtable discussion on Nova Scotia investment priorities
- Province, ACOA, ISTC
- 10:45 a.m. - Prescheduled one-on-one meetings between ACOA, ISTC, Province and Officers
- 12:00 p.m. - Luncheon (with morning participants) hosted by Province of Nova Scotia
International Trade Club (WTCC 8th Floor)
Keynote speaker - Dick Fletcher, Executive Director, Investment Development, Province
- 2:00 p.m. - Individual meetings with municipal EDO's and private sector investment intermediaries* (Highland Suite 7) (30 minutes each)
- 4:45 p.m. - Reception - Highland Suite 10
Host: ISTC (officers and private sector)

Arrival: April 19/89 20:25
Depart: April 20/89 20:05
Accommodation: Prince George Hotel

* Individual meetings will be prescheduled in advance and all participants will receive a schedule of their appointments at the morning briefing session

Summary
Record

Halifax, Nova Scotia
Wednesday April 20, 1989

Participating Officers: Audrey Turner (Atlanta), David Lenihan (New York), Andrew de Schulthees (London), Loepy ten Hoopen (The Hague), Pierre Belanger (Paris), Bob Mason (Kuwait), and Deanna Horton (Tokyo).

- Bob Russel, Regional Executive Director, ISTC, and chairman of the program in Halifax, welcomed the officers and provided a brief review of the Halifax program. He also outlined the close cooperation that exists in Nova Scotia between federal government departments, namely ISTC, and the Province.

- Gaetan Bruneau provided a brief overview of the IDP, including its purpose, budget, evolution, areas of concentration, etc.. He also reviewed the tour objectives.

- Each of the investment officers provided a brief overview of the program they operate from their missions abroad. All officers stressed the importance of receiving specific project and opportunities information. This is particularly important if the IDP is to be domestically driven to respond to Canadian regional needs.

- Robert (Bob) Baillie, Director, Industrial Promotion Branch, Nova Scotia Department of Industry, Trade and Technology, provided a brief overview of the Province's investment interests and mandate. He emphasized the close cooperation that exists between ACOA, ISTC, and the Province. The Province has 5 investment development officers who concentrate on attracting investment from Ontario, North Eastern U.S., Europe and the Pacific Rim. Historically, the Province has found that networking is the most successful means of investment development. As such, they tend to work closely with the Canadian Consulate in Chicago due to that mission's heavy involvement in international trade shows. They also rely on direct mailings.

- Provincial sectoral priorities are aerospace and defence, and more generally, industries that are not location sensitive (i.e. high value added products where transportation costs are not an issue).

- Jim Burkimsher, Director, Investment Promotion, ACOA, provided a brief outline of ACOA's mandate, budget, etc.. ACOA has received 3,000 applications to date, and applications continue to be submitted at a steady rate - 60% to 65% of all applications submitted are accepted. More than 55% of these are in manufacturing

or processing industries. ACOA is now developing relationships with Investment Canada, ISTC and DEA missions. Burkimsher indicated that these relationships have not been producing many "opportunities". For future reference, ACOA is interested in participating in trade shows with an investment component.

- The Province and ISTC echoed ACOA's concern regarding the lack of leads/investment prospects flowing from Canadian missions abroad. Bob Mason (Kuwait) responded saying that he deals with those that indicate an interest in his program. Andrew de Schulthees (London) explained that he passes leads/prospects on to appropriate parties as quickly as possible. He acknowledged however, that in many instances the information requested is provided and the lead pursues his interest on his own.

- The balance of the morning was dedicated to one-on-one meetings between the investment officers and representatives of ISTC, ACOA, and the Province.

- The luncheon was hosted by Dick Fletcher, Executive Director, Investment Development, Province of Nova Scotia. Mr. Fletcher gave a few words of welcome and commented on Nova Scotia's investment interests.

- The afternoon was dedicated to one-on-one meetings between economic development officers and the visiting investment officers.

- The program concluded with a viewing of the Halifax and Nova Scotia videos and a reception hosted by ISTC.

Friday, April 20-21, 1989
St. John's, Newfoundland
Hotel Newfoundland, Cabot Club Dining Room

- 8:00 a.m. - Welcome - Frank Nolan, Acting Regional Executive Director, ISTC
- Officers briefing session
 - Media
 - Program
- Joint breakfast, ISTC/Province presentation on Newfoundland investment priorities

- 9:30 a.m. - Van to Lester Hotel, 12 Blackmarsh Road

- 10:00 a.m. - Registration of plenary session participants (ISTC, Province, EDO's, investment intermediaries, companies)

- 10:15 a.m. - Plenary Session
 - Presentations by Atlanta, London, The Hague (15 minutes each)

- 11:00 a.m. - Question and answer period

- 11:45 a.m. - Van to Hotel Newfoundland, Cabot Club Dining Room

- 12:00 p.m. - Lunch - Host: Hong Kong/Canada Business Association
 Speaker: Jean McCloskey, ADM/PGB

- 2:30 p.m. - Van to Lester Hotel

- 2:45 p.m. - Roundtable discussion between "Instrumar" and officers (company profile to be provided)

- 3:15 p.m. - Roundtable discussion between St. John's Board of Trade and officers

- 3:45 p.m. - One-on-One interviews between investment officers and private sector
- 4:45 p.m. - Van to Scotia Bank Building
- 5:00 p.m. - Reception, Scotia Bank Building Water Street. Host: Haley Hunt

Arrival:	April 20/89	22:00
Depart:	April 22/89	06:30
Accommodation:	Hotel Newfoundland	

Minibus arranged by ISTC to transport officers throughout the day.

Summary
Record

St. John's, Newfoundland
April 21, 1989

Participating Officers: Audrey Turner (Atlanta), Elizabeth Oughtred (New York), Andrew de Schulthees (London), Loepy ten Hoopen (The Hague), Pierre Belanger (Paris), Bob Mason (Kuwait), and Deanna Horton (Tokyo).

- Frank Nolan, Acting Regional Executive Director, ISTC, welcomed the officers and provided a brief introduction of the program and the participants during a breakfast co-hosted by ISTC and the Province of Newfoundland.

- Patricia Hearn, Investment and Technology Officer, ISTC, provided an overview (including overhead presentation) of Newfoundland's investment interests and priorities. We were also shown the Newfoundland video.

- Barbara Wakeham, Assistant Deputy Minister, Trade, Investment and Promotion Branch, Province of Newfoundland, elaborated somewhat on the presentation made by Pat Hearn, and provided a brief overview of the Province's key investment priorities and their mandate with respect to investment development. The Province is aggressively pursuing foreign investment and is eager to work with the investment officers.

- The balance of the morning involved presentations by each of the investment officers to a group of 28 investment intermediaries, economic development officers, and company officials, as well a number of the people involved in the breakfast. Attendees actively participated in this session with a number of questions and comments.

- The St. John's chapter of the Hong Kong/Canada Business Association hosted the investment officers to an Association luncheon at the Hotel Newfoundland. Mrs. Jean McCloskey, Assistant Deputy Minister, Asia and Pacific Branch, DEA, was the guest speaker. The investment officers were introduced to the assembled guests by Doug Black, a partner with Halley Hunt (legal firm), who also provided words of welcome and introduced Jean McCloskey.

- The afternoon was dedicated to one-on-one meetings between Newfoundland companies, economic development officers and intermediaries and the investment officers.

- Halley Hunt hosted a reception in honour of the investment officers visit to St. John's. A number of the participants for the day's program, as well as a number of the firm's clients attended the reception.

SPEECH BY JEAN McCLOSKEY
ASSISTANT DEPUTY MINISTER
ASIA AND PACIFIC BRANCH
DEPARTMENT OF EXTERNAL AFFAIRS

To
HONG KONG/CANADA BUSINESS ASSOCIATION
ST. JOHN'S, NEWFOUNDLAND
APRIL 21, 1989

I THINK IT IS ENTIRELY APPROPRIATE THAT THE VISIT BY OUR OVERSEAS INVESTMENT OFFICERS IS HOSTED TODAY IN NEWFOUNDLAND BY A BUSINESS ASSOCIATION WHICH HAS BEEN ESTABLISHED TO PURSUE A COMMON INTEREST IN THE PACIFIC RIM. IT IS ALSO SIGNIFICANT THAT THIS INTEREST IS REPLICATED RIGHT ACROSS THE COUNTRY - BOTH IN PRIVATE ORGANIZATIONS AND AT ALL LEVELS OF GOVERNMENT. OUR OFFICERS WILL BE MEETING BUSINESS ORGANIZATIONS WITH SIMILAR INTERESTS AT MANY OF THEIR STOPS, AND WILL HAVE REINFORCED FOR THEM THE MESSAGE YOU ARE GIVING THEM HERE - THAT YOU WILL RECOGNIZE THE IMPLICATIONS, TO CANADA AND THE WORLD, OF DEVELOPMENTS IN THE PACIFIC RIM.

AT THE RISK OF REPEATING WHAT YOU ALREADY KNOW, LET ME BRIEFLY REVIEW WHAT IS STIMULATING THIS BUSINESS INTEREST AND WHAT IS DRIVING CANADIAN GOVERNMENT POLICY:

- ° BY THE YEAR 2000, 60% OF ALL HUMANITY WILL LIVE IN THE ASIA PACIFIC REGION;
- ° THERE WILL BE 4 BILLION ASIANS OR ALMOST AS MANY PEOPLE AS CURRENTLY LIVE ON THIS PLANET;
- ° ASIA WILL PRODUCE 50% OF ALL THE WORLD'S GOODS AND SERVICES;
- ° ALL THE MAJOR ASIA/PACIFIC COUNTRIES WILL HAVE HIGHER ECONOMIC GROWTH RATES THAN ALL OECD COUNTRIES FOR THE NEXT 20 YEARS;

- ° BY THE YEAR 2000, THE ECONOMIES OF ASIA WILL BE MORE DIVERSIFIED THAN THOSE OF EUROPE AND THE U.S.A.;
- ° ALREADY, 5 OF THE TOP 15 EXPORTING NATIONS ARE IN ASIA (JAPAN, CHINA, KOREA, TAIWAN, HONG KONG); ONLY JAPAN MADE THAT LIST IN THE 70'S;
- ° BY THE YEAR 2000, THE ECONOMIES OF ASIA WILL BE MORE DIVERSIFIED THAN THOSE OF EUROPE AND THE U.S.A. COMBINED.

I RECOGNIZE YOUR PARTICULAR INTEREST IN HONG KONG BUT I KNOW YOU APPRECIATE THAT THE MOST DOMINANT FEATURE OF THE ASIAN LANDSCAPE IS JAPAN. THIS WILL BE THE CASE IN THE YEAR 2000, JUST AS IT IS NOW.

JAPAN HAS BECOME THE LARGEST SOURCE OF CAPITAL AND THE LARGEST CREDITOR NATION IN THE WORLD. THE TOP 21 FINANCIAL INSTITUTIONS IN THE WORLD ARE ALL JAPANESE. BY 2000, OVERSEAS INVESTMENT HOLDINGS BY JAPANESE WILL EXCEED ONE TRILLION U.S. DOLLARS. THE YEN WILL INCREASINGLY REPLACE THE DOLLAR IN INTERNATIONAL TRADING.

JAPAN IS NOW THE LARGEST SOURCE OF AID TO THE THIRD WORLD. AND JUST 20 YEARS AGO JAPAN WAS THE SECOND LARGEST BORROWER FROM THE WORLD BANK.

BY 2000, JAPAN WILL BE A RECOGNIZED WORLD LEADER IN MANUFACTURING PROCESS TECHNOLOGY AND ONE OF THE WORLD'S LARGEST INVESTORS IN PURE RESEARCH.

BY 2000, IN THE FACE OF PROTECTIONISM IN THE WESTERN WORLD, ASIA WILL BE MORE ECONOMICALLY INTEGRATED. JAPAN, INDIA AND CHINA WILL BE THE LEADING NATIONS.

BY 2000, CHINA WILL INCREASE ITS TRADE AT LEAST TENFOLD. BY 2000, INDIA WILL HAVE ANOTHER 250 MILLION IN ITS MIDDLE CLASS - POTENTIALLY ANOTHER U.S.A. MARKET IN LESS THAN 20 YEARS.

JAPAN, HONG KONG, TAIWAN AND KOREA ALL HAVE ABOUT 40% OF THEIR EXPORTS GOING TO THE U.S.A. EACH IS INTENT ON REDUCING THIS DEPENDENCE. THE OBJECTIVE IS TO INCREASE SALES TO OTHER ASIAN COUNTRIES, AT WHICH THEY ARE SUCCEEDING.

THE NEWLY INDUSTRIALIZED ECONOMIES OF ASIA (NIEs), ARE EXPANDING THEIR MANUFACTURING WITH THE ASSISTANCE OF THE HIGHER YEN AND JAPANESE INVESTMENT, MOVING INTO THE PRODUCTION OF SUCH ITEMS AS AUTOMOBILES, CONSUMER ELECTRONICS AND COMPUTERS. AS JAPAN MOVES ONTO HIGHER LEVELS OF TECHNOLOGY, THE NIEs WILL OCCUPY THE VACATED AREAS, CREATING AND DEVELOPING THEIR OWN PRODUCTS AND INCREASINGLY COMPETING WITH THEIR MENTOR, JAPAN.

THE LION'S SHARE OF THIS REMARKABLE ECONOMIC SUCCESS HAS BEEN ACHIEVED BY THE OPEN ECONOMIES OF THE REGION. ASIANS HAVE A WELL-DESERVED REPUTATION AS SHREWD TRADERS AND BUSINESS PEOPLE. THIS HAS BEEN UNDERPINNED BY HARD WORK AND A COMPETITIVENESS WHICH EMPHASIZES LONGER TERM GAIN.

ACCOMPLISHMENT HAS BEEN WIDELY SHARED, EVEN IN THE PHILIPPINES WHICH HAS EXPERIENCED PROFOUND DOMESTIC POLITICAL CHANGE. CONSEQUENTLY REGIONAL GROWTH HAS BEEN MUTUALLY-REINFORCING.

WHAT HAS THIS MEANT FOR CANADA?

JOE CLARK, THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, IN NOVEMBER, 1986 STATED THAT "WE RECOGNIZE, AS NATIONAL POLICY,

THAT OUR FUTURE PROSPERITY IS TIED TO THE PACIFIC". THE REGION HAS ASSUMED AN IMPORTANCE TO CANADA WHICH WAS UNIMAGINABLE EVEN 10 YEARS AGO.

CANADA HAS MORE ECONOMIC INTERESTS IN ASIA THAN ANY MEMBER OF NATO EXCEPT THE U.S.A. OUR TRADE WITH ASIA AND THE PACIFIC EXCEEDS THAT WITH EUROPE. IN 1987, COUNTRIES OF ASIA/PACIFIC PURCHASED \$13.1 BILLION OF OUR EXPORTS VS \$11.8 BILLION BY EUROPE.

JAPAN IS CANADA'S SECOND LARGEST TRADING PARTNER AFTER THE U.S.A. - LARGER THAN THE U.K., FRANCE, WEST GERMANY, AND THE NETHERLANDS COMBINED.

JAPANESE PORTFOLIO INVESTMENT IN CANADA EXCEEDS \$35 BILLION. WHILE ABOUT 75% OF FOREIGN DIRECT INVESTMENT IN CANADA IS STILL FROM THE U.S., CANADIANS ARE INCREASINGLY DEPENDENT ON JAPANESE COMPANIES FOR EMPLOYMENT. OUR EXCHANGE RATE AND INTEREST RATES ARE INFLUENCED BY CAPITAL FLOWS TO AND FROM JAPAN, BOTH OF WHICH CAN HAVE AN IMPACT ON OUR RATE OF ECONOMIC GROWTH. AND IT

IS SIGNIFICANT THAT HALF OF OUR NEW DIRECT INVESTMENT IS NOT COMING FROM OUR TRADITIONAL U.S. AND EUROPEAN SOURCES. IT IS COMING FROM NEW SOURCES SUCH AS HONG KONG, KOREA, AUSTRALIA, NEW ZEALAND - AS WELL AS JAPAN. (AN EXAMPLE OF THE KINDS OF INVESTMENT THAT THIS INVOLVES IS THE \$16.5 MILLION JOINT VENTURE RECENTLY CONCLUDED BY HAN YANG CHEMICAL CORPORATION OF KOREA WITH _____ TO PRODUCE PVC WINDOW FRAMES IN ST. JOHN'S. ANNOUNCEMENT CLEARANCE AND DETAILS OF CANADIAN COMPANY ARE BEING CLEARED BY BTA)

I WOULD STRESS THAT THE ASIAN ECONOMIES ARE BEING DEVELOPED ON THE NOTION OF INTERDEPENDENCY - INTERDEPENDENCY WITH EACH OTHER AND WITH THE WEST.

HOWEVER, MERELY BECAUSE THE ASIAN WELCOME MAT IS OUT WE ARE NOT GUARANTEED INSTANT OR ONGOING SUCCESS. IN OUR COMMERCIAL RELATIONS WE HAVE DONE WELL IN DOLLAR TERMS. OUR EXPORTS TO THE REGION HAVE RISEN 21% FROM 1985 TO 1987. DURING THE FIRST 7 MONTHS OF 1988 EXPORTS TO JAPAN INCREASED BY 54% OVER THE SAME PERIOD A YEAR AGO. IN THE CASE OF THAILAND, EXPORTS HAVE DOUBLED.

THIS IS GOOD NEWS. BUT THERE IS ANOTHER SIDE TO OUR ASIA PACIFIC TRADE, - MARKET SHARE. HERE THE NEWS IS NOT SO COMFORTING, AS OUR SHARE OF THE TOTAL MARKET IS APPARENTLY NOT GROWING AT PRESENT. MARKET SHARE IS THE REAL INDICATOR OF WHERE WE STAND IN THE COMPETITION. ALTHOUGH IN THIS SEEMINGLY EVER-EXPANDING MARKET, IT IS HARD TO KNOW ONE'S TRUE POSITION. AT BEST, IT CAN BE SAID WE ARE HOLDING OUR OWN.

A FEW MOMENTS AGO I MENTIONED THAT ASIAN COUNTRIES WANT TO EXPAND COMMERCE AMONG THEMSELVES. THE IMPLICATIONS FOR US ARE CLEAR. WE MUST RUN FASTER AND FASTER JUST TO HOLD OUR GROUND. AND STILL FASTER AS THE COMPETITION GROWS.

WE ARE DOING JUST THAT. WE ARE INTENT ON FORGING RELATIONSHIPS AT ALL LEVELS AND GETTING OUR MESSAGE ACROSS.

WE HAVE DELIVERED OUR MESSAGE THROUGH THE NUMEROUS VISITS BY CANADIAN GOVERNMENT MINISTERS. OUR PRIME MINISTER VISITED JAPAN AND CHINA. THE DEPUTY PRIME MINISTER VISITED AUSTRALIA AND NEW ZEALAND. THE FOREIGN MINISTER, MR. CLARK, SINCE 1984, HAS VISITED INDIA THREE TIMES AND JAPAN TWICE. HE HAS ALSO VISITED PAKISTAN, INDONESIA, MALAYSIA, SINGAPORE, PHILIPPINES AND

THAILAND. THE MINISTER OF INTERNATIONAL TRADE HAS COVERED SIMILAR GROUND PROMOTING TRADE AND INVESTMENT.

ON THE RECIPROCAL SIDE, WE HAVE RECEIVED THE HEADS OF GOVERNMENT FROM JAPAN, CHINA, INDIA, SINGAPORE, MALAYSIA AND BRUNEI. OTHER GOVERNMENT MINISTERS AND HIGH LEVEL DELEGATIONS TOO NUMEROUS TO MENTION HAVE COME TO CANADA.

SINCE 1985 THERE HAVE BEEN OVER 60 VISITS TO THE REGION BY CANADIAN PROVINCIAL REPRESENTATIVES. WE HAVE ALSO BROADENED BILATERAL PARLIAMENTARY CONTACTS WITH JAPAN, CHINA, AUSTRALIA, NEW ZEALAND AND KOREA. WE NOW HAVE 22 FORMAL CONSULTATIVE MECHANISMS IN PLACE WITH JAPAN, AND FORMALIZED POLITICAL/ECONOMIC CONSULTATIONS WITH ANOTHER 11 NATIONS OF THE REGION.

IN THE AREA OF INSTITUTIONALIZATION, NEW GROUPS HAVE SPRUNG UP SUCH AS THE PACIFIC ECONOMIC COOPERATION COMMITTEE, THE PACIFIC BASIN ECONOMIC COMMITTEE AND THE CAIRNS GROUP. CANADA FAVOURS EVEN GREATER PACIFIC INSTITUTIONALIZATION - TO MANAGE DISPUTES AND TO COUNTER ANY POSSIBLE TREND TOWARD BILATERALISM IN PACIFIC TRADE RELATIONS.

JOINT BUSINESS CO-OPERATION COMMITTEES HAVE BEEN DEVELOPED WITH JAPAN, CHINA, INDIA, INDONESIA, KOREA AND ASEAN. THE LIST GOES ON. I AM SURE IT WILL CONTINUE TO GROW, AS WE, IN OUR WAY WORK TO "HARMONIZE RELATIONSHIPS".

DEVELOPING COUNTRIES IN ASIA AND THE PACIFIC ARE RECEIVING THE LARGEST PERCENTAGE OF CANADA'S BILATERAL AID: OVER 40% OF THE TOTAL. A LARGE SHARE OF THIS AID IS FOR HUMAN RESOURCE DEVELOPMENT. HOWEVER, CIDA IS NOW DEVELOPING A NEW MODERN SECTOR PROGRAM DESIGNED TO GENERATE OPPORTUNITIES FOR CANADIAN COMPANIES. BY MOVING INTO ENTERPRISE ORIENTED ACTIVITIES OUR AID PROGRAMS WILL FACILITATE BUSINESS LINKS. THIS NEW PROGRAM IS BEING LAUNCHED IN THAILAND, AND IF SUCCESSFUL, WILL BE EXPANDED TO OTHER COUNTRIES.

WE HAVE ALSO MADE MAJOR STRIDES IN FACILITATING THE MOVEMENT OF PEOPLE THROUGH THE EXPANSION OF COMMERCIAL AIR LINKS. AIR CANADA NOW FLIES TO BOMBAY AND SINGAPORE. CANADIAN AIRLINES* HAS ADDED FLIGHTS TO AUCKLAND, BANGKOK, AND BEIJING. THE NATIONAL CARRIERS OF PAKISTAN, THAILAND, SINGAPORE AND KOREA WILL ALL HAVE CANADIAN DESTINATIONS IN 1988

(* IN ADDITION TO SYDNEY, SHANGHAI, FIJI, TOKYO, HONG KONG)

AIR LINKS ARE A BOON TO TOURISM, AND THERE IS NOTHING LIKE TOURISM TO DEVELOP INTERNATIONAL UNDERSTANDING. IT IS INTERESTING TO NOTE THAT THE RATE OF INCOMING VISITORS FROM JAPAN AND SOUTHEAST ASIA HAS KEPT PACE WITH THE GROWTH IN OUR EXPORTS. IN 1987, TOURISM ENTRIES FROM JAPAN ALONE REACHED 500,000, A 50% INCREASE OVER EACH OF THE PRECEDING TWO YEARS. LIKEWISE, A SUBSTANTIAL INCREASE FROM SOUTHEAST ASIA HAS BEEN REGISTERED, UP TO 115,000 ENTRIES IN BOTH 1986, THE YEAR OF VANCOUVER'S EXPO, AND SUSTAINED IN 1987.

IN THE AREA OF INTERNATIONAL CULTURAL RELATIONS WE CONCLUDED A CULTURAL AGREEMENT WITH JAPAN IN 1986, AND ON NOVEMBER 4 WE ^{ed} SIGN A NEW MEMORANDUM OF UNDERSTANDING WITH CHINA. A CULTURAL ARRANGEMENT WITH INDIA IS IN THE NEGOTIATION STAGE. IN KEEPING WITH OUR OBJECTIVE TO RAISE THE CANADIAN PROFILE, EXTERNAL AFFAIRS HAS BEEN PROVIDED THIS YEAR WITH A BUDGET OF 3.5 MILLION DOLLARS FOR CULTURAL RELATIONS WITH ASIA AND THE PACIFIC. BY CONTRAST, IN 1984 THE AVAILABLE BUDGET WAS ONLY 800,000 DOLLARS. THIS YEAR WE ARE SPONSORING SUCH ARTISTS AS THE ANNA WYMAN DANCE THEATRE, MICHEL LEMIEUX, JOHN KIMURA PARKER AND ANGELA HEWITT. WE ALSO UNDERWROTE THE RECENT SUCCESSES OF THE ROYAL WINNIPEG BALLET'S ASIAN TOUR. DISCUSSIONS ARE UNDERWAY

WITH MAJOR CANADIAN CULTURAL GROUPS TO PUT IN PLACE A FIVE YEAR PROGRAM WHICH WILL SEE THE BEST IN CANADIAN CULTURE* ON TOUR IN ASIA.

THESE INITIATIVES ARE COMPLEMENTED BY THE PLANS OF RADIO CANADA INTERNATIONAL TO ESTABLISH A TRANSMITTER IN ASIA, POWERFUL ENOUGH TO REACH SHORT-WAVE AUDIENCES THROUGHOUT THE ENTIRE REGION. THIS IS A COSTLY UNDERTAKING WHICH MAY TAKE SOME TIME TO REALIZE. IN THE INTERIM, RCI HAS, THIS YEAR, BEGUN BROADCASTING TO CHINA AND SOUTHEAST ASIA FROM FACILITIES IN JAPAN.

THE FRAMEWORK FOR MUCH OF THIS ACTIVITY HAS BEEN SYSTEMATICALLY DEVELOPED. THE GOVERNMENT HAS ADOPTED BROAD STRATEGIES AND PLANS OF ACTION WHICH ARE COUNTRY SPECIFIC. TO DATE, THERE ARE STRATEGIES FOR OUR RELATIONS WITH JAPAN, CHINA AND INDIA. THERE ARE ACTION PLANS FOR TRADE AND INVESTMENT WITH KOREA, HONG KONG AND ASEAN. MORE ARE IN THE WORKS. WE HAVE JUST RECENTLY SIGNED AN ECONOMIC COOPERATION AGREEMENT WITH THAILAND WHICH ENJOYS THE FULL PARTICIPATION OF THE RESPECTIVE PRIVATE SECTORS. HOPEFULLY IT WILL BECOME A MODEL FOR FUTURE AGREEMENTS WITH OTHER PACIFIC PARTNERS.

(* E.G. MSO, RWB, TSO, NATIONAL BALLET)

AS PART OF OUR NATIONAL TRADE STRATEGY WE HAE EXPANDED OUR OPERATIONS ON THE GROUND WITH NEW OFFICES IN USAKA, SHANGHAI, BOMBAY AND AUCKLAND AND ARE IN THE PROCESS OF OPENING A CANADA-ASEAN CENTRE IN SINGAPORE.

WE ARE PARTICIPATING IN MORE INTERNATIONAL FAIRS AND INCREASING THE NUMBER OF OUTGOING TRADE MISSIONS.

BECAUSE OF THE PRIORITY WHICH THE GOVERNMENT ATTACHES TO THE REGION, THE STAFF IN MY BRANCH OF EXTERNAL AFFAIRS HAS BEEN AUGMENTED. THIS, IN SPITE OF THE PROGRESSIVE DOWNSIZING THROUGHOUT THE FEDERAL PUBLIC SERVICE SINCE 1985. I AM FORTUNATE TO BE WORKING WITH A HIGHLY MOTIVATED, EXPERIENCED AND PROFESSIONAL TEAM. IN OTTAWA WE PROVIDE ADVICE TO GOVERNMENT AND COMMUNICATE WITH A WIDE RANGE OF CANADIANS. ABROAD WE CONVEY CANADIAN POLICY TO OTHER GOVERNMENTS AND PROMOTE CANADIAN INTERESTS THROUGH A VARIETY OF CONSTITUENCIES.

ALL OF US HERE ARE ACUTELY AWARE OF THE COMPETITION FOR INFLUENCE AND FOR SALES. CANADA HAS BUILT A FINE REPUTATION IN THE COUNCILS AND MARKET PLACES OF THE WORLD. WE ARE KNOWN AS AN HONEST PARTNER IN POLITICAL DEBATE, A GENEROUS PARTNER IN HUMANITARIAN CAUSES, AND A RELIABLE PARTNER IN COMMERCIAL

DEALINGS. UNDOUBTEDLY, THIS HAS KEPT MANY DOORS OPEN FOR US. HOWEVER, BEING A GOOD GIRL GUIDE IS HARDLY ENOUGH.

GOVERNMENT CAN ONLY DO SO MUCH. GOOD RELATIONS BETWEEN GOVERNMENTS ARE MEANT TO MINIMIZE OR ELIMINATE OBSTACLES AND EASE INTERACTIONS AT OTHER LEVELS. WE ARE COMMUNICATING WITH OUR PACIFIC PARTNERS AT EVERY CONCEIVABLE LEVEL. WE ARE PROVIDING A HELPING HAND TO CANADIANS IN BUILDING BRIDGES OVER THE PACIFIC. WE INFORM, ADVISE AND ENCOURAGE. YET THE ULTIMATE MEASURE OF CANADA'S SUCCESS IS A FUNCTION OF COMMITMENT AND ACTION IN THE PRIVATE SECTOR.

I HAVE PROVIDED OUR VIEW OF THE REGION AROUND THE CORNER IN TIME. I HAVE PROVIDED A FEW STATISTICS, AND INDICATORS OF WHAT WE ARE DOING. HOWEVER, BUREAUCRATS DO NOT SIGN MANY DEALS, CREATE MANY JOBS, NOR PARTICIPATE OTHER THAN INDIRECTLY IN THE FLOW OF GOODS AND SERVICES. TO WIN THE DAY DEPENDS ON ENTERPRISE.

ASIA AND THE PACIFIC IS NOT THE GREAT ENIGMA OF A FEW DECADES AGO. IN FACT, WE HAVE ENTERED INTO A FORM OF MARRIAGE, AIMED AT A COMMON DESIRE FOR PEACE AND PROSPERITY. WHAT MAY HAVE BEGUN AS A MARRIAGE OF CONVENIENCE, IS NOW ONE OF NECESSITY. IT REQUIRES COMMITMENT, CONSTANT COMMUNICATION AND HARD WORK.

LADIES AND GENTLEMEN, AS EQUAL PARTNERS IN THIS ARRANGEMENT, I INVITE YOUR OBSERVATIONS, IDEAS AND ADVICE.

WE IN OTTAWA AND OUR INVESTMENT OFFICERS FROM POSTS ABROAD LOOK FORWARD TO OUR CONTINUING COOPERATION IN PURSUIT OF OUR COMMON OBJECTIVES, BOTH IN THE PACIFIC RIM AND ELSEWHERE IN THE WORLD.

COMMUNITY DIVERSIFICATION CORPORATION

MANDATE, CRITERIA AND GOALS

Richard Button, Chairperson of the Port aux Basques Community Diversification Corporation recently released a statement outlining, in this views, the mandate, operational criteria and the long term goals of the corporation.

Mr. Button stated that the Community Diversification Corporation was formed as the vehicle for the delivery of funds granted by the Federal/Provincial Community Diversification Committee for the purpose of diversifying and stabilizing the economic base of Channel - Port aux Basques. The Community Diversification Corporation was set up to receive grants but not to award grants. The funds disbursed by the Community Diversification Corporation would be either in the form of (A) Shareholder Investment Capital or (B) Short Term Low Interest Loans. Applications would be considered from companies or organizations who wished to establish an employment base in Port aux Basques, however had exhausted all funding avenues and had fallen short of achieving the full funding necessary for the establishment of a successful business enterprise. In a sentence, the corporation can be the vehicle used to bridge the gap which periodically exists between a positive and negative response to the establishment of a business or industry in our town.

The criteria which was adopted as a terms of reference for the successful operation of the corporation is as follows:

(I) Maximum leverage shall be applied to access all other sources of Government and/or private funding before consideration is given to applications applying for Community Diversification Funds;

(II) The Community Diversification Fund shall not duplicate existing Governmental Programs;

(III) The level of assistance to be considered would only be that which is required to kick start a project;

(IV) The percentage of overall funding from the Community Diversification Corporation in relationship to the full requirement of any approved enterprise shall be that which exists between the percentage of approvals from other Government Agencies and private sectors and private equity investment -- the minimum requirement being 20% of any project;

(V) All assistance approved from the Community Diversification Fund is subject to Federal Cabinet restrictions;

(VI) The final authority for approvals from the Community Diversification Fund shall be the Federal/Provincial Community Diversification Committee of Government;

The objectives of the Community Diversification Corporation is: (A) To provide employment through the diversification of the economic base of the community thus strengthening the municipal base; and, (B) To replace the economic base previously provided by C.N. Rail and C.N. Marine, with permanent diversified industry.

The guidelines used by the Community Diversification Corporation to achieve our goals are:

(I) We will favour opportunities employing the type of workforce available in our community;

(II) We will favour companies who display a developmental long term approach to their labour force;

(III) We will strive to attract industries with high growth potential with linkages to other activities that may attract/trigger related industrial/commercial activities;

(IV) We will avoid projects which appear to require on-going care and funding costs not borne by private sector;

(V) We will make every effort to provide training programs to workers who were negatively effected by the demise of the Newfoundland Railway and to assure every possible employment opportunity to these workers with industries attracted to the area through assistance provided by the Community Diversification Corporation;

(VI) We will strive to assure that the maximum amount of benefit is derived for our community with a minimum portion of funding from the Community Diversification Fund;

The Community Diversification Corporation is structured in such a manner to assure longevity and versatility in a perpetual state to assist and monitor the economic base of our community and to never again formulate a dependency on one industry. The corporation is long term stability not short term advantages which can dwindle overnight.

The Community Diversification Corporation has undertaken to carry out the project described herein in a manner acceptable to CANADA and in accordance with its obligations outlined in its agreement with the Government of Canada. The project is continuously subject to review and inspection by representatives of the Government of Canada and in whatever manner as they deem appropriate.

The project shall be audited by representatives of the Government of Canada at what ever times they deem it necessary and such audit shall be subject to public scrutiny. The members of the corporation commit to full disclosure to Canada at all times of all business transactions which the corporation may be party to.

In summary, the corporation is established to work toward full economic stabilization of our community through the diversification and upgrading of our economic base. The corporation is a specific result of the demise of the Newfoundland Railway and local workers affected by the demise of that industry shall be assisted in their search for other employment through training programs, entrepreneurial assistance, etc. The fund will simply be used as a lever to loosen funds from other Government Agencies thus multiplying the effect of the Community Diversification Fund by as much as a ratio of five to one in available monetary assistance.

And above all, the members as a whole are committed to the social economic welfare of every citizen of our community.

APPOINTMENTS WITH INVESTMENT COUNSELLOR, LONDON

- 2:45 - 3:15 All Counsellors to meet with Ken Butt,
President, Instrumar Ltd.
- 3:15 - 3:45 All Counsellors to meet with Pau Woo,
St. John's Board of Trade
- 3:45 - 4:05 Anne Mills
Remco Limited
- 4:05 - 4:20 ~~Ida Scott & Mike Binson~~
~~Town of Grand Falls~~
- 4:20 - 4:35 Edward Sheaves & Richard Button
Mayor & Deputy Mayor, Town of Port-aux-Basques
- 4:35 - 4:50 Clayton Burry, Metal Fab Ltd.

Note: Company profiles attached for Instrumar, Remco.
Information on Metal Fab already sent to Ottawa as
it was the subject of our investment success story.

APPOINTMENTS WITH INVESTMENT OFFICER, ATLANTA

- 2:45 - 3:15 All Counsellors to meet with Ken Butt
President, Instrumar Ltd.
- 3:15 - 3:45 All Counsellors to meet with Pau Woo,
St. John's Board of Trade
- 3:45 - 4:15 Edward Sheaves & Richard Button
Mayor & Deputy Mayor of Port-aux-Basques
- 4:15 - 4:30 Bob Dawe, NORDCO Ltd.

Note: Company profiles attached for Instrumar Ltd. and NORDCO Ltd.

APPOINTMENTS WITH INVESTMENT COUNSELLOR, KUWAIT

- 2:45 - 3:15 All Counsellors to meet with Ken Butt,
President of Instrumar Ltd.
- 3:15 - 3:45 All Counsellors to meet with Pau Woo,
St. John's Board of Trade
- 3:45 - 4:15 Barbara Wakeham, Assistant Deputy Minister
Trade, Investment & Promotion
Department of Development & Tourism
Government of Newfoundland & Labrador
- 4:15 - 4:35 Clayton Burry, Metal Fab Ltd.
- 4:35 - 4:50 Edward Sheaves & Richard Button
Mayor & Deputy Mayor of Port-aux-Basques
Also Members of the Community Diversification
Corporation.

Note: Company profiles attached for Instrumar and the Community
Diversification Corporation. Information on Metal Fab
already sent to Ottawa as it was our investment success
story.

APPOINTMENTS WITH INVESTMENT OFFICER, NEW YORK

- 2:45 - 3:15 All Counsellors to meet with Ken Butt,
President, Instrumar Ltd.
- 3:15 - 3:45 All Counsellors to meet Pau Woo,
St. John's Board of Trade
- 3:45 - 4:00 Clayton Burry, Metal Fab Ltd.
- 4:15 - 4:35 Roland Mauger
Community Diversification Corporation
Town of Port-aux-Basques

Note: Company profiles attached for Instrumar and Community
Diversification Corporation. Information on Metal Fab
already sent to Ottawa as it was the subject of our
investment success story.

APPOINTMENTS WITH INVESTMENT COUNSELLOR, THE HAGUE

- 2:45 - 3:15 All Counsellors to meet with Ken Butt,
President, Instrumar Ltd.
- 3:15 - 3:45 All Counsellors to meet with Pau Woo,
St. John's Board of Trade
- 3:45 - 4:15 Roland Mauger
Community Diversification Corporation
Town of Port-aux-Basques
- 4:20 - 4:35 Ida Scott & Mike Pinsent
Town of Grand Falls

Note: Company profiles attached for Instrumar and the
Community Diversification Corporation.

APPOINTMENTS WITH INVESTMENT COUNSELLOR, PARIS

2:45 - 3:15 All Counsellors to meet with Ken Butt,
President, Instrumar Ltd.

3:15 - 3:45 All Counsellors to meet Pau Woo,
St. John's Board of Trade

(free time)

4:00 - 4:15 Bob Dawe
Vice President Marketing
NORDCO Ltd.

4:35 - 4:50 Roland Mauger, Community Diversification Corporation,
Town of Port-aux-Basques

Note: Company profiles attached on Instrumar, NORDCO and
the Community Diversification Corporation.

COMPANY PROFILE

INSTRUMAR LIMITED

INSTRUMAR Limited is a small business based in St. John's, Newfoundland, which specializes in the design of new sensors and associated measurement systems for commercial markets worldwide.

The company is mostly owned and controlled by its employees, who currently number 22 technical specialists and support staff. Minority interests are held by Atlantis Technologies Ltd., a local business group, and Westinghouse Canada Inc.

Although INSTRUMAR'S original market thrust was directed at the cold climate, marine environment, it has since been able to expand that capability to address sensor design for a broader, technology-based industrial market. Current projects include a subsea multi phase flow sensor for the oil industry, an ice monitoring system for the aerospace industry, and spectrophotometric technology for quality management in the food industry.

In order to overcome the geographical isolation from its technology market base, INSTRUMAR has had to develop novel techniques in design concept engineering. Using highly sophisticated computers, INSTRUMAR designers can interface directly with a client's computer to provide simulated solutions to electronic design problems.

Although the company maintains a small production facility in St. John's, its main strength is in its design capability. Final products are brought to commercialization in conjunction with a strategic partner to provide the credibility and market presence essential to commercial acceptance. The COLORMET™ spectrophotometer was developed in joint venture with Westinghouse Canada as the strategic partner and subsequently marketed through MATRON Instruments Inc., a corporation formed from the original joint venture.

INSTRUMAR originated in 1979 as a vehicle within C-CORE at Memorial University of Newfoundland to enable the commercialization of C-CORE technology. It was incorporated in 1980 and became a fully private company the following year. Over the following years, three other companies were spun off: Canpolar Inc, INSTRUMAR Engineering Limited, and METRON Instruments Inc. A fourth is in the process of being formed to market the multi phase flow sensor.

INSTRUMAR'S senior staff include Alastair Allan - Chairman, Ken Butt - President and senior technical designers Stuart Inkpen, John Hall, and David White.

AS testimony to its achievement, INSTRUMAR has received two awards from the Canadian Awards for Business Excellence. In 1987 the company received a Certificate of Merit in the Invention category and in 1988 a Silver Award in the Industrial Design category. Most recently, INSTRUMAR was announced as a winner of the 1988 Atlantic Innovators of the Year Awards.

COMPANY PROFILE

Remco Limited
P. O. Box 8171
St. John's, Newfoundland
Canada
A1B 3M9

Telephone: 738-1180 or 737-4791

Contact: Ms. Anne Mills
Vice-President

Founded in 1975 Remco Limited offers consulting, project management and engineering services in a number of areas.

Prime interest in meeting with the Investment Officers on April 21 is as an agent for two specific clients who are seeking investment and/or joint venture funding.

One project is in the fisheries equipment field and involves a patented process for the mechanized handling of containers for fishing vessels.

The other project involves a search for a joint venture partner for a major diving business.

Details on these projects will be made available to the Investment Officers during the interviews.

BREAKFAST MEETING

CABOT CLUB DINING ROOM - HOTEL NEWFOUNDLAND

8:00 - 9:30 - APRIL 21, 1989

PARTICIPANTS

Investment Counsellors

DEA Ottawa Representative(s)

INDUSTRY, SCIENCE AND TECHNOLOGY CANADA

Frank Nolan, A/Executive Director

Jim Harman, Senior Trade Commissioner/Director,
International Trade Centre

Ken Powell, A/Director, Industry, Technology & Investment

Patricia Hearn, Investment & Technology Officer

Kay Sorensen, Investment & Technology Officer

DEPARTMENT OF DEVELOPMENT AND TOURISM
GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

Barbara Wakeham, ADM, Trade, Investment and Promotion,

Harry Bishop, Manager, Industrial Investment

Dave Hallett, Director, Trade and Investment

Brian Murray, Senior Development Officer

Mr. Roland Mauger
Chief Executive Officer
Community Diversification Corporation
P.O. Box 2177
Port Aux Basques, Newfoundland
A0M 1C0

Mayor George Saunders
Town of Bishop's Falls
P.O. Box 310
Bishop's Falls, Newfoundland
A0H 1C0

Mr. Martin Clooney
District General Manager
Federal Business Development Bank
3rd Floor, Atlantic Place
Water Street
P.O. Box 520, Station "C"
St. John's, Newfoundland
A1C 5K4

Mr. Ira Bridger
President
Newfoundland & Labrador
Development Corporation (NLDC)
Viking Building
136 Crosbie Road
St. John's, Newfoundland
A1B 3K3

BUSINESS PEOPLE

Mr. Clayton Burry
Vice-President, Marketing
Metal Fab Limited
P.O. Box 9567
St. John's, Newfoundland
A1A 2Y4

Mr. Jerry Byrne
President
SEA Limited
P.O. Box 13606, Station "A"
St. John's, Newfoundland
A1B 4G1

Mr. Ken Butt
President
Instrumar Limited
P.O. Box 13246, Station "A"
St. John's, Newfoundland
A1B 4A5

Mr. Dan Aleven
Terra Nova Shoe Co.
P.O. Box 250
Water Street
Harbour Grace, Newfoundland
AOA 2M0

Ms. Anne Mills
Executive Director
Seafood Management Education Assn.
P.O. Box 13774, Station "A"
St. John's, Newfoundland
ALB 4G3

INVITEES WHO ATTENDED PLENARY SESSION WITH INVESTMENT COUNSELLORS

APRIL 21, 1989

Mr. Owen Meadus
Atlantic Canada Opportunities Agency
P.O. Box 1060, Station "C"
Suite 801, Atlantic Place
215 Water Street
St. John's, Newfoundland
A1C 5M5

Ms. Barbara Wakeham
Assistant Deputy Minister
Trade, Investment & Promotion
Department of Development & Tourism
4th Floor, West Block
Confederation Building
St. John's, Newfoundland
A1C 5T7

Mr. Harry Bishop
Department of Development and Tourism
4th Floor, West Block
Confederation Building
St. John's, Newfoundland
A1C 5T7

Mr. Pau Woo
St. John's Board of Trade
P.O. Box 5127
St. John's, Newfoundland
A1C 5V5

Mr. Clayton Simms
St. John's Board of Trade
P.O. Box 5127
St. John's, Newfoundland
A1C 5V5

Ms. Eileen Saunders
St. John's, Board of Trade
P.O. Box 5127
St. John's, Newfoundland
A1C 5V5

Mrs. Ida Scott
Commerce & Development Manager
Town of Grand Falls
5 High Street
P.O. Box 439
Grand Falls, Newfoundland
A2A 2J8

Mr. Mike Pinsent
Town of Grand Falls
5 High Street
P.O. Box 439
Grand Falls, Newfoundland
A2A 2J8

Mr. Roland Mauger
Chief Executive Officer
Community Diversification Corporation
P.O. Box 2177
Port Aux Basques, Newfoundland
A0M 1C0

Mr. Edward Sheaves
Mayor
Town of Port Aux Basques
P.O. Box 70
Port Aux Basques, Newfoundland
A0M 1C0

Mr. Richard Button
Deputy Mayor
Town of Port Aux Basques
P.O. Box 70
Port Aux Basques, Newfoundland
A0M 1C0

Mr. Don Crane
District Manager
Management Services
Federal Business Development Bank
3rd Floor, Atlantic Place
Water Street
P.O. Box 520, Station "C"
St. John's, Newfoundland
A1C 5K4

Mr. Gary Whelan
Canadian Offshore Investments Limited
P.O. Box 274
St. John's, Newfoundland
A1C 5J2

Ms. Anne Mills
Director
Seafood Management Education Assn.
P.O. Box 13774, Station "A"
St. John's, Newfoundland
A1B 4G3

Mr. George Lee
President
Coastal Associates & Consultants Limited
P.O. Box 13531, Station "A"
St. John's, Newfoundland
A1B 4B8

Ms. Cathy Duke
Coastal Associates & Consultants Limited
P.O. Box 13531, Station "A"
St. John's, Newfoundland
A1B 4B8

Mr. Aidan Maloney
Honorary Consul General of Japan
2 Laughlin Crescent
St. John's, Newfoundland
A1A 2G2

Mr. Colleen McLean
Eastcan International Limited

Mr. Jack Carlson
Island Engineering Limited
P.O. Box 975
Corner Brook, Newfoundland
A2H 6J3

Mr. Paul Martin
Town Manager
Town of Paradise
P.O. Box 100
Paradise, Conception Bay
Newfoundland
A0A 2E0

BUSINESS PEOPLE

Mr. Clayton Burry
Vice-President, Marketing
Metal Fab Limited
P.O. Box 9567
St. John's, Newfoundland
A1A 2Y4

Mr. Mike Palmer
SEA Limited
P.O. Box 13606, Station "A"
St. John's, Newfoundland
A1B 4G1

Mr. Ken Butt
President
Instrumar Limited
P.O. Box 13246, Station "A"
St. John's, Newfoundland
A1B 4A5

Mr. Don Nickerson
President
NewTech Instruments Ltd.
P.O. Box 13635, Station "A"
St. John's, Newfoundland
A1B 4G1

Mr. Bob Dawe
NORDCO Limited
P.O. Box 8833
St. John's, Newfoundland
A1B 3T2

Mr. Victor Bonnah
President
Atlantic Communications Enterprises Ltd.
P.O. Box 341, Station "C"
St. John's, Newfoundland
A1C 5T9

Mr. Gerry Beresford
Fishery Products International Limited
P.O. Box 550
St. John's, Newfoundland
A1C 5L1

Mr. David Norris
Fishery Products International Limited
P.O. Box 550
St. John's, Newfoundland
A1C 5L1

April 24/25, 1989
Montreal, Quebec
Salon Victoria, Hotel Le Grand

- 8:00 a.m. - Briefing
- 8:30 a.m. - Presentations:
 - Hydro-Quebec/Research Institute
 - Société Générale de Financement (SGF)
 - Société Québécoise d'Initiatives
 - Petrolières (SOQUIP)
- "New Investments"
 - Electrotechnologies
 - Resources
 - Manufacturing
- 10:00 a.m. - Questions - Refreshments
- 10:30 a.m. - Depart for Montreal Stock Exchange
- 10:45 a.m. - Reception in Lobby of MSE
- 11:15 a.m. - Presentations - Auditorium MSE
 - Caisse de Dépôt et Placement du Québec
 - Ogilvy Renault Avcts
Mr. H. Donal Bunker, Broker
- "Mergers and Acquisitions"
 - Meetings
Investment specialists and professionals
 - Letters of invitation?
- 12:30 p.m. - Buffet - lunch
Club at the MSE
- 2:00 p.m. - Return to Salon Victoria - Hotel Le Grand
 - Briefing
"Review of investment opportunities in industry sectors"
- 3:00 p.m. - Questions - Refreshments
- 3:30 p.m. - Briefing
 - "Review of investment opportunities in priority sectors"
 - Aeronautics, aerospace
 - Defence
- 5:00 p.m. - Break

- 6:30 p.m. - Dinner
Host: Government of Quebec
Speaker - Minister Pierre Mac Donald
- 9:00 p.m. - Adjourn

- April 25**
- 7:45 a.m. - Depart Hotel by bus
- 8:30 a.m. - Coffee/croissants
Food Products
Research Centre in Saint-Hyacinthe
- 9:15 - Briefing
"Review of biotechnology in Quebec"
- 11:00 a.m. - Tour of Centre
- 11:30 a.m. - Depart with box lunch
- 12:15 p.m. - Return to Hotel Le Grand
- 2:00 p.m. - CATA - Hotel Meridien
- One-on-one meetings with Cata participants
- 5:00 p.m. - Reception at the Meridien
Hosted by ISTC Mr. Clause Huot and private sector

Arrival:	April 22 or 23/89	Consult individual itineraries
Depart:	April 25/89	20:00
Accommodation:	Hotel Le Grand	

JOURNÉE CANADIENNE
DES
CONSEILLERS EN INVESTISSEMENTS

PROGRAMME A MONTREAL

LUNDI, LE 24 AVRIL 1989

8h00 Accueil au Salon "Cartier B" de l'Hôtel LE GRAND

Mots de bienvenue

- Bruno Goulet - Directeur général
Premier délégué commercial
Centre de Commerce international
Industrie, Sciences et
Technologie Canada
Montréal
- Paul Lussier - Directeur général
Promotion des investissements
Industrie, Commerce et
Technologie Québec
Montréal

Commentaires sur le déroulement du programme

- François Archambault, Directeur intérimaire
Prospection internationale
Industrie, Sciences et Technologie Canada

8h30 "Les Plans et Politiques d'investissements
majeurs dans le secteur énergie au Québec"

Conférenciers

- Claude Desjarlais, Directeur
Politiques et études économiques
Energie et Ressources Québec
- Bernard Hamel, Directeur, Projets de développement
Société générale de Financement du Québec
- Nicolas Gravino, Vice-président Développement
Société Québécoise d'Initiatives Pétrolières (SQIIP)
- André Larochelle, Conseiller en planification
Hydro-Québec

Modérateur: Daniel Mallette
Directeur - Recherche et soutien
Promotion des investissements
Industrie, Commerce et Technologie Québec

10h00 Période de questions

10h15 Pause

10h30 Départ pour la Bourse de Montréal
4e étage - Place Victoria

10h45 Accueil et visite du Parquet de la Bourse

- Lise Lachapelle, Première Vice-présidente
Développement corporatif

11h15 Colloque à l'Auditorium de la Bourse

"Les fusions, acquisitions et alliances
stratégiques au Québec"

Moderateur: Lise Lachapelle

Conférenciers

- Daniel Labrecque, Vice président
Fusions et acquisitions
Lévesque, Beaubien Inc., Courtiers en Valeurs
- Me H. Donald Bunker
Ogilvy Renault, Avocats
- Daniel Paillé, Vice-président - Participations
Caisse de Dépôt et Placement du Québec

12h30 Rencontre de personnalités-clés du monde
des investissements au Québec

Véjéner-bufferet

Hôtes: La Bourse de Montréal et
Industrie, Sciences et Technologie Canada

14h00 Séances sectorielles, Salon Victoria
Hôtel Le Grand

Revue des opportunités d'investissements
dans les autres secteurs prioritaires

Conférencier:

Paul Lussier, Directeur général
Promotion des investissements
Industrie, Commerce et Technologie Québec

15h00 Questions

15h15 Pause

15h30 Revue des opportunités d'investissements
dans les secteurs prioritaires:
Aéronautique, aérospatial et défense

Modérateur: François Archambault

- Occasions d'affaires dans le secteur aérospatial au Québec

Robert Noël: Directeur du secteur des industries de transport
Industrie, Sciences, Technologie Canada

- Vidéo
- Témoignages de coopération fédérale/provinciale

Charles Vieudé
Chef de service - Matériel aérospatial et de défense
Industrie, Commerce et Technologie Québec

16h30 Questions

17h00 Vétente

19h00 Dîner ministériel - Salon Ovale
Hôtel Ritz Carlton

Hôte: Pierre MacDonald
Ministre
Industrie, Commerce et Technologie Québec

21h30 Ajournement

MARDI, LE 25 AVRIL 1989

7h45 Départ pour Saint-Hyacinthe

Autobus Murray Hill - Hôtel Le Grand

8h30 Petit-déjeuner - café-croissants
Centre de recherches alimentaires
de Saint-Hyacinthe

Hôte: Guy Desrosiers, Vice-président exécutif
Corporation de Développement économique
et industriel de la région
de Saint-Hyacinthe Inc.

9h15 Séance sectorielle

Revue des opportunités d'investissements
dans le secteur prioritaire de la biotechnologie

Moderateur: Daniel Mallette

• Perspectives sectorielles:

Marie-Odile Martin
Conseillère en biotechnologie
Industrie, Commerce et Technologie Québec

• L'avancement et l'application industrielle
des produits et procédés biotechnologiques

Dr Bernard Coupal, Directeur
Institut de recherche en biotechnologie
Conseil national de recherches Canada
Montréal

• Témoignages d'investisseurs au Québec

IAF BIOCHEM INTERNATIONAL

MEDICORP INC.

9h15 (suite)

. La biotechnologie dans le secteur alimentaire

Dr François Cormier
Centre de recherches alimentaires
Agriculture Canada
Saint-Hyacinthe

11h00 Visite du Centre de Recherches

11h30 Déjeuner - buffet

12h15 Départ pour Montréal

13h00 Arrivée Hôtel Le Grand

Fin du programme

Summary
Record

Montreal, Quebec
April 24/25, 1989

Participating Officers: Audrey Turner (Atlanta), David Lenihan (New York), Andrew de Schulthees (London), Loepy ten Hoopen (The Hague), Pierre Belanger (Paris), Bob Mason (Kuwait), George Phillips (Chicago), Preston Shea (Los Angeles), Brian Casey (Santa Clara), Bill Johnston (London), Marta Moszczenska (Milan), Otch Von Finkenstein (Bonn), Pierre Boyer (Seoul), Bob Sutherland (Riyadh), Daniel Lawrence (Hong Kong), Brian Wilkin (Tokyo).

- Francois Archambault, Acting Director, International Business Development, ISTC, together with Paul Lussier, Directeur general, Ministere de l'Industrie, du Commerce et de la Technologie, welcomed the officers and outlined the program in Montreal.

- A panel of Daniel Mallette (Moderator), Director of Research and Administration with the Province of Quebec, Claude Desjarlais, Department of Energy, Andre Laroche, Hydro Quebec, Bernard Hamel, Societe Generale de Financement (SGF), and Nicolas Gravino, Vice President of Development, SOQUIP, discussed Quebec's priorities and opportunities in the energy sector.

- The Quebec Department of Energy is now facing a situation of over supply and low cost; they foresee a slow, gradual increase in the price of oil over the next 20 years. To capitalize on the fact that Quebec is the 4th largest producer of electricity in the world, they have developed a new energy policy which is directed toward investment development.

- SOQUIP is the Quebec crown corporation responsible for the production of natural gas. It also undertakes the exploration and production of oil and gas, hydrocarbon feedstocks, and natural gas distribution.

- Bernard Hamel of SGF indicated that SGF has \$1.3 billion in assets and earns a profit of \$150 million annually. They have investments in pulp and paper, shipyards, energy related products, aluminum smelter production (partner in Allouette Smelter), and petrochemicals (j.v. with Union Carbide in Petromont). Regionally, they are interested in increasing their capacity, including feedstock capacity to create alcohol, specialty chemicals and compounding activities (e.g. resins). They are also interested in the automotive (j.v. with Magna International for producing interior doors, dashboards, etc.) and aerospace industries. Aerospace is new for SGF, and their interests lie in civil and non-civil markets; they do not see themselves in the space industry.

SGF is also considering investments in electronics, environment-related industries, opto electronics, etc.. They are prepared to invest \$250 million over the next 5 years. In summary, SGF is accustomed to working with partners and they have available capital.

- Andre Larochelle of Hydro Quebec outlined Hydro Quebec's pricing practices for electricity. In some circumstances, Hydro Quebec can arrange for new businesses to pay for electricity in accordance with their ability to pay - to reduce the burden initially.

- The panel entertained the officers' questions. Marta Moszczenska (Milan) requested that Daniel Mallette and Claude Blais coordinate the assembly of project profiles.

- The balance of the morning and the luncheon were hosted by Lise Lachapelle, First Vice-President Corporate Development, Montreal Stock Exchange. Our visit at the MSE included a viewing of the trading floor and a briefing on the history of the Exchange. The viewing was followed by a panel discussion moderated by Lise Lachapelle on "Mergers, Acquisitions and Strategic Alliances". Panelists included Daniel Labrecque, Vice President, Mergers and Acquisitions, Levesque, Beaubien Inc., Donald Bunker, Ogilvy Renault, and Daniel Paille, Vice President, Caisse de Depot et Placement du Quebec. Each of the panelists made a brief presentation and then entertained questions from the officers. An informal luncheon followed the panel discussions.

- Paul Lussier, Director General, Investment Promotion, Industry, Commerce and Technology with the Province of Quebec provided a briefing on his department's responsibilities and activities planned for 1989/90. He also reviewed Quebec's investment opportunities in priority sectors, including two videos (provincial video and a video on the aerospace industry). Quebec's priority sectors include manufacturing, automotive, microelectronics, plastics, and aerospace.

- Robbie Noel is the Director of Equipment, Instruments and Aerospace with the Montreal ISTC office.

- The aerospace industry in Quebec employs 26,000 people and has revenues of \$3 billion annually. It has been very dynamic, with demand consistently exceeding production capability. Quebec is home to a number of large aerospace companies, including Bell Helicopter, Canadair, Oerlikon, Pratt & Whitney and CAE. The Province's aerospace interests/requirements include:

- design capabilities at the 2nd and 3rd tier levels;
- advanced materials;
- optics;
- artificial intelligence;
- plastic composites;
- hydroforming of sheet metal;
- complex extrusion;

- fine sheet metal work (high tolerances); and,
 - electrical connectors for advanced technologies.
- Quebec's aerospace interests have lead to a strong interest in defence due to the natural commonality, and the very high standards, detailed specifications, and costly research and development required in both industries.
- Paul Lussier indicated that there is a Directory of Quebec Aerospace Companies available in addition to the aerospace video shown earlier. European posts stressed the importance of having video tapes in PAL configuration. Marta Moszczenska (Milan) asked that as information on aerospace and aeronautics opportunities became available that they be sent to the posts.
- The Officers were guests of honour at a dinner hosted by the Department of Industry, Commerce and Technology. The Honourable Pierre MacDonald, Minister of Industry, Commerce and Technology, was the guest speaker. Other guests, bringing attendance to approximately 150, included CEOs and other executives of Quebec's leading companies. The dinner was preceded by a reception and a brief private meeting between the officers and the Minister.

April 25

- The Officers spent the morning at the Food Products Research Centre in Saint-Hyacinthe, Quebec. Breakfast and lunch were hosted by Mr. Guy Desrosiers, Executive Vice President with the Economic Development Corporation for Saint-Hyacinthe. During breakfast Mr. Desrosiers provided some background information on the Greater Municipality of Saint-Hyacinthe.
- Afterwards the officers received a briefing on "Biotechnology in Quebec". The moderator was Daniel Mallette, and speakers included: Dr. Bernard Coupal of the National Institute of Biotechnology; Marie-Odile Martin, Biotechnology Specialist with the Department of Industry, Commerce and Technology; Dr. Francois Cormier with Agriculture Canada at Saint-Hyacinthe; the president of Medicorp Inc.; and the Treasurer of IAF Biochem International.
- The Officers were then provided with a tour of the Food Products Research Centre.
- The afternoon was dedicated to one-on-one meetings between the Officers and Quebec economic developers and CATA participants. Appointments were scheduled at 15 minute intervals. Unfortunately, the response from CATA participants was less than anticipated.
- The Montreal program concluded with a reception hosted by Claude Huot, Assistant Deputy Minister, Development Projects and Investments with Industry Science and Technology Canada. Guests included the investment officers from the ISTC regional offices as well as the Investment and Technology Development Group from ISTC Ottawa.

INDUSTRIAL INVESTMENT IN QUEBEC:

ORIENTATIONS FOR THE 1990S

NOTES FOR THE SPEECH

GIVEN BY

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MINISTERE DE L'INDUSTRIE, DU COMMERCE ET DE LA TECHNOLOGIE

AT THE

CANADIAN-AMERICAN BUSINESS ASSOCIATION

ORLANDO, FLORIDA

MAY 11, 1989 .

1. THE INVESTMENT PROMOTION AGENCY

QUEBEC'S INDUSTRIAL DEVELOPMENT STRATEGY IS CENTERED ON COMPETITIVENESS AND AIMED AT NEW TECHNOLOGIES, INNOVATION AND IMPROVEMENT OF ITS MANUFACTURING STRUCTURE.

IDENTIFYING AND WELCOMING FOREIGN INVESTORS HAVE BECOME COMPLEMENTARY AND NECESSARY MEANS FOR ATTAINING THESE OBJECTIVES.

IT IS GENERALLY RECOGNIZED THAT A FOREIGN INVESTOR WHO IS WELL INTEGRATED INTO THE INDUSTRIAL AND COMMERCIAL ENVIRONMENT MAY PLAY AN IMPORTANT ROLE IN A COUNTRY'S ECONOMIC GROWTH IN MORE WAYS THAN ONE.

THE FOREIGN COMPANY FREQUENTLY INTRODUCES STATE OF THE ART TECHNOLOGY WHICH IMPROVES PRODUCT QUALITY AND RANGE. IT ALSO CONTRIBUTES TO THE DEVELOPMENT OF NEW MANUFACTURING AND MARKET OPPORTUNITIES IN STRATEGIC SECTORS AND GENERALLY PROMOTES INDUSTRIAL SUBCONTRACTING, JOB CREATION AND AN INCREASE IN R & D.

IN ADDITION SUCH CORPORATIONS OFTEN INTRODUCE INNOVATIVE MANAGEMENT METHODS AND PHILOSOPHY AND INJECT NEW CAPITAL TO SECTORS WHERE THE IMPLEMENTATION OF PROJECTS SOMETIMES REQUIRES EXPENDITURE AND KNOW-HOW INVOLVING SEVERAL PARTNERS.

QUEBEC'S INVESTMENT PROMOTION POLICY IN RECENT YEARS HAS TAKEN ALL OF THESE FACTORS INTO ACCOUNT AND HAS FOCUSED ON QUEBEC'S COMPARATIVE ADVANTAGES, ESPECIALLY THE AVAILABILITY OF ITS RESSOURCES, ITS CORPORATE TAX STRUCTURE, ITS CENTRES OF EXCELLENCE, ITS INDUSTRIAL R & D SUPPORT PROGRAMS, THE QUALITY OF ITS INFRASTRUCTURES AND THE AVAILABILITY OF PARTNERS IN ITS PRIVATE SECTOR.

IN ORDER TO GIVE GREATER EMPHASIS TO THE PROMOTION OF FOREIGN INVESTMENT, THE QUEBEC GOVERNMENT DECIDED IN 1988 TO COMBINE THE INVESTMENT PROSPECTION OPERATIONS OF THE FORMER MINISTERE DU COMMERCE EXTERIEUR ET DU DEVELOPPEMENT TECHNOLOGIQUE (DEPARTMENT OF EXTERNAL TRADE AND TECHNOLOGICAL DEVELOPMENT) AND THOSE OF THE MINISTERE DE L'INDUSTRIE ET DU COMMERCE (DEPARTMENT OF INDUSTRY AND COMMERCE).

THE INVESTMENT PROMOTION AGENCY IS THE OUTCOME OF THIS RECENT MERGER. IT HAS FOUR DIVISIONS:

SLIDE 1 (ORGANIZATION CHART)

- INVESTMENT PROSPECTING, AMERICA/ASIA
- INVESTMENT PROSPECTING, EUROPE/MIDDLE EAST
- INDUSTRIAL INFRASTRUCTURE

- RESEARCH AND SUPPORT

THE PRIMARY MANDATE OF THIS AGENCY IS TO CARRY OUT INVESTMENT PROSPECTION OPERATIONS ABROAD. THIS INVOLVES PLANNING, SETTING UP AND COORDINATING PROMOTIONAL ACTIVITIES AT EXHIBITIONS, FAIRS, SYMPOSIUMS, SEMINARS, ETC. BETWEEN APRIL 1, 1989 AND MARCH 31, 1990, FORTY-SEVEN SPECIFIC PROMOTION ACTIVITIES ARE PLANNED:

SLIDE 2

UNITED STATES:	15
CANADA :	2
ASIA :	7
EUROPE :	20
MIDDLE EAST :	3

IN ADDITION TO ITS PROMOTIONAL ACTIVITIES, THE AGENCY, THROUGH ITS INDUSTRIAL INFRASTRUCTURE DIVISION, HELPS FOREIGN INVESTORS SELECT SUITABLE INDUSTRIAL SITES. ITS EXPERTISE IN THIS FIELD IS ALSO AVAILABLE TO QUEBEC MUNICIPALITIES FOR THE PLANNING AND DEVELOPMENT OF INDUSTRIAL PARKS.

IT SHOULD ALSO BE MENTIONED THAT THE INDUSTRIAL INFRASTRUCTURE DIVISION ADMINISTERS THE ACT RESPECTING MUNICIPAL INDUSTRIAL LANDS AND THE PART OF THE CANADA-QUEBEC SUBSIDIARY AGREEMENT WHICH SUPPORTS THE ESTABLISHMENT OF INDUSTRIAL INFRASTRUCTURES IN ORDER TO ACCOMODATE MAJOR INDUSTRIAL PROJECTS.

FINALLY, TO CARRY OUT ITS MANDATE, THE AGENCY DESIGNS PROMOTIONAL TOOLS AND PROVIDES EXTENSIVE DOCUMENTATION ON LOCATION FACTORS WHICH INVESTORS CONSIDER TO BE PARTICULARLY IMPORTANT (MARKETS, FINANCIAL INCENTIVES, FISCAL SYSTEM, MANPOWER, ENERGY, ETC.)

BRIEFLY, THE QUEBEC GOVERNMENT PLAYS AN ACTIVE PART IN PROMOTING INVESTMENT AND ITS SERVICES ARE AVAILABLE TO FOREIGN BUSINESS AND TO ANY INDIVIDUAL OR ORGANIZATION HERE AND ABROAD DEDICATED TO PROMOTING INDUSTRIAL INVESTMENT IN QUEBEC.

2. THE MANUFACTURING SECTOR ECONOMIC OUTLOOK FOR 1989

SLIDE 3

IN 1988, QUEBEC EXPERIENCED ITS SIXTH CONSECUTIVE YEAR OF ECONOMIC GROWTH. ITS REAL GROSS DOMESTIC PRODUCT INCREASED BY 4.8%, OUTPACING THE AVERAGE GROWTH IN CANADA AND OTHER MAJOR INDUSTRIALIZED COUNTRIES. IN COMPARISON, THE REAL GROWTH IN GDP WAS 3.5% IN FRANCE, 3.75% IN THE UNITED STATES, WEST GERMANY AND ITALY, 4.2% IN CANADA AND 4.25% IN THE UNITED KINGDOM; ONLY JAPAN WITH 5.75% EXCEEDED QUEBEC'S GROWTH.

SLIDE 4

AT THE SAME TIME, A SIGNIFICANT DROP HAS BEEN REGISTERED IN QUEBEC'S UNEMPLOYMENT RATE FROM 10.3% IN 1987 TO 9.4% IN 1988. IN 1986, THE RATE WAS 11% AND, IN 1985, 11.5%. AMONG YOUNG PEOPLE (AGE GROUP 15 TO 24) THE FIGURES ARE PARTICULARLY SIGNIFICANT, THE UNEMPLOYMENT RATE DROPPED FROM 18.1% IN 1985 TO 13.4% IN 1988.

OVERALL, 86,400 NEW JOBS WERE CREATED IN QUEBEC IN 1988. A STRONG EMPLOYMENT GROWTH WAS SHOWN BY THE MANUFACTURING SECTOR WHICH GENERATED 50,000 NEW JOBS, 60% OF ALL NEW JOBS IN 1988. THIS DEMONSTRATES THE DYNAMISM OF QUEBEC ENTREPRENEURS. IT SHOULD BE NOTED THAT, DURING THE SAME PERIOD, MANUFACTURING JOBS IN ONTARIO DECREASED BY 1.2% COMPARED WITH AN 8.3% INCREASE IN QUEBEC.

SLIDE 5

THE VITALITY OF THE MANUFACTURING SECTOR WAS ALSO CLEARLY SHOWN BY ITS OUTSTANDING CAPITAL SPENDING PERFORMANCE. LAST YEAR QUEBEC MANUFACTURERS BOOSTED THEIR OVERALL EXPENDITURES BY 27.1%, WITH OUTLAYS FOR CONSTRUCTION UP 33.6% AND SPENDING ON MACHINERY AND EQUIPMENT RISING 25.7%.

SLIDE 6

SLIDE 7

WITHIN THE MANUFACTURING SECTOR, SOME SUBSECTORS, SUCH AS MACHINERY, TRANSPORTATION EQUIPMENT, PRIMARY METALS, AND NON-METAL MINERAL PRODUCTS INDUSTRIES, POSTED EXCEPTIONAL CAPITAL SPENDING INCREASES RANGING FROM 62% TO 85%.

SLIDE 8

ON THE PRODUCTION SIDE THE STEADY GROWTH IN QUEBEC'S MANUFACTURING SECTOR WAS SUSTAINED IN PARTICULAR BY THE DURABLE GOODS INDUSTRIES. DURING THE FIRST NINE MONTHS OF 1988, MANUFACTURERS' SHIPMENTS ROSE BY 8.3% OVERALL, WITH SHIPMENTS OF DURABLE GOODS INCREASING BY APPROXIMATELY 14% AND SHIPMENTS OF NON-DURABLES BY ROUGHLY 4%.

LASTLY, IT SHOULD BE POINTED OUT THAT, IN QUEBEC, SEVERAL MANUFACTURING INDUSTRIES ARE OPERATING AT ALMOST FULL CAPACITY, WHILE AT THE END OF THE SECOND QUARTER OF 1988 THE CANADIAN AVERAGE CAPACITY UTILIZATION RATE WAS 81.5%.

SLIDE 9

WHAT DOES THE FUTURE HOLD? ACCORDING TO THE OECD FORECAST, THE REAL GDP OF ITS MEMBER COUNTRIES SHOULD GROW BY 3.25% IN 1989, MAINLY DUE TO BOOMING INVESTMENT. GROWTH SHOULD SIGNIFICANTLY OUTSTRIP THIS AVERAGE IN JAPAN WHEREAS CANADA'S RATE SHOULD EQUAL THOSE OF THE UNITED STATES AND OF MOST OF THE EUROPEAN MEMBER COUNTRIES.

SLIDE 10

THE QUEBEC ECONOMY SHOULD EXPERIENCE A SEVENTH CONSECUTIVE YEAR OF GROWTH IN 1989. SPECIALIZED AGENCIES FORECAST AN INCREASE OF QUEBEC'S GDP BETWEEN 2.2% AND 3.1%. THIS GROWTH IS SIMILAR TO THAT EXPECTED FOR THE UNITED STATES AND FOR THE MAJOR EUROPEAN MEMBER COUNTRIES.

THIS SLIGHTLY SLOWER GROWTH IN QUEBEC COMPARED TO THE CANADIAN AVERAGE, WILL BE DUE MAINLY TO THE SHARP DROP IN ACTIVITIES OF THE RESIDENTIAL CONSTRUCTION SECTOR AND RELATED INDUSTRIES.

IN 1989 THE MAIN CONTRIBUTION TO THE GROWTH OF QUEBEC'S ECONOMY WILL COME AGAIN FROM INDUSTRIAL INVESTMENT. NON-RESIDENTIAL CONSTRUCTION, UP 11%, SHOULD REMAIN THE PRINCIPAL SOURCE OF INCREASED DEMAND IN 1989. THE MASSIVE JAMES BAY HYDROELECTRIC PROJECT ALONE WILL BOOST INVESTMENT BY 2.2 BILLION DOLLARS IN 1989 AND BY MORE THAN 3 BILLION DOLLARS IN 1990.

3. PRIORITY SECTORS

IN ORDER TO STIMULATE AND ACCELERATE MORE EFFECTIVELY THE INDUSTRIAL DEVELOPMENT, THE MICT HAS DECIDED TO GIVE PRIORITY TO CERTAIN INDUSTRIAL SECTORS. THE SELECTION WAS BASED ON THE APPLIED TECHNOLOGY AND ON THE DEVELOPMENT POTENTIAL COMBINED WITH THE COMPARATIVE ADVANTAGES OFFERED BY QUEBEC.

SLIDE 11

THE CHOSEN INDUSTRIES THAT RESULTED FROM THIS EXERCISE ARE AUTOMOTIVE AND AUTO PARTS; AEROSPACE AND DEFENCE PRODUCTS; MICROELECTRONICS; INFORMATION SYSTEMS. (SOFTWARE AND TELECOMMUNICATIONS); PLASTIC TRANSFORMATION AND NEW MATERIALS; PHARMACEUTICAL AND HEALTH CARE BIOINDUSTRIES AND, LASTLY, ENERGY INTENSIVE PROCESS INDUSTRIES.

THESE INDUSTRIES ARE KNOWN TO GENERATE MULTI-SECTORIAL ACTIVITIES BY PURCHASING PRODUCTS OR SPECIALIZED SERVICES SUCH AS CONSULTING ENGINEERING, INDUSTRIAL SUBCONTRACTING AND R & D. THEY ARE ALL KNOWN TO BELONG TO HIGH TECHNOLOGY SECTORS AND THEIR COMPETITIVENESS IS OFTEN BASED ON THEIR CAPACITY TO INNOVATE.

THESE PRIORITY INDUSTRIES WILL PLAY A STRATEGIC ROLE IN THE DEVELOPMENT OF QUEBEC'S MANUFACTURING SECTOR. HOWEVER, FOR THE MOMENT THEY ARE NOT ALL AT THE SAME STAGE OF DEVELOPMENT NOR ARE THEY ALL SUFFICIENTLY INTEGRATED INTO THE QUEBEC ECONOMY. MOREOVER THEY ARE NOT ALL FACED WITH THE SAME CHALLENGES WITH RESPECT TO COMPETITION IN INTERNATIONAL MARKETS. THE DEVELOPMENT STRATEGY MUST THEN BE TAILLORED TO THE SPECIFIC SITUATION OF EACH OF THESE INDUSTRIES.

THE AUTOMOTIVE AND AUTO PARTS INDUSTRY IS THE MOST IMPORTANT SECTOR IN THE CANADIAN ECONOMY, BUT ITS ROLE IN THE QUEBEC ECONOMY IS STILL TOO LIMITED.

THIS INDUSTRY HAS BECOME A LEADER IN TECHNOLOGY, IN THE USE OF NEW MATERIALS, PLASTICS AND ALLOYS, AND IN ELECTRONICS APPLICATIONS.

IT ALSO RELIES ON NUMEROUS SUPPLIERS AND SUBCONTRACTORS, REQUIRES A HIGHLY SKILLED WORKFORCE AND CREATES WELL-PAID JOBS.

IN 1986, QUEBEC'S SHARE IN THE CANADIAN AUTOMOTIVE INDUSTRY REPRESENTED ONLY A MODEST 9.3%, OF THE EMPLOYMENT, WITH 13,000 DIRECT JOBS, AND 11.1% OF THE SHIPMENTS, NAMELY 4.5 BILLION DOLLARS.

THE VEHICLE ASSEMBLY SUBSECTOR IN QUEBEC IS COMPOSED ONLY BY FIVE LONG-ESTABLISHED MANUFACTURERS: GENERAL MOTORS (AUTOMOBILES), GREYHOUD (BUSES), KENWORTH (HEAVY-DUTY TRUCKS), PREVOST CAR (COACHES) AND BOMBARDIER (MILITARY AND PUBLICTRANSIT VEHICLES). A SIXTH MANUFACTURER HAS JUST BEEN ADDED, HYUNDAI IN BROMONT.

QUEBEC HAS ALSO ONLY A HANDFUL OF COMPANIES SUPPLYING ORIGINAL EQUIPMENT PARTS; AS FOR THE REPLACEMENT PARTS MANUFACTURERS, WHICH NUMBER APPROXIMATELY 80 THEY ARE LARGELY DEPENDENT ON THE DOMESTIC MARKET. ALTOGETHER 51% OF THE OUTPUT OF THE QUEBEC AUTOMOTIVE INDUSTRY IS EXPORTED; HOWEVER, IT SHOULD BE NOTED THAT THE PERCENTAGE OF EXPORT FOR VEHICLES IS 64% AS AGAINST ONLY 17% IN THE CASE OF PARTS.

NEVERTHELESS, QUEBEC AUTOMOTIVE SECTOR EXPORTS ACCOUNT FOR ONLY 6.7% OF THE CANADIAN INDUSTRY TOTAL, AND OF COURSE MORE THAN 90% ARE DIRECTED TO THE AMERICAN MARKET; 8% OF THE PARTS EXPORTED FROM QUEBEC GO TO THE EEC AND 9% TO NON-OECD MARKETS.

IN ORDER TO CORRECT THESE NUMEROUS IMBALANCES, SUSTAINED EFFORTS ARE CURRENTLY BEING MADE IN ORDER TO ATTRACT NEW VEHICLE, PARTS AND COMPONENT MANUFACTURERS, TO STRENGTHEN TIES BETWEEN MANUFACTURERS AND SUBCONTRACTORS AND ESPECIALLY TO ENSURE THAT QUEBEC IS IN THE FOREFRONT OF DEVELOPMENT OF NEW TECHNOLOGICAL EXPERTISE APPLICABLE TO THIS INDUSTRY.

THE AEROSPACE AND DEFENCE PRODUCT INDUSTRIES INCLUDE AIRCRAFT AND SPACECRAFT ENGINES, SUBASSEMBLIES AND AEROELECTRONIC EQUIPMENT MANUFACTURING AS WELL AS REPAIRS, OVERHAUL AND IN-PLANT ADAPTATION OF SUCH EQUIPMENT AND PRODUCTS.

IN THIS SECTOR, QUEBEC WITH SALES OF OVER 2.5 BILLION DOLLARS AND SOME 23 000 JOBS, ACCOUNTS FOR HALF OF THE VALUE OF CANADIAN SHIPMENTS AND HAS HALF OF THE JOBS. THE TWO LARGEST CANADIAN FIRMS IN THIS SECTOR, CANADAIR AND PRATT & WHITNEY, ARE ESTABLISHED IN QUEBEC, AS ARE BELL HELICOPTER AND SPAR AEROSPACE. IN ADDITION, 70% OF CANADIAN R & D EXPENDITURE IN THIS SECTOR IS CONCENTRATED IN QUEBEC, PARTICULARLY IN THE MONTREAL AREA, REPRESENTING AN EXPENDITURE OF APPROXIMATELY 350 MILLION DOLLARS PER YEAR. AS A RESULT, MONTREAL IS AN ESPECIALLY ATTRACTIVE LOCATION FOR FUTURE COMPANIES, PARTICULARLY IN VIEW OF THE PROXIMITY OF RELATED INDUSTRIES AND THE PRESENCE OF INTERNATIONAL ORGANIZATIONS SUCH AS ICAO AND IATA, THE CENTRE FOR AEROSPACE MANPOWER ACTIVITIES IN QUEBEC (CAMAQ) AND THE INTERNATIONAL AVIATION MANAGEMENT TRAINING INSTITUTE (IAMTI). MONTREAL HAS ALSO WELCOMED RECENTLY THE CANADIAN SPACE AGENCY, WITH MORE THAN 200 EMPLOYEES AND ASSOCIATED RESEARCH CONTRACTS VALUED AT MORE THAN 2 BILLION DOLLARS OVER TEN YEARS. THE FIRST-LEVEL ENTERPRISES IN THIS SECTOR (PROJECT LEADERS) ARE ON THE FOREFRONT OF TECHNOLOGY, STRONG EXPORTERS (80% OF ALL SHIPMENTS) AND RECOGNIZED FOR THEIR ABILITY TO DEVELOP INNOVATIVE PRODUCTS IN THE INTERNATIONAL MARKET.

HOWEVER, IN THE SECOND-LEVEL (EQUIPMENT SUPPLIERS) AND THIRD-LEVEL (SUBCONTRACTORS) INDUSTRIES, THE SITUATION IS DIFFERENT. INDEED, EVEN IF AVIONICS COMPANIES SUCH AS CAE, BENDIX AVELEX AND MARCONI ARE RENOWNED WORLD LEADERS IN THEIR FIELD AND THOUGH THIS SECTOR HAS RECENTLY BEEN CONSIDERABLY STRENGTHENED WITH THE ARRIVAL OF PARAMAX, MPB TECHNOLOGIES AND OERLIKON, MUCH REMAINS TO BE DONE TO BROADEN THE SECOND-LEVEL'S RANGE OF EXPERTISE, WHICH IS STILL BASED LARGELY ON MAINTENANCE AND REPAIRS (ROLLS ROYCE, INNOTECH, CERCAST, LUCAS AND HEROUX).

MAJOR EFFORTS ARE REQUIRED IN ORDER TO ENHANCE QUEBEC'S SYSTEMS DESIGN CAPABILITIES AND TO MAXIMIZE THE USE OF LOCAL SUBCONTRACTORS.

THE MICROELECTRONICS INDUSTRY HOLDS A KEY POSITION IN THE HIGH TECHNOLOGY SECTORS AND ITS PRODUCTS ARE ESSENTIAL TO A VARIETY OF OTHER LEADING SECTORS, SUCH AS AERONAUTICS, AVIONICS, MEDICAL EQUIPMENT, OPTICS AND TELECOMMUNICATIONS. MICROELECTRONIC COMPANIES USUALLY REQUIRE A CONSIDERABLE INPUT OF R & D AND A HIGHLY QUALIFIED WORKFORCE.

VALUED AT MORE THAN 500 MILLION DOLLARS AND ACCOUNTING FOR SOME 4,500 JOBS. QUEBEC'S MICROELECTRONICS INDUSTRY IS CHARACTERIZED BY THE HIGH TECHNOLOGICAL QUALITY OF ITS MANUFACTURING PROCESSES. NEVERTHELESS, THIS INDUSTRY IS UNDERREPRESENTED IN QUEBEC, PRINCIPALLY BECAUSE FEW OF ITS PRODUCTS ARE TARGETED FOR THE QUEBEC ELECTRONICS COMPANIES CONSISTING OF SOME 250 FIRMS, WHICH BOASTS SALES VALUED AT 2 BILLION DOLLARS AND WHICH ACCOUNTS FOR 20,000 JOBS. THE MAIN MICROELECTRONICS FIRMS LOCATED IN QUEBEC PRIMARILY PRODUCE INTEGRATED CIRCUITS FOR THEIR OWN CONSUMPTION (IBM, NORTHERN TELECOM, MARCONI). MITEL ALSO MOSTLY PRODUCES INTEGRATED CIRCUITS FOR A CAPTIVE MARKET, WHILE RCA AND SILONEX PRODUCE OPTOELECTRONIC COMPONENTS. THEIR PRODUCTS, WHICH ARE HIGHLY SPECIALIZED, ARE LARGELY EARMARKED FOR EXPORT MARKETS.

ONLY A FEW SMALLER COMPANIES SUCH AS CIRCO CRAFT, CMAC AND SMIS, ARE MORE DIRECTLY INVOLVED IN MEETING THE NEEDS OF QUEBEC USERS AND THE GLOBAL RESULT IS THAT ALTHOUGH QUEBEC IS AN IMPORTANT PRODUCER OF MICROELECTRONIC COMPONENTS, THE QUEBEC ELECTRONICS INDUSTRY HAS TO DEPEND TO A GREAT EXTENT ON OUTSIDE SUPPLIERS TO MEET ITS REQUIREMENTS FOR CUSTOMIZED INTEGRATED CIRCUITS, FOR WHICH THE DEMAND IS INCREASING GREATLY.

SINCE 1984, THE QUEBEC GOVERNMENT HAS SUPPORTED VARIOUS INDUSTRIAL PROJECTS WHICH HAVE HELPED TO SPAWN A NEW MICROELECTRONICS INDUSTRY. IN CERTAIN AREAS, SUCH AS NEW MATERIALS QUEBEC DISPOSES OF A SUBSTANTIAL POOL OF KNOWLEDGE IN ITS UNIVERSITIES. ON THE OTHER HAND, PROGRAMS RELATED TO INTEGRATED CIRCUIT-DESIGN AND PRODUCTION ARE INITIATED, BUT STILL SUFFER FROM A SHORTAGE OF STAFF AND, ESPECIALLY, EQUIPMENT.

THE CHALLENGE IN THE FIELD OF MICROELECTRONICS IS VERY REAL; MAJOR INVESTMENTS ARE REQUIRED; INTERNATIONALLY, COMPETITION IS EXTREMELY FIERCE AND THE TECHNOLOGY MUST CONTINUALLY BE UPDATED.

QUEBEC IS THEN ACTIVELY SEEKING ENTREPRENEURS AND MAJOR COMPANIES TO INVEST IN HIGH-RISK TECHNOLOGICAL PROJECTS IN WHICH THE ANTICIPATED ECONOMIC AND SCIENTIFIC SPIN-OFFS ARE CONSIDERABLE.

THE INFORMATION TECHNOLOGY INDUSTRY, WHICH INCLUDES HARDWARE, SOFTWARE AND TELECOMMUNICATIONS EQUIPMENT, IS ALSO A MAJOR FACTOR IN QUEBEC'S ECONOMIC DEVELOPMENT. THESE INDUSTRIES HAVE BEEN IDENTIFIED AS PRIORITY SECTORS ON ACCOUNT OF THEIR HIGH GROWTH RATE AND THE ADDED VALUE OF THEIR PRODUCTS. IN 1988, THIS SECTOR IN QUEBEC EMPLOYED OVER 50,000 PEOPLE AND RANG UP 5.1 BILLION DOLLARS SHIPMENTS, WHICH IS MORE THAN 40% OF THE INDUSTRY TOTAL FOR CANADA.

THE COMPUTER INDUSTRY IN CANADA IS A RELATIVELY RECENT SECTOR; IN QUEBEC, IT TOOK ROOTS WITH THE SUCCESSES IN THE EARLY 1970S OF FIRMS SUCH AS NORTHERN TELECOM, CAE AND MARCONI, FOLLOWED BY AES DATA (A WORLD LEADER IN WORD PROCESSING SYSTEMS), MATROX, COMTERM AND MICOM. QUEBEC KNOW-HOW IS OUTSTANDING PRIMARILY IN THE FOLLOWING APPLICATIONS FIELDS: OFFICE AUTOMATION, INCLUDING LOCAL AREA NETWORKS, WORK STATIONS, GRAPHICS TERMINALS, SPECIALIZED LAPTOP MICROCOMPUTERS AS WELL AS HARDWARE USED TO LINK TOGETHER DIFFERENT NETWORKS. IN RECENT YEARS, SEVERAL QUEBEC FIRMS OPERATING IN THESE SECTORS ENJOYED CONSIDERABLE SUCCESS IN INTERNATIONAL MARKETS.

IN THE IMMEDIATE FUTURE, THESE AND SIMILAR FIRMS SHOULD BE ABLE TO GUARANTEE A SIGNIFICANT QUEBEC PRESENCE IN THIS EXTREMELY DYNAMIC INDUSTRIAL SUBSECTOR.

IN THE FIELD OF COMPUTING DEVICES, QUEBEC HAS SOME THIRTY FIRMS WHICH PROVIDE 7,500 JOBS AND IN 1988 REGISTERED SHIPMENTS OF OVER 600 MILLION DOLLARS. HOWEVER, QUEBEC'S SHARE OF THE OVERALL CANADIAN PRODUCTION OF THIS SUBSECTOR IS ONLY ABOUT 12%, BUT THE EMERGENCE OF SMALL AND MEDIUM-SIZED LOCAL COMPANIES OPERATING IN THE INTERNATIONAL MARKET, SUCH AS MATROX (HIGH RESOLUTION TERMINALS), ALIS (ARABIC TERMINALS), DAP AND DIGITECH (PORTABLE MICROCOMPUTERS), BECTERM, DATAGRAM, OGIVAR AND SATURN DISQ, IS A NOTICEABLE AND PROMISING FACTOR.

IN THE SOFTWARE SUBSECTOR, PRODUCTION IN 1988 TOTALLED 900 MILLION DOLLARS. QUEBEC SOFTWARE PRODUCTS REPRESENT 19% OF TOTAL CANADIAN OUTPUT AND CUSTOMIZED SOFTWARE DEVELOPED IN QUEBEC ACCOUNTS FOR MORE THAN 22% OF CANADIAN PRODUCTION. THERE ARE APPROXIMATELY 550 FIRMS AND MORE THAN 11 000 EMPLOYEES INVOLVED IN THIS FIELD IN QUEBEC.

FINALLY THE TELECOMMUNICATIONS INDUSTRY IS ONE OF THE HIGH TECHNOLOGY FIELDS WHERE CANADA'S OWN INNOVATIVE CONTRIBUTION IS RECOGNIZED AND RENOWNED THE WORLD OVER.

IN QUEBEC, THE INDUSTRY IS DOMINATED BY LARGE FIRMS SUCH AS NORTHERN TELECOM, TIE, MARCONI, CAE, SPAR AND BENDIX-AVELEX. IN 1988 IT ACCOUNTED FOR OVER 32,000 JOBS. QUEBEC PRODUCTION OF TELECOMMUNICATIONS EQUIPMENT AND APPARATUS TOTALLED OVER 3.7 BILLION DOLLARS IN 1988, WHICH REPRESENTS 25% OF CANADIAN SHIPMENTS BUT ACCOUNTS FOR 36% OF ALL CANADIAN EXPORTS IN THIS SECTOR.

THE R & D CARRIED OUT BY THESE WORLD LEADERS LOCATED IN QUEBEC HAS LED TO THE DEVELOPMENT OF EXPERTISE WHICH IS ALMOST UNIQUE IN THE WORLD (MICROWAVE, FLIGHT SIMULATORS WITH REAL TIME SOFTWARE AND SATELLITE ANTENNAE). THE VERY RAPID EXPANSION OF MEDIUM-SIZED LOCAL COMPANIES ALSO CONTRIBUTES TO THE VITALITY OF THIS INDUSTRY IN QUEBEC.

THE GROWTH PROSPECTS FOR THE QUEBEC TELECOMMUNICATIONS INDUSTRY WILL DEPEND TO A GREAT EXTENT ON THE DEFENSE PRODUCTS MARKET AND ON ITS CAPACITY TO MAINTAIN AND ENHANCE ITS COMPETITIVE POSITION IN WORLD MARKETS.

THE PLASTICS PROCESSING INDUSTRY IS ONE OF THE CANADIAN INDUSTRIES WHICH HAS ACHIEVED THE MOST SIGNIFICANT GROWTH OVER THE LAST TWENTY YEARS, GENERALLY AT THE EXPENSE OF ITS PRINCIPAL COMPETITORS, GLASS, STEEL AND PAPER. MAJOR RESIN PRODUCERS CURRENTLY TEND TO FOCUS THEIR EFFORTS ON THE LARGE-SCALE MARKETS, LEAVING THE PROCESSORS TO DEVELOP MORE SPECIALIZED NEW PRODUCTS AND MARKETS.

25 % OF THE CANADIAN FIRMS IN THIS INDUSTRY ARE LOCATED IN QUEBEC WHICH ALSO ACCOUNTS FOR 25% OF SHIPMENTS. APPROXIMATELY 50% OF QUEBEC'S PRODUCTION GOES TO EXTERNAL MARKETS.

MORE THAN 650 FIRMS ARE INVOLVED IN THE QUEBEC PLASTICS PROCESSING INDUSTRY, WHICH IN 1988 POSTED SALES OF MORE THAN 3 BILLION DOLLARS AND PROVIDED EMPLOYMENT FOR MORE THAN 25,000 PEOPLE. THE MAJORITY OF QUEBEC FIRMS ARE SMALL OR MEDIUM-SIZED AND MORE THAN 70% OF THEM ARE LOCATED IN THE MONTREAL REGION. IN SPITE OF THEIR LIMITED SIZE, THE LEVEL OF TECHNOLOGY THEY USE IS ADEQUATE AND THEY ARE WELL POSITIONED WITH RESPECT TO THEIR PRESENT MARKETS IN CANADA, BUT IN ORDER TO ENSURE THEIR FURTHER GROWTH, THEY NEED TO DIVERSIFY INTO NEW AND MORE PROMISING MARKETS.

IN QUEBEC, AS ELSEWHERE, SEVERAL KEY INDUSTRIAL SECTORS (AUTOMOTIVE AND AUTO PARTS, AEROSPACE, ELECTRONICS, OFFICE TECHNOLOGY, PHARMACEUTICAL, PACKAGING AND CONSTRUCTION INDUSTRIES) WILL BECOME MAJOR USERS OF NEW PLASTIC COMPONENTS AND WILL PROVIDE ATTRACTIVE DIVERSIFICATION POSSIBILITIES.

THE SIGNIFICANT PRESENCE QUEBEC ALREADY HAS IN THIS SECTOR, ITS UP TO DATE TECHNOLOGY, ADDED TO THE LOCAL AVAILABILITY OF NEW MATERIALS LIKE "RARE EARTHS" ENTERING IN THE PRODUCTION PROCESS ARE ALL POSITIVE FACTORS THAT LEAD TO CONTEMPLATE A GREATER SHARE OF THIS RAPIDLY EXPANDING MARKET.

IN 1982, A FIVE-YEAR PROGRAM WAS INTRODUCED IN QUEBEC TO PROMOTE RESEARCH IN THIS SECTOR. TODAY, QUEBEC'S STRENGTH IN THIS AREA LIES IN ITS EXCEPTIONAL CONCENTRATION OF PRESTIGIOUS RESEARCH CENTRES. THE PASSING OF BILL C-22 RECENTLY GAVE THE GREEN LIGHT TO A NUMBER OF R & D PROJECTS VALUED AT APPROXIMATELY 630 MILLION DOLLARS FOR THE PERIOD UP TO 1996, CREATING 1,350 NEW JOBS IN ENTERPRISES RELATED TO THIS SECTOR AND IN THE UNIVERSITIES.

LASTLY, ENERGY-INTENSIVE PROCESS INDUSTRIES UNDOUBTEDLY CONSTITUTE THE AREA IN WHICH QUEBEC'S COMPARATIVE ADVANTAGE IS DECISIVE AND WELL KNOWN TO INVESTORS INTERESTED IN MAJOR PROJECTS.

THE ELECTROCHEMICAL AND THE ELECTROMETALLURGICAL SUBSECTORS MAY BE DEFINED AS HIGH ENERGY CONSUMPTION INDUSTRIES AS THE COST OF ELECTRICITY REPRESENTS A RELATIVELY HIGH PROPORTION OF THEIR OVERALL PRODUCTION COSTS.

THEIR PROCESSES INVOLVE EITHER ELECTROLYSIS (PRODUCTION OF CHLORAL ALKALIS, HYDROGEN, ALUMINIUM, MAGNESIUM, ZINC, ETC.), OR ELECTROTHERMICS (PRODUCTION OF CARBON ELECTRODES, IRON ALLOYS CAST PARTS, ETC.).

AT AN INTERNATIONAL LEVEL, ONE OF THE EFFECTS OF THE OIL CRISES OF 1973 AND 1979 WAS THE RELOCATION OF SEVERAL ENERGY-INTENSIVE INDUSTRIES IN AREAS OFFERING COMPETITIVE PRICES AND A STABLE LONG-TERM SUPPLY OF ELECTRICITY.

QUEBEC WAS THEN AND STILL IS A CHOICE LOCATION FOR THIS TYPE OF INDUSTRY.

IN ORDER TO MEET THIS NEED, HYDRO-QUEBEC HAS EARMARKED CONSIDERABLE INVESTMENT IN ELECTRICITY PRODUCTION, TRANSMISSION AND DISTRIBUTION EQUIPMENT , TOTALLING ALMOST 50 BILLION DOLLARS OVER THE NEXT TEN YEARS. THE INCREASE IN THE DEMAND FOR QUEBEC ELECTRICITY FROM 1987 TO 1993, HAS BEEN ESTIMATED AT 4.5%

SIMILARLY, HYDRO-QUEBEC OFFERS INCENTIVE PROGRAMS FOR THIS TYPE OF INDUSTRIES WHICH ARE BASED ON LONG-TERM SUPPLY CONTRACTS INVOLVING A RISK-SHARING FORMULA.

ONGOING MAJOR INDUSTRIAL PROJECTS

THE FOLLOWING LIST DESCRIBES SOME OF THE MAJOR INDUSTRIAL INVESTMENTS MADE IN QUEBEC.

SLIDE 12 TO 23

08-05-89

**LES INVESTISSEMENTS, LES PERSPECTIVES ET
LES SECTEURS INDUSTRIELS PRIORITAIRES QUEBECOIS**

NOTES POUR ALLOCUTION

DE

PAUL LUSSIER

**DIRECTEUR GENERAL DE LA PROMOTION DES INVESTISSEMENTS
MINISTERE DE L'INDUSTRIE, DU COMMERCE ET DE LA TECHNOLOGIE**

1. LA DIRECTION GENERALE DE LA PROMOTION DES INVESTISSEMENTS

LA STRATEGIE DE DEVELOPPEMENT INDUSTRIEL DU QUEBEC EST AXEE SUR LA COMPETITIVITE ET VISE L'ACCES A DES TECHNOLOGIES NOUVELLES, L'INNOVATION, ET UN MEILLEUR DEPLOIEMENT DE SA STRUCTURE MANUFACTURIERE.

LA PROSPECTION ET L'ACCUEIL D'INVESTISSEMENTS ETRANGERS SONT DEVENUS DES OUTILS COMPLEMENTAIRES ET NECESSAIRES A L'ACCOMPLISSEMENT DE CET OBJECTIF.

IL EST GENERALEMENT RECONNU QUE L'INVESTISSEUR ETRANGER, S'IL S'INTEGRE BIEN AU TISSU INDUSTRIEL ET COMMERCIAL, PEUT REPRESENTER UN APPORT SIGNIFICATIF A LA CROISSANCE ECONOMIQUE, D'UN PAYS ET CE, SOUS PLUSIEURS ASPECTS.

IL APPORTE TRES SOUVENT DES TECHNOLOGIES QUI SONT A LA FINE POINTE ET QUI RENFORCENT LA QUALITE ET LA GAMME DES PRODUITS OFFERTS. IL PERMET EGALEMENT DE DEVELOPPER DE NOUVEAUX CRENEAUX DE PRODUCTION ET DE MARCHÉ DANS DES SECTEURS STRATEGIQUES ET FAVORISE NORMALEMENT LE RENFORCEMENT DE LA SOUS-TRAITANCE INDUSTRIELLE, LA CREATION D'EMPLOIS AINSI QU'UNE AUGMENTATION DE LA R & D.

A CELA S'AJOUTENT UNE PHILOSOPHIE ET DES METHODES DE GESTION SOU-

VENT NOVATRICES, UNE ASSISE FINANCIERE ELARGIE ET AINSI, BIEN SUR, QU'UN APPORT DE CAPITAL DANS DES SECTEURS OU LA REALISATION DE PROJETS NECESSITE PARFOIS UNE MISE DE FONDS IMPORTANTE ET UN SAVOIR-FAIRE QUI IMPLIQUENT PLUSIEURS PARTENAIRES.

C'EST EN TENANT COMPTE DE L'ENSEMBLE DE CES FACTEURS QUE LE QUEBEC A CONDUIT, AU COURS DES DERNIERES ANNEES, UNE POLITIQUE DE PROMOTION FAISANT VALOIR SES AVANTAGES COMPARES, NOTAMMENT LA DISPONIBILITE DE SES RESSOURCES, SON REGIME FISCAL A L'ENTREPRISE, SES CENTRES D'EXCELLENCE, SES PROGRAMMES D'APPUI A LA R & D INDUSTRIELLE, LA QUALITE DE SES STRUCTURES D'ACCUEIL, ET LA DISPONIBILITE DE SES PARTENAIRES DU SECTEUR PRIVE.

AFIN D'ACCENTUER LA PROSPECTION A L'ETRANGER DANS UN CONTEXTE MIEUX COORDONNE, LE GOUVERNEMENT A DECIDE EN 1988 DE FUSIONNER LES ACTIVITES DE PROSPECTION D'INVESTISSEMENT EFFECTUEES A L'ANCIEN MINISTERE DU COMMERCE EXTERIEUR ET DU DEVELOPPEMENT TECHNOLOGIQUE (MCEDT) ET AU MINISTERE DE L'INDUSTRIE ET DU COMMERCE.

LA DIRECTION GENERALE DE LA PROMOTION DES INVESTISSEMENTS RESULTE DE CETTE FUSION RECENTE. ELLE COMPREND QUATRE DIRECTIONS:

DIAPO 1 (ORGANIGRAMME DE LA DGPI)

- DIRECTION DE LA PROSPECTION DES INVESTISSEMENTS AMERIQUE/ASIE
- DIRECTION DE LA PROSPECTION DES INVESTISSEMENTS EUROPE/
MOYEN-ORIENT
- DIRECTION DE L'INFRASTRUCTURE INDUSTRIELLE
- DIRECTION RECHERCHE ET SOUTIEN

LA DGPI A POUR PREMIER MANDAT D'EFFECTUER DES ACTIVITES DE PROSPECTION D'INVESTISSEMENTS A L'ETRANGER. POUR CE FAIRE, ELLE PLANIFIE, INITIE ET COORDONNE DES ACTIVITES PROMOTIONNELLES DANS LE CADRE D'EXPOSITIONS, DE FOIRES, DE COLLOQUES, DE SEMINAIRES, ETC. AINSI, ENTRE LE 1ER AVRIL 1989 ET LE 31 MARS 1990, QUARANTE-SEPT ACTIVITES DE PROSPECTION SONT PREVUES:

DIAPO 2

ETATS-UNIS	:	15
CANADA	:	2
ASIE	:	7
EUROPE	:	20
MOYEN-ORIENT:		3

EN PLUS DE CES ACTIVITES PROMOTIONNELLES, LA DIRECTION GENERALE, PAR L'INTERMEDIAIRE DE SA DIRECTION DE L'INFRASTRUCTURE INDUSTRIELLE, OFFRE AUX INVESTISSEURS ETRANGERS UNE EXPERTISE EN LOCALISATION DE SITES INDUSTRIELS. CETTE MEME EXPERTISE EST AUSSI OFFERTE AUX MUNICIPALITES DU QUEBEC SOUS FORME D'AIDE TECHNIQUE A LA PLANIFICATION ET L'AMENAGEMENT DE PARCS INDUSTRIELS.

IL FAUT MENTIONNER EGALEMENT QUE LA DIRECTION DE L'INFRASTRUCTURE INDUSTRIELLE ADMINISTRE LA LOI SUR LES IMMEUBLES INDUSTRIELS MUNICIPaux ET LE VOLET DE L'ENTENTE AUXILIAIRE CANADA-QUEBEC DESTINE A SOUTENIR LA MISE EN PLACE D'INFRASTRUCTURES INDUSTRIELLES, AFIN D'ACCUEILLIR DES PROJETS INDUSTRIELS MAJEURS.

FINALEMENT, AFIN DE REALISER SON MANDAT, LA DGPI CONÇOIT DES Outils PROMOTIONNELS ET DISPOSE D'UNE DOCUMENTATION VARIEE SUR LES FACTEURS DE LOCALISATION AUXQUELS LES INVESTISSEURS ACCORDENT UNE ATTENTION PARTICULIERE (LES MARCHES ET LES INCITATIFS FINANCIERS, LA FISCALITE, LA MAIN-D'OEUVRE, L'ENERGIE, ETC.)

EN SOMME, ON PEUT LE CONSTATER, LE GOUVERNEMENT QUEBECOIS JOUE UN ROLE ACTIF EN MATIERE DE PROMOTION DES INVESTISSEMENTS. LES SERVICES DU MICT SONT MIS A LA DISPOSITION DES ENTREPRISES ETRANGERES ET DE TOUTE PERSONNE OU TOUT ORGANISME LOCAL VOUE A LA PRO-

MOTION DES INVESTISSEMENTS INDUSTRIELS AU QUEBEC.

2. LE SECTEUR MANUFACTURIER - PERSPECTIVES 1989

DIAPO 3

LE QUEBEC A CONNU EN 1988 UNE SIXIEME ANNEE CONSECUTIVE DE CROISSANCE ECONOMIQUE. SON PIB REEL A AUGMENTE DE 4,8%, UN RYTHME SUPERIEUR A LA MOYENNE CANADIENNE ET DES PRINCIPAUX PAYS INDUSTRIALISES. EN COMPARAISON, LA CROISSANCE A ETE DE 3,5% POUR LA FRANCE, 3,75% POUR LES ETATS-UNIS, L'ALLEMAGNE DE L'OUEST ET L'ITALIE, 4.2% POUR LE CANADA ET 4,25% POUR LE ROYAUME-UNI; SEUL LE JAPON AVEC 5,75% A DEPASSE LA CROISSANCE DU P.I.B. QUEBECOIS.

DIAPO 4

PARALLELEMENT, ON ASSISTE EN 1988 A UNE BAISSSE SIGNIFICATIVE DU TAUX DE CHOMAGE QUI PASSE DE 10,3% EN 1987 A 9,4% EN 1988. IL ETAIT EN 1986 DE 11% ET EN 1985 DE 11,5%. LES RESULTATS SONT PARTICULIEREMENT INTERESSANTS CHEZ LES JEUNES PUISQUE LE TAUX DE CHOMAGE DU GROUPE D'AGE DE 15 A 24 EST PASSE DE 18,1% EN 1985 A 13,4% EN 1988.

GLOBALEMENT AU QUEBEC EN 1988, 86 400 NOUVEAUX EMPLOIS ONT ETE CREES. LE SECTEUR MANUFACTURIER A EU UNE CONTRIBUTION DECISIVE A LA CROISSANCE DE L'EMPLOI, ETANT A L'ORIGINE DE 50 000 NOUVEAUX EMPLOIS, SOIT 60% DES EMPLOIS CREES EN 1988. CETTE STATISTIQUE MET EN EVIDENCE LE DYNAMISME DES ENTREPRENEURS QUEBECOIS. IL EST A NOTER QUE POUR LA MEME PERIODE, L'EMPLOI MANUFACTURIER EN ONTARIO A BAISSÉ DE 1,2% CONTRE UNE PROGRESSION DE 8,3% AU QUEBEC.

DIAPO 5

CE DYNAMISME DU SECTEUR MANUFACTURIER S'EST EGALEMENT MANIFESTE DE FAÇON REMARQUABLE AU CHAPITRE DES IMMOBILISATIONS. LES FABRICANTS QUEBECOIS ONT AU COURS DE LA DERNIERE ANNEE AUGMENTE DE 27,1% LEURS IMMOBILISATIONS PAR RAPPORT A 1987, DONT 33,6% LEURS DEPENSES DE CONSTRUCTION ET 25,7% LEURS DEPENSES EN MACHINERIES ET OUTILLAGES.

DIAPO 6

DIAPO 7

PARTI L'ENSEMBLE DU SECTEUR MANUFACTURIER, CERTAINS SOUS-SECTEURS TELS QUE CEUX DE LA MACHINERIE, DU MATERIEL DE TRANSPORT, DES ME-

TAUX PRIMAIRES ET DES PRODUITS MINERAUX ET NON METALLIQUES, ONT EU UNE CROISSANCE DE LEURS DEPENSES D'IMMOBILISATION VRAIMENT EXCEPTIONNELLE, SE SITUANT ENTRE 62% ET 85%.

DIAPO 8

DANS L'ENSEMBLE, LA CROISSANCE DE LA PRODUCTION MANUFACTURIERE QUEBECOISE A CONNU UN RYTHME SOUTENU SOUS L'IMPULSION EN PARTICULIER DES INDUSTRIES PRODUCTRICES DE BIENS DURABLES. LES LIVRAISONS MANUFACTURIERES ONT AUGMENTE EN MOYENNE DE 8,3% AU COURS DES NEUF PREMIERS MOIS DE 1988; LES LIVRAISONS DE BIENS DURABLES ONT CONNU UNE AUGMENTATION D'ENVIRON 14% ET CELLES DES BIENS NON DURABLES D'ENVIRON 4%.

ENFIN, IL EST A REMARQUER LE FAIT QUE PLUSIEURS INDUSTRIES FONCTIONNENT PRATIQUEMENT A PLEINE CAPACITE, ALORS QUE LE TAUX MOYEN D'UTILISATION DES CAPACITES PRODUCTIVES A ATTEINT AU CANADA 81,5% A LA FIN DU DEUXIEME TRIMESTRE DE 1988.

DIAPO 9

QUE NOUS RESERVE L'AVENIR? SELON LES PREVISIONS DE L'OCDE, LE PIB REEL DES PAYS MEMBRES CROITRAIT EN MOYENNE DE 3,25% EN 1989,

PRINCIPALEMENT A CAUSE DES INVESTISSEMENTS. ON PEUT CONSTATER AUSSI QUE LA CROISSANCE SERAIT NETTEMENT SUPERIEURE A CETTE MOYENNE AU JAPON, TANDIS QUE LE CANADA SE SITUE AU MEME NIVEAU QUE LES ETATS-UNIS ET LA PLUPART DES PAYS EUROPEENS.

DIAPO 10

MEME SI ELLE NE SE SITUE PAS DANS LE PELOTON DE TETE, L'ECONOMIE DU QUEBEC CONNAITRAIT EN 1989 UNE SEPTIEME ANNEE CONSECUTIVE DE CROISSANCE ECONOMIQUE. SELON LES PREVISIONS DE DIVERS ORGANISMES SPECIALISES, LE PIB QUEBECOIS REEL AUGMENTERAIT A UN RYTHME SE SITUANT ENTRE 2,2 % ET 3,1%, TAUX QUI S'APPARENTE A CELUI ANTICIPE POUR LES ETATS-UNIS ET LES PRINCIPAUX PAYS MEMBRES EUROPEENS.

CETTE CROISSANCE LEGEREMENT INFERIEURE A LA MOYENNE CANADIENNE, RESULTERA PRINCIPALEMENT DE LA REDUCTION MARQUEE DES ACTIVITES DANS LE SECTEUR DE LA CONSTRUCTION RESIDENTIELLE ET DES INDUSTRIES QUI Y SONT RELIEES.

LA CONTRIBUTION PRINCIPALE A LA CROISSANCE DE L'ECONOMIE QUEBECOISE VIENDRAIT ENCORE, SURTOUT DES INVESTISSEMENTS DES ENTREPRISES; CE QUI EST EN UN SENS FORT ENCOURAGEANT! LA CONSTRUCTION NON RESIDENTIELLE, AVEC UNE HAUSSE DE 11 %, RESTERAIT LA SOURCE

PRINCIPALE DE LA CROISSANCE DE LA DEMANDE EN 1989. A LUI SEUL, LE GRAND PROJET HYDROELECTRIQUE DE LA BAIIE JAMES DEVAIT AJOUTER 2,2 MILLIARDS DE DOLLARS EN INVESTISSEMENT EN 1989 ET PLUS DE 3 MILLIARDS DE DOLLARS EN 1990.

3. LES SECTEURS PRIORITAIRES

AFIN DE STIMULER ET D'ACCELERER LE DEVELOPPEMENT INDUSTRIEL D'UNE FAÇON PLUS EFFICACE, LE MICT A CHOISI DE PRIORISER LE DEVELOPPEMENT DE CERTAINS SECTEURS INDUSTRIELS. LA SELECTION A ETE FAITE EN FONCTION DES TECHNOLOGIES UTILISEES ET DU POTENTIEL DE DEVELOPPEMENT DE CES SECTEURS COMBINES AUX AVANTAGES COMPARATIFS DONT LE QUEBEC DISPOSE.

DIAPO 11

LES INDUSTRIES CHOISIES SONT CELLES DES VEHICULES ET PIECES D'AUTOMOBILES; DE L'AEROSPATIALE ET DES PRODUITS DE LA DEFENSE; DE LA MICROELECTRONIQUE; DE L'INFORMATIQUE, DU LOGICIEL ET DES TELECOMMUNICATIONS; DES PRODUITS EN MATIERE PLASTIQUE ET NOUVEAUX MATERIAUX; DES PRODUITS PHARMACEUTIQUES ET DES BIOINDUSTRIES-SANTE, ET FINALEMENT DES INDUSTRIES ENERGIVORES.

CES INDUSTRIES SONT RECONNUES COMME SUSCITANT DES ACTIVITES INTERSECTORIELLES, VIA L'ACHAT DE PRODUITS OU DE SERVICES SPECIALISES, TELS QUE LE GENIE-CONSEIL, LA SOUS-TRAITANCE INDUSTRIELLE ET LA R & D. ELLES S'IDENTIFIENT A DES SECTEURS DE HAUTE TECHNOLOGIE ET LEUR COMPETITIVITE EST TRES SOUVENT LIEE A LEUR CAPACITE D'INNOVATION.

LES INDUSTRIES PRIORITAIRES ONT UN ROLE STRATEGIQUE DANS L'ELARGISSEMENT DE NOTRE SECTEUR MANUFACTURIER. CEPENDANT, ELLES N'ONT PAS TOUTES ATTEINT LE MEME STADE DE DEVELOPPEMENT ET D'INTEGRATION A L'ECONOMIE QUEBECOISE. DE PLUS, ELLES NE SONT PAS TOUTES CONFRONTEES AUX MEMES DEFIS PAR RAPPORT A LA CONCURRENCE SUR LES MARCHES INTERNATIONAUX. LA PROBLEMATIQUE ET LA STRATEGIE DE DEVELOPPEMENT DEVRAIENT DONC ETRE ADAPTEES A LA SITUATION SPECIFIQUE DE CHACUNE DE CES INDUSTRIES.

L'INDUSTRIE DES AUTOMOBILES ET PIECES CONSTITUE LE SECTEUR LE PLUS IMPORTANT DE L'ECONOMIE CANADIENNE, MAIS OCCUPE UNE PLACE ENCORE TROP LIMITEE DANS CELLE DU QUEBEC.

CETTE INDUSTRIE EST DEVENUE UN LEADER AU PLAN TECHNOLOGIQUE, QU'IL S'AGISSE DE L'UTILISATION DE NOUVEAUX MATERIAUX, DES PLASTIQUES OU DES ALLIAGES, OU DES APPLICATIONS DE L'ELECTRONIQUE.

ELLE FAIT PAR AILLEURS APPEL A DE NOMBREUX FOURNISSEURS ET SOUS-TRAITANTS, EXIGE UNE MAIN-D'OEUVRE HAUTEMENT QUALIFIEE ET CREE DES EMPLOIS BIEN REMUNERES.

L'INDUSTRIE QUEBECOISE DE L'AUTOMOBILE NE REPRESENTAIT EN 1986 QU'UNE PROPORTION MODESTE DE L'ENSEMBLE CANADIEN, SOIT 9,3% DE L'EMPLOI, POUR UN TOTAL DE QUELQUE 13 000 EMPLOIS DIRECTS, ET 11,1% DES LIVRAISONS, SOIT 4,5 MILLIARDS DE DOLLARS.

LE SOUS-SECTEUR DE L'ASSEMBLAGE DE VEHICULES EST COMPOSE DE CINQ CONSTRUCTEURS: GENERAL MOTORS (AUTOMOBILES), GREYHOUND (AUTOBUS) KENWORTH (CAMIONS LOURDS), PREVOST CAR (AUTOCARS) ET BOMBARDIER (VEHICULES MILITAIRES), AUXQUELS VIENT DE S'AJOUTER RECEMMENT UN SIXIEME, HYUNDAI-BROMONT.

LE QUEBEC NE COMPTE QU'UNE POIGNEE DE FOURNISSEURS DE PIECES DE PREMIERE MONTE ET LES FABRICANTS DE PIECES DE RECHANGE, AU MOMBRE D'ENVIRON 80, DEPENDENT EN GRANDE PARTIE DU MARCHÉ INTERIEUR.

QUANT AUX EXPORTATIONS POUR L'ENSEMBLE DU SECTEUR, LA PRODUCTION QUEBECOISE EST EXPEDIEE A L'ETRANGER DANS UNE PROPORTION DE 51%. IL FAUT CEPENDANT PRECISER QUE DANS LES CAS DES VEHICULES, CE RATIO ATTEINT 64%, ALORS QUE DANS CELUI DES PIECES, IL N'EST QUE DE 17%.

LES EXPEDITIONS QUEBECOISES NE REPRESENTENT TOUTEFOIS QUE 6,7% DU TOTAL CANADIEN ET ELLES SONT DESTINEES A PLUS DE 90% AU MARCHE AMERICAIN. EN CE QUI CONCERNE LES PIECES, 8% DES EXPORTATIONS DU QUEBEC SONT DESTINEES A LA CEE ET 9% AUX MARCHES HORS DE L'OCDE.

AFIN DE CORRIGER CE DESEQUILIBRE, DES EFFORTS PARTICULIERS SONT ACTUELLEMENT DEPLOYES POUR FAVORISER L'IMPLANTATION DE NOUVEAUX CONSTRUCTEURS ET FABRICANTS DE PIECES ET COMPOSANTES, DE RENFORCER LES LIENS ENTRE MAITRES-D'OEUVRE ET SOUS-TRAITANTS ET D'ASSURER AU QUEBEC UNE PLACE PRIVILEGIEE DANS LE DEVELOPPEMENT DE NOUVEAUX CRENEAUX TECHNOLOGIQUES APPLICABLES A CETTE INDUSTRIE.

L'INDUSTRIE AEROSPATIALE ET DES PRODUITS DE DEFENSE COMPREND LA FABRICATION D'ENGINS AERIENS ET SPATIAUX, DE MOTEURS, DE SOUS-ENSEMBLES ET D'EQUIPEMENT AERO-ELECTRONIQUE, AINSI QUE DES ACTIVITES DE REPARATION, DE REVISION ET DE MODIFICATION EN USINE DE CES APPAREILS ET PRODUITS.

POUR CE SECTEUR, LE QUEBEC EST RESPONSABLE DE LA MOITIE DE LA VALEUR DES EXPEDITIONS ET DES EMPLOIS DU CANADA, SOIT UN CHIFFRE D'AFFAIRES DE PLUS DE 2,5 MILLIARDS DE DOLLARS ET 23 000 EMPLOIS. LES DEUX PLUS GRANDES ENTREPRISES CANADIENNES DU SECTEUR, CANADAIR ET PRATT & WHITNEY, SONT ETABLIES AU QUEBEC, AINSI QUE

BELL HELICOPTERE ET SPAR AEROSPATIALE, DANS LA CATEGORIE DES MAITRES-D'OEUVRE. DE PLUS, 70% DES DEPENSES DE R & D SONT CONCENTREES AU QUEBEC ET PLUS PARTICULIEREMENT DANS LA REGION DE MONTREAL, POUR UNE SOMME D'ENVIRON 350 MILLIONS DE DOLLARS. DE CE FAIT, MONTREAL PRESENTE UN ATTRAIT PARTICULIER POUR LA LOCALISATION DE FUTURES ENTREPRISES, DU A LA PROXIMITE D'INDUSTRIES COMPLEMENTAIRES ET LA PRESENCE D'INSTITUTIONS INTERNATIONALES DONT L'OACI ET L'IATA, DU CENTRE D'ADAPTATION DE LA MAIN-D'OEUVRE AEROSPATIALE DU QUEBEC (CAMAQ), DE L'INSTITUT INTERNATIONAL DE FORMATION EN GESTION AERONAUTIQUE (IIFGA), SANS OUBLIER LA PLUS RECENTE ADDITION, L'AGENCE SPATIALE AVEC PLUS DE 200 EMPLOYES ET DES RETOMBEES EN CONTRATS DE RECHERCHE ESTIMES A PLUS DE 2 MILLIARDS DE DOLLARS SUR DIX ANS. LES ENTREPRISES DE CE SECTEUR DITES DE PREMIER PALIER (MAITRES-D'OEUVRE) SONT A LA FINE POINTE DE LA TECHNOLOGIE, RESOLUMENT EXPORTATRICES (80% DE LEURS EXPEDITIONS) ET ONT UNE CAPACITE RECONNUE DE DEVELOPPER DES PRODUITS UNIQUES A MANDAT MONDIAL.

CEPENDANT, LA SITUATION EST DIFFERENTE CHEZ LES ENTREPRISES DE DEUXIEME PALIER (EQUIPEMENTIERS) ET DE TROISIEME (SOUS-TRAITANTS). EN EFFET, MEME SI LES COMPAGNIES D'AVIONIQUE COMME CAE, BENDIX AVELEX ET MARCONI S'ILLUSTRENT PARI MI LES LEADERS MONDIAUX DANS LEUR DOMAINE ET SI, PLUS RECEMMENT, L'IMPLANTATION DE

PARAMAX, DE MPB TECHNOLOGIES ET D'OERLIKON A CONTRIBUE A RENFORCER SENSIBLEMENT CE SECTEUR, IL Y A ENCORE BEAUCOUP A FAIRE POUR ELARGIR L'EVENTAIL DE SPECIALITES DE CE DEUXIEME PALIER QUI DEMEURE TOURNE VERS L'ENTRETIEN ET LA REPARATION (ROLLS ROYCE, INNOTECH, CERCAST, LUCAS ET HEROUX).

UNE STRATEGIE D'ACTION S'IMPOSE AFIN DE RENFORCER LA CAPACITE DU QUEBEC AU NIVEAU DE LA CONCEPTION DE SYSTEMES ET D'UTILISER DE LA SOUS-TRAITANCE LOCALE.

L'INDUSTRIE DE LA MICROELECTRONIQUE OCCUPE UNE PLACE DE CHOIX PARMIS LES SECTEURS DE HAUTE TECHNOLOGIE ET SES PRODUITS CONSTITUENT UN DES INTRANTS ESSENTIELS A DE NOMBREUX AUTRES SECTEURS DE POINTE TELS QUE L'AERONAUTIQUE, L'AVIONIQUE, LES APPAREILS MEDICAUX, L'OPTIQUE ET LES TELECOMMUNICATIONS. LA MICROELECTRONIQUE EXIGE DES EFFORTS DE R & D FAISANT APPEL A UNE GRANDE DIVERSITE DE SPECIALITES NECESSITANT AUSSI UNE MAIN-D'OEUVRE EXTREMEMENT QUALIFIEE.

ESTIMEE A PLUS DE 500 MILLIONS DE DOLLARS ET 4 500 EMPLOIS, LA MICROELECTRONIQUE DU QUEBEC SE CARACTERISE PAR LA QUALITE TECHNOLOGIQUE DE SES PROCES DE FABRICATION. TOUTEFOIS, CETTE INDUS-

TRIE EST SOUS-REPRESENTÉE AU QUÉBEC, SURTOUT PARCE QUE SA PRODUCTION S'ADRESSE PEU À LA BASE MANUFACTURIÈRE QUÉBÉCOISE DE L'ÉLECTRONIQUE QUI, AVEC SES QUELQUES 250 ENTREPRISES, ENREGISTRE DES VENTES DE 2 MILLIARDS DE DOLLARS ET GÈNÈRE PLUS DE 20 000 EMPLOIS. LES PRINCIPALES ENTREPRISES ÉTABLIES AU QUÉBEC EN MICROÉLECTRONIQUE PRODUISENT PRINCIPALEMENT DES CIRCUITS INTÈGRES POUR LEURS PROPRES BESOINS (IBM, NORTHERN TELECOM, MARCONI). D'AUTRES, COMME CIRCO CRAFT, CMAC ET SMIS, REPONDENT PLUS DIRECTEMENT AUX BESOINS DES UTILISATEURS QUÉBÉCOIS. MITEL PRODUIT DES CIRCUITS INTÈGRES POUR UN MARCHÉ EN PARTIE CAPTIF TANDIS QUE RCA ET SILONEX PRODUISENT DES COMPOSANTS OPTO-ÉLECTRONIQUES. LEUR PRODUCTION, TRÈS SPÉCIALISÉE, EST DESTINÉE EN GRANDE PARTIE À L'ÉTRANGER.

À L'EXCEPTION DE LSI LOGIC ET DES UNIVERSITÉS QUÉBÉCOISES, L'INDUSTRIE DE L'ÉLECTRONIQUE DU QUÉBEC DOIT COMPTER SUR DES FOURNISSEURS ÉTRANGERS POUR COMBLER SES BESOINS EN CIRCUITS INTÈGRES PERSONNALISÉS, DONT LA DEMANDE EST POURTANT EN FORTE CROISSANCE.

DEPUIS 1984, LE GOUVERNEMENT DU QUÉBEC A SOUTIENU DIVERS PROJETS INDUSTRIELS QUI ONT SEMÉ LE GERME D'UNE NOUVELLE INDUSTRIE MICROÉLECTRONIQUE. LE PREMIER FACTEUR, LE BASSIN IMPORTANT DE CON-

NAISSANCES DANS LE MILIEU UNIVERSITAIRE, EST DISPONIBLE DANS CERTAINS DOMAINES, DONT CELUI DES MATERIAUX. PAR CONTRE, LES PROGRAMMES RELIES A LA CONCEPTION ET LA PRODUCTION DE CIRCUITS INTEGRES ONT DEBUTE, MAIS SOUFFRENT D'UN MANQUE DE PERSONNEL ET SURTOUT D'EQUIPEMENT.

LE DEFI DE LA MICROELECTRONIQUE EST DE TAILLE; LES INVESTISSEMENTS REQUIS SONT IMPORTANTS, LA CONCURRENCE EST EXTREMEMENT FORTE SUR LE PLAN INTERNATIONAL ET LA TECHNOLOGIE DOIT ETRE CONSTAMMENT MISE A JOUR.

LES INVESTISSEURS DOIVENT ETRE INCITES A PLACER DU CAPITAL DANS DES PROJETS A RISQUE TECHNOLOGIQUE ELEVE; CEPENDANT, LES RETOMBES ECONOMIQUES ET SCIENTIFIQUES SONT FORT APPRECIABLES.

L'INDUSTRIE DES TECHNOLOGIES DE L'INFORMATION QUI REGROUPE LE MATERIEL INFORMATIQUE, LE LOGICIEL ET LES EQUIPEMENTS DE TELECOMMUNICATIONS, REPRESENTE EGALEMENT UN ATOUT MAJEUR DANS LE DEVELOPPEMENT ECONOMIQUE DU QUEBEC. CES INDUSTRIES SONT JUGEES PRIORITAIRES EN RAISON DE LEUR RYTHME DE CROISSANCE ELEVE, DE LA VALEUR AJOUTEE DE LEURS PRODUITS ET DE LA QUALITE DE LEURS EMPLOIS. EN 1988, CE SECTEUR OCCUPAIT AU QUEBEC PLUS DE 50 000 PERSONNES ET A EFFECTUE DES LIVRAISONS DE 5,1 MILLIARDS DE DOLLARS, CE QUI REPRESENTE PLUS DE 40% DU TOTAL CANADIEN.

POUR LA PARTIE INFORMATIQUE, LE QUEBEC COMPTE UNE TRENTAINE D'ENTREPRISES REGROUPANT 7 500 EMPLOIS, ET LES EXPEDITIONS ONT ATTEINT PLUS DE 600 MILLIONS DE DOLLARS EN 1988. PAR CONTRE, LA PART DE LA PRODUCTION QUEBECOISE DANS LE TOTAL CANADIEN N'EST QUE DE L'ORDRE DE 12%, MAIS ON CONSTATE AVEC PLAISIR L'EMERGENCE DE PETITES ET MOYENNES ENTREPRISES LOCALES OEUVRANT SUR LE MARCHE INTERNATIONAL TELLES QUE MATROX (TERMINAUX DE HAUTE RESOLUTION), ALIS (TERMINAUX ARABES), DAP ET DIGITECH (MICRO-ORDINATEURS PORTABLES), BECTERM, DATAGRAM, OGIVAR, SATURN DISQ.

L'INDUSTRIE DU MATERIEL INFORMATIQUE REPRESENTE UN SECTEUR DE DEVELOPPEMENT RELATIVEMENT JEUNE AU CANADA; AU QUEBEC, SON ORIGINE REPOSE SUR LES SUCCES REMPORTES AU DEBUT DES ANNEES '70 PAR DES FIRMES TELLES QUE NORTHERN TELECOM, CAE ET MARCONI, AUXQUELLES SE SONT AJOUTEES AES DATA (CHEF DE FILE MONDIAL DES SYSTEMES DE TRAITEMENT DE TEXTES), MATROX, COMTERM ET MICOM. LES PRINCIPAUX CHAMPS D'APPLICATIONS DANS LESQUELS LE SAVOIR-FAIRE DU QUEBEC EXCELLE SONT: LA BUREAUTIQUE, INCLUANT LES SERVEURS DE RESEAUX, LES STATIONS DE TRAVAIL, LES TERMINAUX GRAPHIQUES ET LES MICRO-ORDINATEURS SPECIALISES PORTABLES, AINSI QUE LES EQUIPEMENTS SERVANT DE LIEN ENTRE DIFFERENTS RESEAUX. AU COURS DES DERNIERES ANNEES, PLUSIEURS ENTREPRISES DU QUEBEC OEUVRANT DANS CES SECTEURS ONT CONNU DES SUCCES CONSIDERABLES SUR LES MARCHES INTERNATIONAUX.

CES ENTREPRISES ET D'AUTRES DU MEME TYPE POURRAIENT ASSURER DEMAIN UNE PRESENCE QUEBECOISE SIGNIFICATIVE DANS CE SOUS-SECTEUR INDUSTRIEL TRES DYNAMIQUE.

QUANT AU SOUS-SECTEUR DU LOGICIEL, LA PRODUCTION ATTEIGNAIT 900 MILLIONS DE DOLLARS EN 1988. DANS L'ENSEMBLE DE LA PRODUCTION CANADIENNE, LES PRODUITS LOGICIELS QUEBECOIS REPRESENTENT ENVIRON 19% DU TOTAL, ALORS QUE LES LOGICIELS SUR MESURE DEVELOPPES AU QUEBEC, COMPTENT POUR PLUS DE 22% DE CETTE PRODUCTION. ENVIRON 550 FIRMES SONT IMPLIQUEES AU QUEBEC ET PLUS DE 11 000 TRAVAILLEURS SONT MIS A CONTRIBUTION.

POUR LA PARTIE DES EQUIPEMENTS DE TELECOMMUNICATIONS, ELLE REPRESENTE UN DES RARES SECTEURS DE POINTE OU LE CANADA DISPOSE DE SA PROPRE TECHNOLOGIE, RECONNUE (APPRECIEE) MONDIALEMENT.

L'INDUSTRIE EST DOMINEE AU QUEBEC PAR DE GRANDES ENTREPRISES TELLES QUE NORTHERN TELECOM, TIE, MARCONI, CAE, SPAR ET BENDIX-AVELEX. ELLE COMPTAIT EN 1988 PLUS DE 32 000 EMPLOIS. LA PRODUCTION QUEBECOISE D'EQUIPEMENTS ET D'APPAREILS DE TELECOMMUNICATIONS A ATTEINT EN 1988 UNE VALEUR DE 3,7 MILLIARDS DE DOLLARS, CE QUI REPRESENTE 25% DES LIVRAISONS DU CANADA, MAIS COMPTE POUR 36% DES EXPORTATIONS CANADIENNES DU SECTEUR.

LA R & D EFFECTUEE PAR CES LEADERS MONDIAUX INSTALLES AU QUEBEC A PERMIS, ENTRE AUTRES, DE DEVELOPPER DES EXPERTISES QUASI UNIQUES AU MONDE (HYPERFREQUENCES MICRO-ONDES, SIMULATEURS DE VOLS AVEC LOGICIELS EN TEMPS REEL ET ANTENNES SATELLITE). LE DYNAMISME DE CETTE INDUSTRIE AU QUEBEC EST EGALEMENT ASSURE PAR L'EXPANSION EXTREMEMENT RAPIDE D'ENTREPRISES LOCALES DE TAILLE MOYENNE.

LES PERSPECTIVES DE CROISSANCE DE L'INDUSTRIE QUEBECOISE EN TELECOMMUNICATIONS VIENDRONT PRINCIPALEMENT DU MARCHÉ RELIÉ AU MATÉRIEL DE DÉFENSE ET DE SA CAPACITÉ DE MAINTENIR ET D'ACCROÎTRE SA POSITION SUR LES MARCHÉS MONDIAUX.

L'INDUSTRIE DE LA TRANSFORMATION DU PLASTIQUE EST UNE DE CELLES QUI ONT CONNU LA PLUS FORTE CROISSANCE AU CANADA AU COURS DES VINGT DERNIÈRES ANNÉES ET CE, AU DÉTRIMENT DE SES PRINCIPAUX CONCURRENTS, LE VERRE, L'ACIER ET LE PAPIER. LES GRANDS PRODUCTEURS DE RESINE ET D'EQUIPEMENT TENDENT PRESENTEMENT DE CONCENTRER LEURS EFFORTS SUR LES MARCHES A GRAND VOLUME, LAISSANT AUX TRANSFORMATEURS LE SOIN DE DEVELOPPER LES MARCHES PLUS SPECIALISES.

LE QUEBEC REPRESENTÉ 25% DES ENTREPRISES ET DES LIVRAISONS CANADIENNES ET ENVIRON 50% DE SA PRODUCTION EST DESTINEE AUX MARCHES EXTERIEURS.

L'INDUSTRIE QUEBECOISE DE TRANSFORMATION DES PLASTIQUES COMPTE PLUS DE 650 ENTREPRISES AVEC UN CHIFFRE D'AFFAIRES DE PLUS DE TROIS MILLIARDS DE DOLLARS EN 1988, ET PROCURE DE L'EMPLOI A PLUS DE 25 000 PERSONNES. PLUS DE 70% DES ENTREPRISES SONT LOCALISEES A MONTREAL. LA GRANDE MAJORITE DES ENTREPRISES QUEBECOISES SONT DE PETITE ET MOYENNE TAILLE ET PLUS DE 70% D'ENTRE ELLES SONT SITUÉES DANS LA REGION DE MONTREAL. MALGRE LEUR TAILLE RESTREINTE, ELLES SONT BIEN POSITIONNEES DANS LEURS CRENEAUX DE MARCHE A L'E-CHELLE CANADIENNE ET LEUR CONTENU TECHNOLOGIQUE EST COMPARABLE A LEURS COMPETITEURS.

QUANT A LEURS PERSPECTIVES DE CROISSANCE, ELLES FONT FACE A LA NECESSITE DE SE DIVERSIFIER VERS DE NOUVEAUX MARCHES PLUS PROMET-TEURS.

PLUSIEURS AUTRES SECTEURS INDUSTRIELS CLES DU QUEBEC (INDUSTRIES DES VEHICULES ET PIECES, DE L'AEROSPATIALE, DE L'ELECTRONIQUE, DE LA BUREAUTIQUE, DE LA PHARMACEUTIQUE, DES EMBALLAGES ET DE LA CONSTRUCTION) DEVIENDRONT D'IMPORTANTES CONSOMMATEURS DE COMPOSAN-TES PLASTIQUES ET OFFRIRONT DES POSSIBILITES DE DIVERSIFICATION INTERESSANTES.

L'INDUSTRIE PHARMACEUTIQUE ET LES BIOINDUSTRIES-SANTE SONT LA VOIE PRIVILEGIEE PAR LE QUEBEC AFIN DE CREER UN POLE D'ATTRACTION

POUR LES AUTRES ACTIVITES DE R & D EN BIOTECHNOLOGIE. EN EFFET, L'INDUSTRIE PHARMACEUTIQUE QUEBECOISE REPRESENTE 45% DES LIVRAISONS CANADIENNES ET 50% DE LA RECHERCHE BIOMEDICALE. CETTE INDUSTRIE OFFRE DES EMPLOIS DE QUALITE BIEN REMUNERES ET BENEFICIE D'UN BON RYTHME DE CROISSANCE.

LES BIOINDUSTRIES-SANTE NE SONT PAS VERITABLEMENT UNE NOUVELLE INDUSTRIE MAIS PLUTOT L'UTILISATION DES TECHNIQUES NEES DE LA BIOTECHNOLOGIE POUR DEVELOPPER DE NOUVEAUX PRODUITS PHARMACEUTIQUES OU POUR REDUIRE LES COUTS DE FABRICATION DES MEDICAMENTS.

EN 1982, UN PROGRAMME QUINQUENNAL FUT AMORCE AU QUEBEC POUR LE DEVELOPPEMENT DE LA RECHERCHE DANS CE SECTEUR. AUJOURD'HUI, LES FORCES DU QUEBEC DANS CE DOMAINE RESIDENT DANS SA CONCENTRATION EXCEPTIONNELLE DE CENTRES DE RECHERCHE PRESTIGIEUX. L'ADOPTION RECENTE DE LA LOI C-22 A PERMIS LA CONCRETISATION DE PROJETS DE R & D POUR PRES DE 630 MILLIONS DE DOLLARS AU COURS DE LA PERIODE ALLANT JUSQU'A 1996 ET LA CREATION DE 1 350 NOUVEAUX EMPLOIS DANS LES ENTREPRISES RELIEES A CE SECTEUR ET LE MILIEU UNIVERSITAIRE.

FINALEMENT, LES INDUSTRIES ENERGIVORES REPRESENTENT SANS DOUTE LE DOMAINE OU L'AVANTAGE COMPARATIF DU QUEBEC EST A LA FOIS LE PLUS SUBSTANTIEL ET LE MIEUX CONNU ET SUREMENT LE SECTEUR LE PLUS PERTINENT POUR LES INVESTISSEURS INTERESSES DANS LES «GRANDS PROJETS».

SUR UNE BASE TECHNIQUE, ON PEUT DEFINIR LES SOUS-SECTEURS ELECTROCHIMIQUES ET ELECTROMETALLURGIQUES COMME DES ACTIVITES INDUSTRIELLES GRANDES CONSOMMATRICES D'ENERGIE.

POUR ELLES, LES COUTS D'ELECTRICITE REPRESENTENT UNE PROPORTION RELATIVEMENT ELEVEE DES COUTS TOTAUX DE PRODUCTION.

SELON LEUR TYPE D'UTILISATION DE L'ELECTRICITE, CES INDUSTRIES S'IDENTIFIENT SOIT A L'ELECTROLYSE (LA PRODUCTION DE CHLORALCALIS, D'HYDROGENE, D'ALUMINIUM, DE MAGNESIUM, DE ZINC, ETC.), SOIT A L'ELECTROTHERMIE (LA PRODUCTION D'ELECTRODES DE CARBONE, DE FERROALLIAGES, DE PIECES MOULEES, ETC.).

A L'ECHELLE INTERNATIONALE, LES CHOC PETROLIERS DE 1973 ET 1979 ONT, ENTRE AUTRES, EU POUR EFFET LA RELOCALISATION DE PLUSIEURS INDUSTRIES ENERGIVORES DANS DES REGIONS OFFRANT DES PRIX COMPETITIFS ET AUSSI UN APPROVISIONNEMENT STABLE A LONG TERME.

LE QUEBEC ETAIT ET EST ENCORE PARTICULIEREMENT BIEN PLACE POUR RECEVOIR CE TYPE D'INDUSTRIE.

POUR SATISFAIRE A CE BESOIN, HYDRO-QUEBEC A PREVU DES INVESTISSEMENTS IMPORTANTS EN EQUIPEMENT POUR LA PRODUCTION, LE TRANSPORT ET LA DISTRIBUTION D'ENERGIE ELECTRIQUE, TOTALISANT PRES DE 50 MILLIARDS DE DOLLARS SUR LES PROCHAINS DIX ANS.

DE MEME, DES PROGRAMMES INCITATIFS POUR CE TYPE D'INDUSTRIE SONT OFFERTS PAR HYDRO-QUEBEC, BASES SUR DES CONTRATS D'APPROVISIONNEMENT A LONG TERME ASSOCIES A UNE FORMULE DE PARTAGE DE RISQUE.

LES GRANDS PROJETS INDUSTRIELS RECENTS OU EN COURS DE REALISATION

LA LISTE QUI SUIVRA PRESENTE QUELQUES-UNS DES PLUS IMPORTANTS PROJETS ANNONCES DERNIEREMENT AU QUEBEC.

DIAPOS 12 A 23

MINISTÈRE DE L'INDUSTRIE, DU COMMERCE ET DE LA TECHNOLOGIE

Sous-ministre : Michel Audet

Sous-ministre adjointe à la technologie et aux opérations promotionnelles : Anne-Marie Willis

Direction générale
de la promotion des
investissements

Paul Lussier

Adjoint
au directeur général
(Québec)
Jacques Gagnon

Direction
recherche
et soutien

Daniel Mallette

Direction
de la prospection
des investissements

AMÉRIQUE / ASIE

Francine Dumont

Direction
de la prospection
des investissements

EUROPE / MOYEN-ORIENT

André Guertin

Direction
de l'infrastructure
industrielle

Robert G. Jones

ACTIVITÉS DE PROMOTION

TERRITOIRES

NOMBRE DE MISSIONS

État-Unis

15

Canada

2

Asie

7

Europe

20

Moyen-Orient

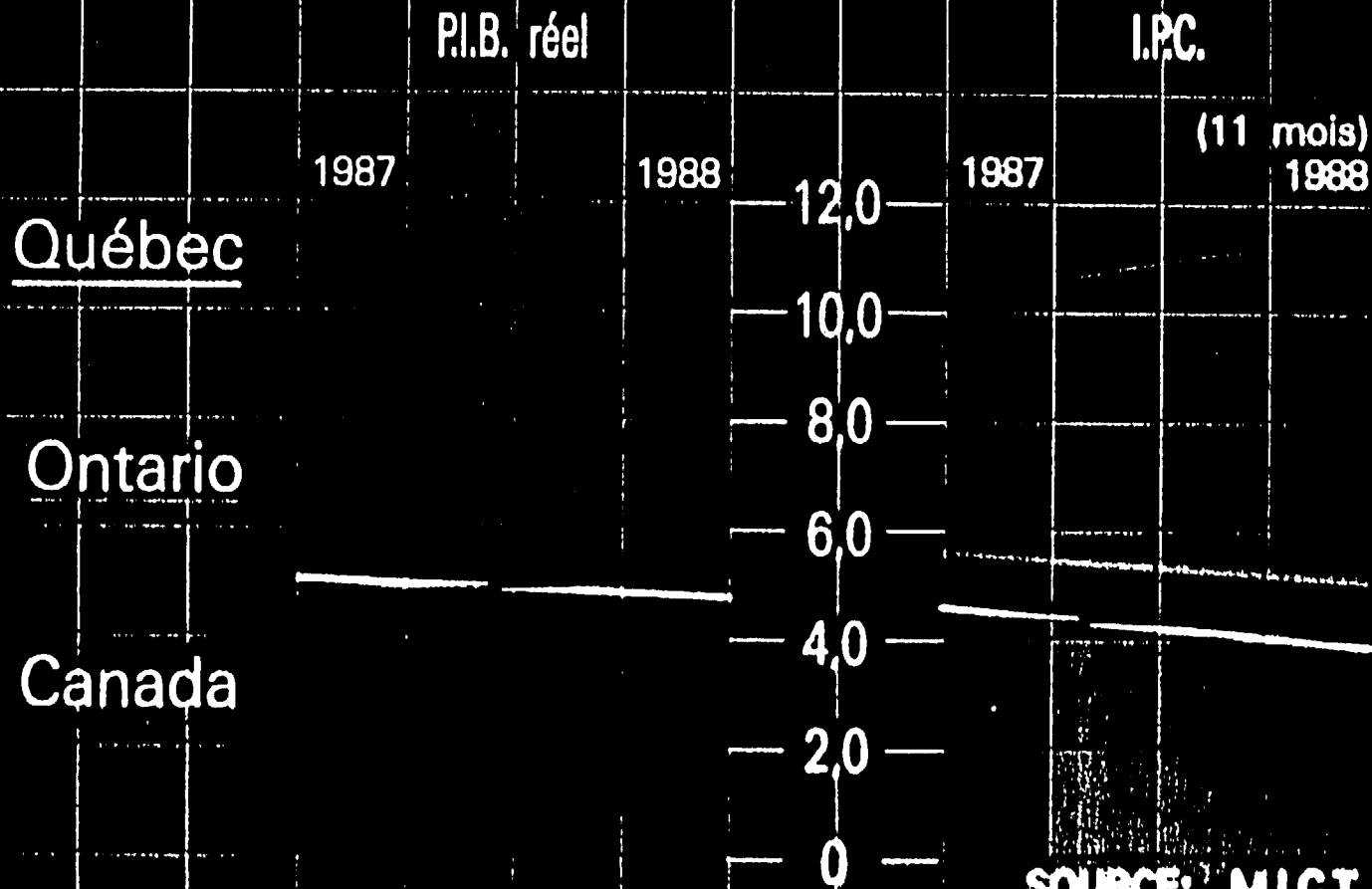
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PERFORMANCE ÉCONOMIQUE COMPARÉE

(en %)	P.I.B. réel		EMPLOI		TAUX DE CHÔMAGE		IMMOBILISATIONS		IPC	
	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988
			(11 mois)		(11 mois)				(11 mois)	
Québec	5,1	4,8	3,5	2,8	10,3	9,4	15,0	13,2	4,5	3,9
Ontario	4,7	5,0	3,3	4,0	6,1	5,1	14,7	12,3	5,6	5,0
Canada	4,0	4,2	2,7	3,4	8,9	7,9	11,8	13,3	4,4	4,0

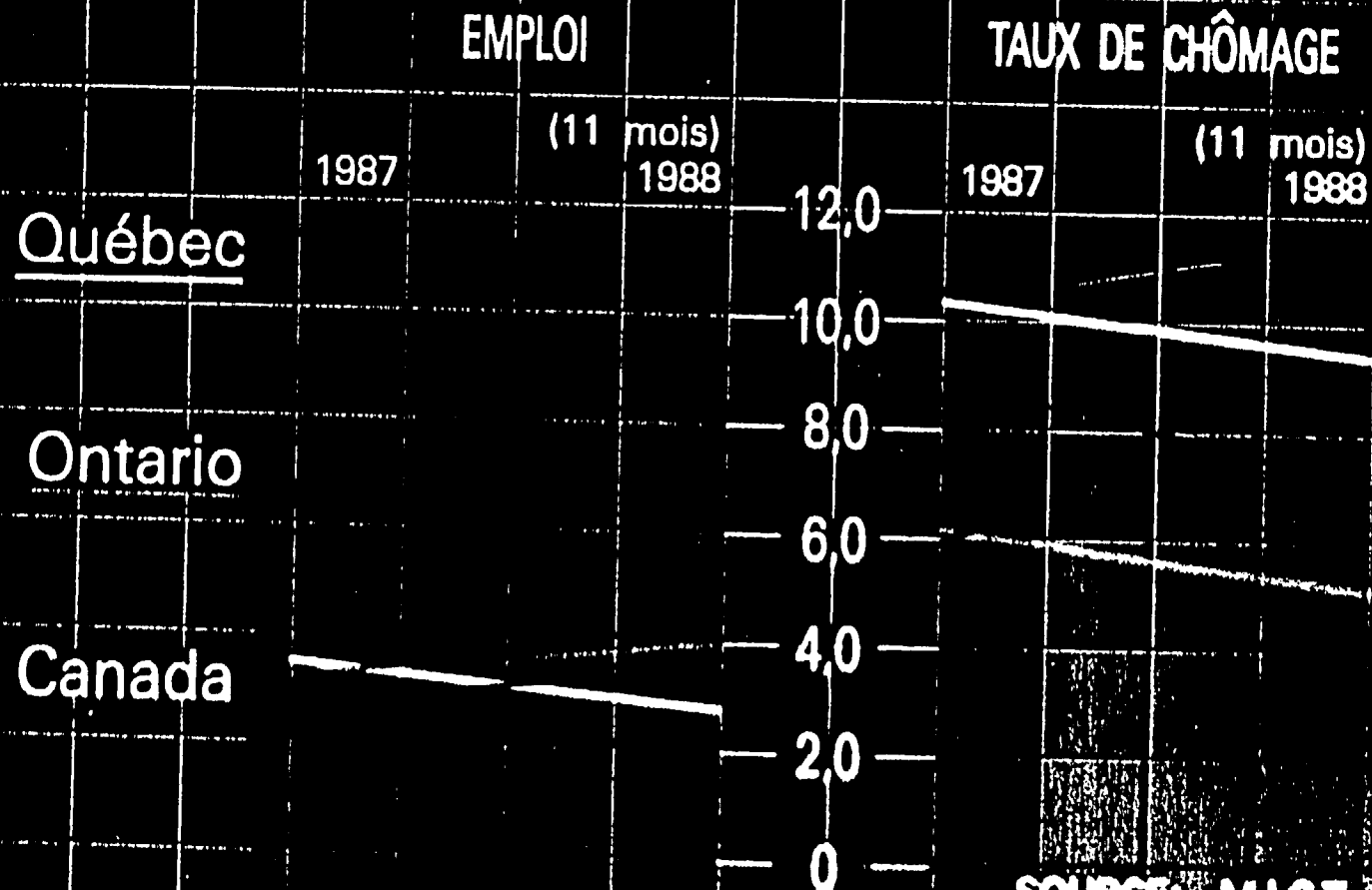
• SOURCE: M.I.C.T.

PERFORMANCE ÉCONOMIQUE COMPARÉE



SOURCE: M.L.C.T.

PERFORMANCE ÉCONOMIQUE COMPARÉE



SOURCE: M.I.C.T.

SITUATION ÉCONOMIQUE INTERNATIONALE

SOURCES:	M.I.C.T. O.C.D.E.	P.I.B. réel		EMPLOI		INFLATION		TAUX DE CHÔMAGE	
		1987	1988	1987	1988	1987	1988	1987	1988
	Canada	4,0	4,2	2,7	3,4	4,3	3,75	8,9	7,9
	États-Unis	2,9	2,75	2,6	2,0	4,0	3,75	6,2	5,5
	Japon	4,2	4,25	1,0	1,5	-0,1	1,25	2,8	2,5
	Allemagne de l'Ouest	1,7	2,25	0,7	0,5	0,5	1,0	7,9	8,0
	France	1,9	2,0	-0,1	-0,25	3,0	2,5	10,6	10,75
	Royaume-Uni	4,5	3,5	1,8	1,0	3,3	3,25	10,4	9,5
	Italie	3,1	2,5	0,2	0,25	4,8	4,5	11,0	11,5
	TOTAL O.C.D.E.	3,1	3,0	1,6	1,5	3,4	3,5	7,9	7,5

PRINCIPAUX INDICATEURS ÉCONOMIQUES

Québec (en %)

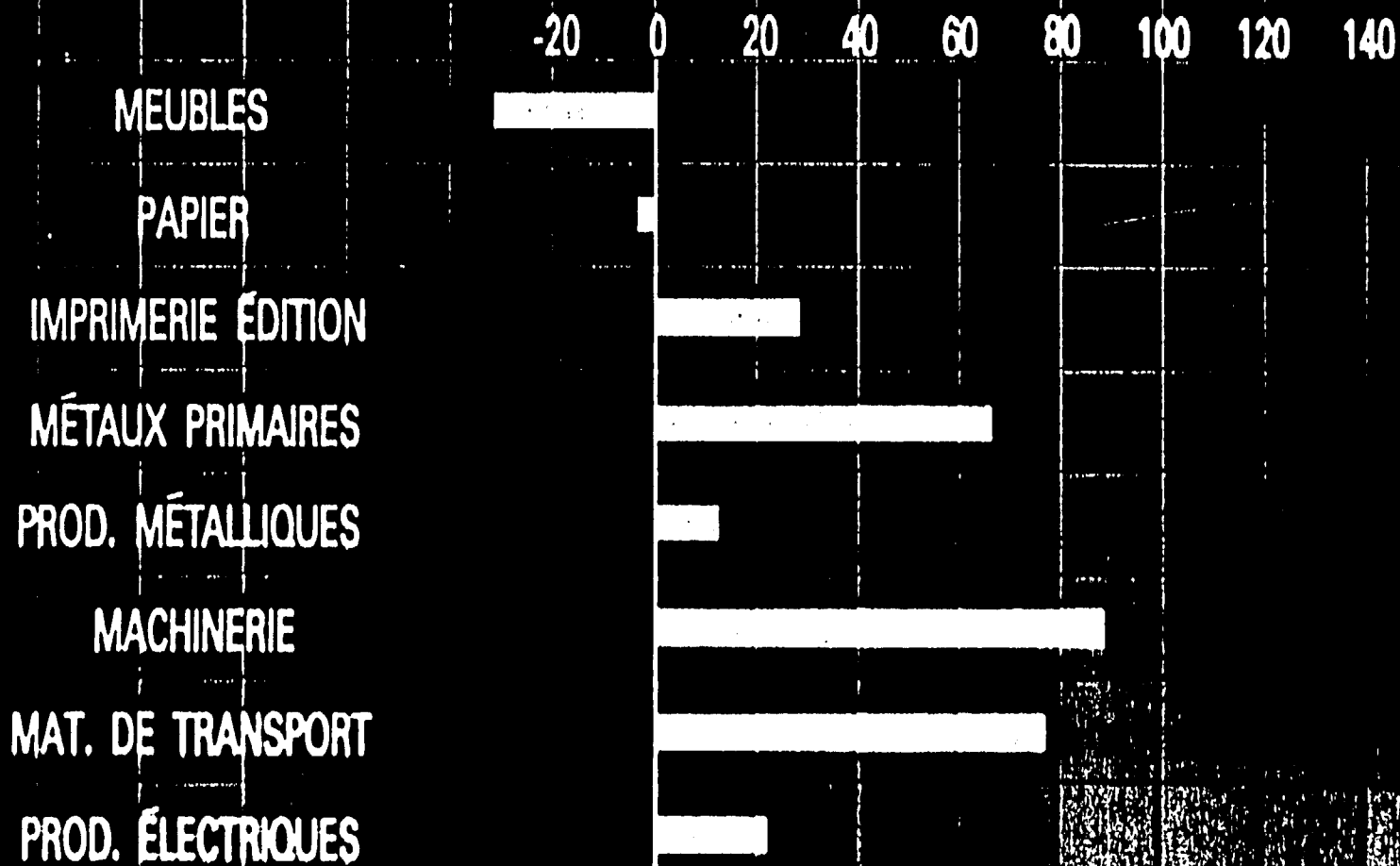
	EMPLOI		IMMOBILISATIONS	
	1987 (11 mois)	1988	1987	1988
AGRICULTURE	-7,2	-8,4	-11,3	1,7
AUTRES INDUSTRIES PRIMAIRES	-7,7	-1,4	20,2	17,9
INDUSTRIES MANUFACTURIÈRES	1,5	8,3	5,4	27,1
CONSTRUCTION	13,3	11,6	25,2	1,5
TRANSPORT, COMMUNICATIONS ET AUTRES SERVICES PUBLICS	6,1	0,1	17,1	27,7

SOURCE: MLCT

IMMOBILISATIONS MANUFACTURIÈRES

Québec (en %)

1988 / 1987 PRÉVISIONS RÉVISÉES À LA MI-ANNÉE POUR 1988



IMMOBILISATIONS MANUFACTURIÈRES

Québec (en %)

1988 / 1987 PRÉVISIONS RÉVISÉES À LA MI-ANNÉE POUR 1988

-20 0 20 40 60 80 100 120 140

PRODUITS MINÉRAUX

PRODUITS DU PÉTROLE

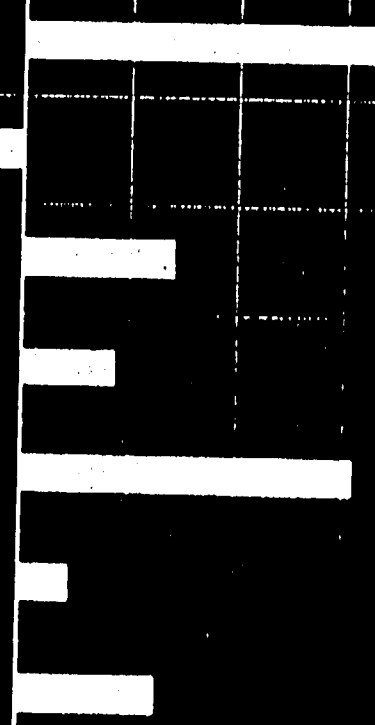
PRODUITS CHIMIQUES

AUTRES INDUSTRIES

BIENS DURABLES

BIENS NON DURABLES

TOTAL

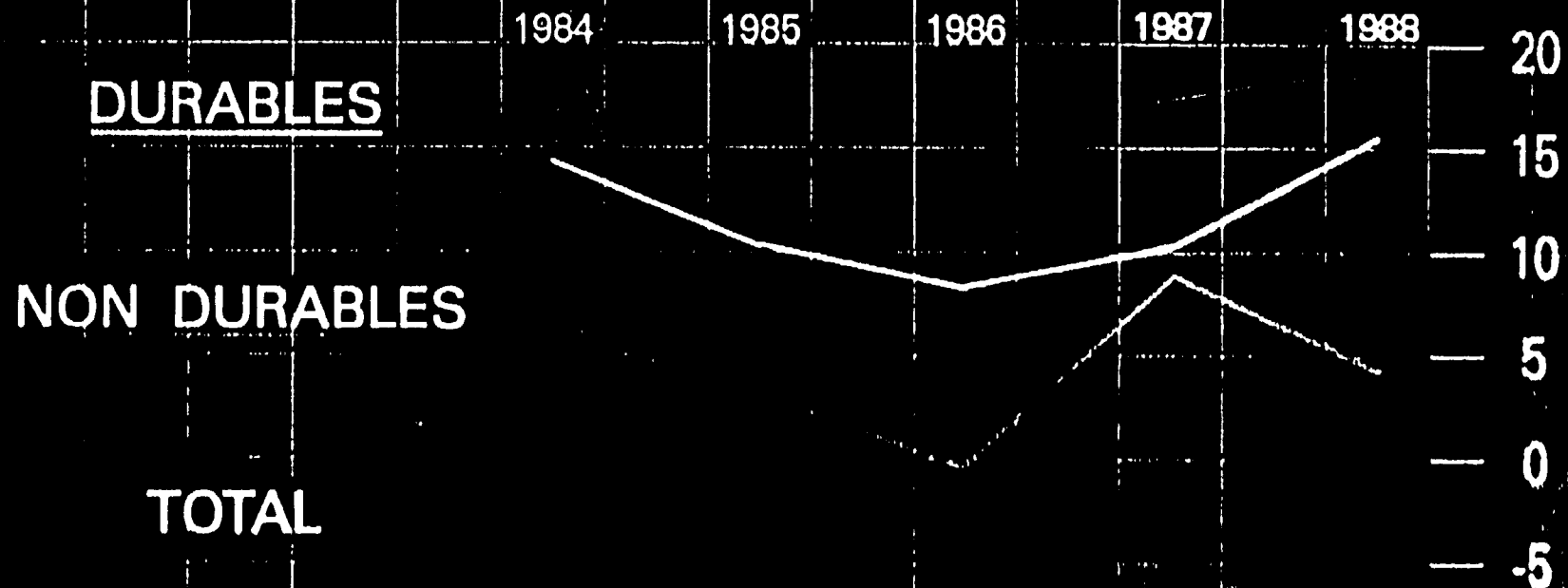


SOURCE: M.I.C.T.

LIVRAISONS MANUFACTURIÈRES

BIENS DURABLES* ET NON DURABLES*

Québec (en %)



* Excluant les produits en caoutchouc et manufactures diverses dont les données sont confidentielles

PERSPECTIVES 1989: PRÉVISIONS DE L'O.C.D.E.

SOURCE: O.C.D.E. Juin 1988 (en %)

	PI.B. réel	EMPLOI	INFLATION	TAUX DE CHÔMAGE
Canada	3,25	3,0	4,25	6,75
États-Unis	2,5	1,5	4,25	5,5
Japon	3,75	0,75	1,75	2,75
Allemagne de l'Ouest	1,75	0,25	1,5	8,0
France	1,75	0,0	2,75	11,25
Royaume-Uni	2,25	0,0	3,25	9,75
Italie	2,25	0,25	4,25	12,0
TOTAL O.C.D.E.	2,5	1,0	3,75	

PRÉVISIONS ÉCONOMIQUES

Québec, 1989 (en %)

	Confédération Desjardins déc. 1988	Conference Board oct. 1988	Classe de dépôt déc. 1988
P.I.B.	2,6	2,2	2,7
EMPLOI	1,7	2,3	1,1
TAUX DE CHÔMAGE	9,6	9,1	9,5
I.P.C. MONTRÉAL	4,6	5,1	3,7

I.P.C.: Indice des prix à la consommation

SECTEURS INDUSTRIELS PRIORITAIRES

- Les véhicules et les pièces
- L'aérospatiale et les produits de la défense
- La microélectronique
- Les technologies de l'information
- La transformation des plastiques
- La pharmaceutique et les bioindustries-santé
- Les industries énergivores

INVESTISSEMENTS MAJEURS, SECTEURS MANUFACTURIERS

Matériel de transport et machinerie

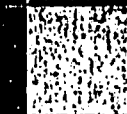
MILLIONS \$

General Motors (Autos)		450	1987-1989
Hyundai Canada (Autos)	■	325	1987-1989
Montupet France (Culasse)	■	112	1988-1992
Hayes-Dana (Vilebrequin)	■	17	1988-1989
Albany Canada	■	13	1988-
Bradley & Frères	■	5	1988-

NOUV. USINE

EXPANSION

MODERNISATION



INVESTISSEMENTS MAJEURS, SECTEURS MANUFACTURIERS

Aérospatiale & défense

MILLIONS \$

Oerlikon Aerospace

40

1988-

Agence Spatiale Canadienne

n/d

1989-

NOUV. USINE

EXPANSION

MODERNISATION

INVESTISSEMENTS MAJEURS, SECTEURS MANUFACTURIERS

Produits électroniques et électriques

MILLIONS \$

IBM Canada (Électronique)

70

1988-

Matrox (Électronique)

15

1988-

NOUV. USINE

EXPANSION

MODERNISATION

INVESTISSEMENTS MAJEURS, SECTEURS MANUFACTURIERS

Produits en plastique et en caoutchouc

MILLIONS \$

Copack (Bouteilles Plast.)	7	1988-
Himont Cda (Résin. Polyp.)	26	1988-
I.P.L.	16	1988-
Camoplast	10	1988-

NOUV. USINE

EXPANSION

MODERNISATION

INVESTISSEMENTS MAJEURS, SECTEURS MANUFACTURIERS

Produits chimiques & pharmaceutiques

MILLIONS \$

Merck Frosst (Pharmaceut.)

205

1988-

Squibb (Pharmaceut.)

65

1988-

Ciba-Geigy (Pharmaceut.)

100

1988-

Boehringer-Ingelheim (Phar.)

73

1989-

Boehringer-Manheim

21

1989-

Nordic (Pharmaceut.)

53

1989-

NOUV. USINE

EXPANSION

MODERNISATION

INVESTISSEMENTS MAJEURS, SECTEURS MANUFACTURIERS

Métaux primaires:

MILLIONS \$

Alcan (Latterière)

342

1988-1990

Alcan (Jonquières)

38

1989

Reynolds (Baie-Comeau)

500

1989-

Reynolds (Cap d/ Madeleine)

30

1989

Aluminerie Bécancour

550

1990-

NOUV. USINE

EXPANSION

MODERNISATION

INVESTISSEMENTS MAJEURS, SECTEURS MANUFACTURIERS

Métaux primaires:

MILLIONS \$

Sidbec-Dosco (Acier)	100	1987-1990
Québec Iron & Titanium	154	
Norsk Hydro (Magnésium)	500	1986-1989
Noranda Mines (Zinc)	120	1989-
Noranda Mines (Cuivre)	40	1989-1994

NOUV. USINE

EXPANSION

MODERNISATION

INVESTISSEMENTS MAJEURS, SECTEURS MANUFACTURIERS

Produits chimiques & pharmaceutiques

MILLIONS \$

Albright & Wilson (Chlorate)

40

1989-

Canox (Hydrogène liquide)

36

1988-

Kemtec (Cumène & Paraxylène)

120

1989-

Union Carbide (Ethylène)

30

1989-

NOUV. USINE

EXPANSION

MODERNISATION

INVESTISSEMENTS MAJEURS, SECTEURS MANUFACTURIERS

Produits minéraux non-métalliques

MILLIONS \$

Glaverbel (Verre)

140

1989-

Miron (Usine de ciment)

55

1989-

Miron (Broyeur)

10

-1989

Quatre projets (Granit)

2

1988-

NOUV. USINE

EXPANSION

MODERNISATION

INVESTISSEMENTS MAJEURS, SECTEURS MANUFACTURIERS

Industrie des pâtes et papier

MILLIONS \$

Domtar Inc (Papier fin)

800

1985-1990

Kruger (Papier journal)

328

1989-

Consolidated Bathurst

270

1988-

Tembec (Cartonnerie)

270

1988-

Donohue (Nouv. ligne)

170

1988-

Reed (Pulpe thermo-mec)

156

1988-

NOUV. USINE

EXPANSION

MODERNISATION

INVESTISSEMENTS MAJEURS, SECTEURS MANUFACTURIERS

Produits du raffinage du pétrole

MILLIONS \$

Ultramar Canada

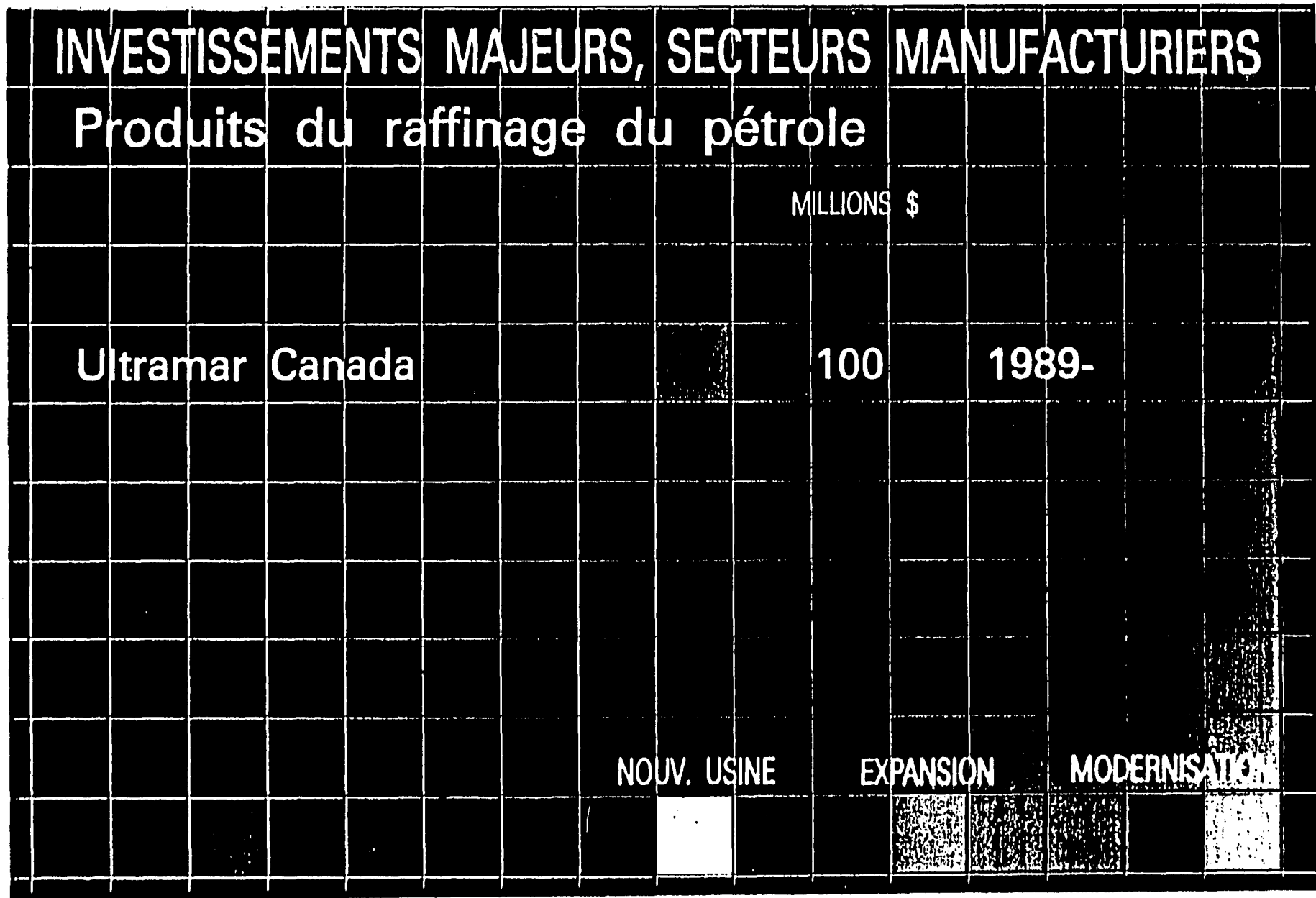
100

1989-

NOUV. USINE

EXPANSION

MODERNISATION



TOTAL DES INVESTISSEMENTS MAJEURS AU QUEBEC PAR SECTEUR MANUFACTURIER

Métaux primaires:	2 374	millions
Aérospatiale et défense:	40	millions
Matériel de transport et machinerie:	922	millions
Produits électroniques et électriques:	85	millions
Produits minéraux non-métalliques:	207	millions
Aliments et boissons:	25	millions
Produits en plastique et en caoutchouc:	59	millions
Textiles:	59	millions
Industrie de la pulpe et du papier:	1 994	millions
Produits du raffinage du pétrole:	100	millions
Produits chimiques et pharmaceutiques:	743	millions
Total	6 603	millions

MINISTÈRE DE L'INDUSTRIE, DU COMMERCE ET DE LA TECHNOLOGIE

Deputy Minister: M. Audet

Associate Deputy Minister, Investment Promotion Agency: André Dorr

Investment Promotion
General Director

Paul Lussier

Assistant to the
General Director
(Québec)

Jacques Gagnon

Research and
Support Division

Daniel Mallette

Investment
Prospecting
Division

America / Asia

Francine Dumont

Investment
Prospecting
Division

Europe / Middle East

André Guertin

Industrial
Infrastructure
Division

Robert G. Jones

PROMOTION ACTIVITIES

TERRITORIES

NUMBER OF MISSIONS

United States

15

Canada

2

Asia

7

Europe

20

Middle East

3

INTERNATIONAL ECONOMIC SITUATION

Sources: OECD MICT	Real GDP		EMPLOYMENT		INFLATION		UNEMPLOYMENT RATE	
	1987	1988	1987	1988	1987	1988	1987	1988
Canada	4,0	4,2	2,9	3,2	3,7	3,5	8,8	7,8
United States		3,75		2,25	4,5	4,25	6,2	5,5
Japan	4,3	5,75		1,75	-0,1		2,8	2,5
West Germany		3,75	0,7	0,5				
France	2,3	3,5	0,1	0,5	3,2		10,5	10,25
United Kingdom	4,3	4,25	2,1		3,8			8,5
Italy				0,75	4,8	5,0	11,0	11,25
OECD Total	3,4	5,5	1,6	1,75	3,6	3,75	7,9	7,25

COMPARED ECONOMIC PERFORMANCE

	Real GDP		EMPLOYMENT		UNEMPLOYMENT RATE		CAPITAL EXPENDITURES		CPI		
	(%)	1987	1987	1988	1987	1988	1987	1988	1987	1988	
			(11 months)	(11 months)	(11 months)	(11 months)			(11 months)	(11 months)	
Québec		5,1	4,8	3,3	2,8	10,3	9,4	18,6		4,5	3,9
Ontario		4,7	5,0	3,6	3,7	6,1	5,0	17,1	11,4	5,6	5,0
Canada		4,0	4,2	2,9	3,2	8,8	7,8	12,4	12,8	4,4	4,0

SOURCE: MICT

MAJOR ECONOMIC INDICATORS

Québec (%)

	EMPLOYMENT		CAPITAL EXPENDITURES	
	1987 (11 months)	1988	1987	1988
AGRICULTURE	-7,2		-11,3	1,7
OTHER PRIMARY INDUSTRIES	-7,7	-1,4	20,2	
MANUFACTURING INDUSTRIES	1,5	8,3	5,4	27,1
CONSTRUCTION	13,3	11,6		
TRANSPORTATION, COMMUNICATIONS AND OTHER UTILITIES	6,1	0,1		27,7

SOURCE: MICT

CAPITAL SPENDING IN MANUFACTURING

Québec (%)

1988 / 1987

ESTIMATES REVISED AT MID-YEAR FOR 1988

-20 0 20 40 60 80 100 120 140

FURNITURE

PAPER

PRINTING PUBLISHING

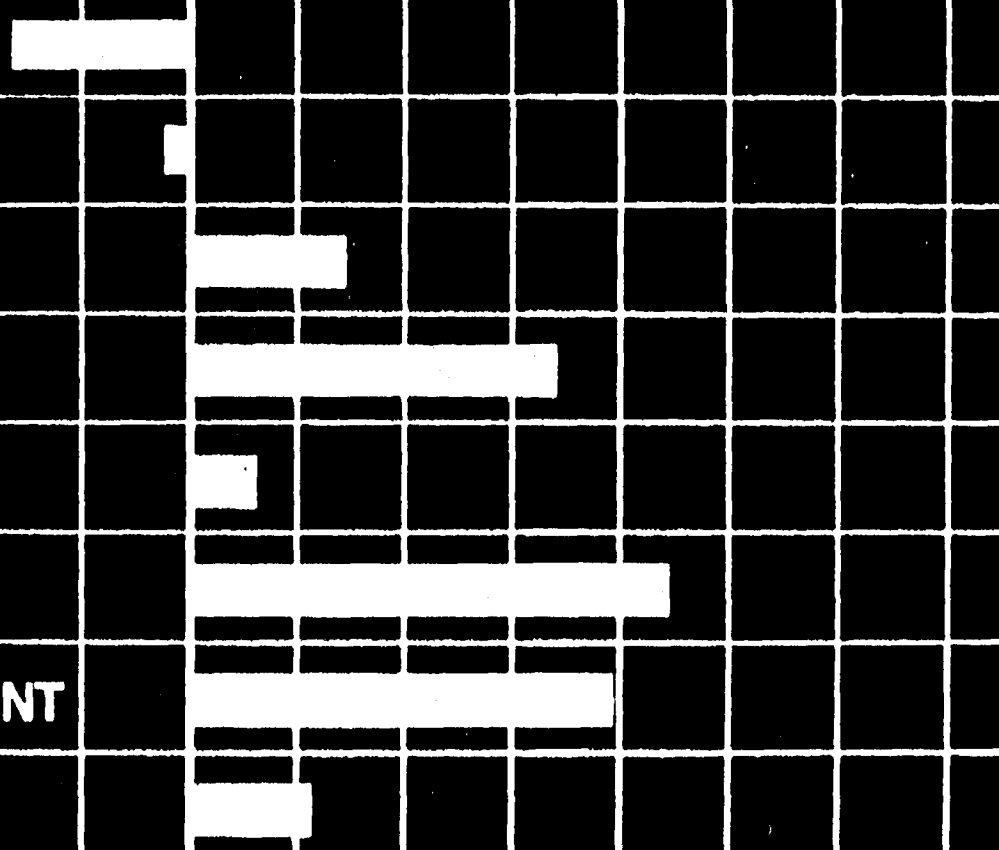
PRIMARY METALS

METAL FABRICATING

MACHINERY

TRANSPORTATION EQUIPMENT

ELECTRICAL PRODUCTS



CAPITAL SPENDING IN MANUFACTURING

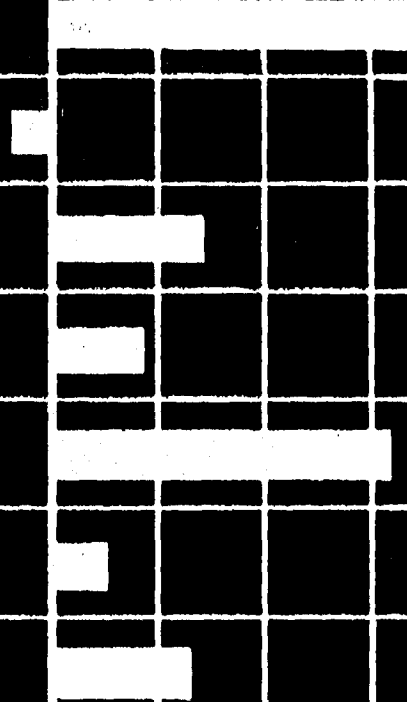
Québec (%)

1988 / 1987

ESTIMATES REVISED AT MID-YEAR FOR 1988

-20 0 20 40 60 80 100 120 140

MINERAL PRODUCTS
PETROLEUM PRODUCTS
CHEMICAL PRODUCTS
OTHER INDUSTRIES
DURABLE GOODS
NON-DURABLE GOODS
TOTAL

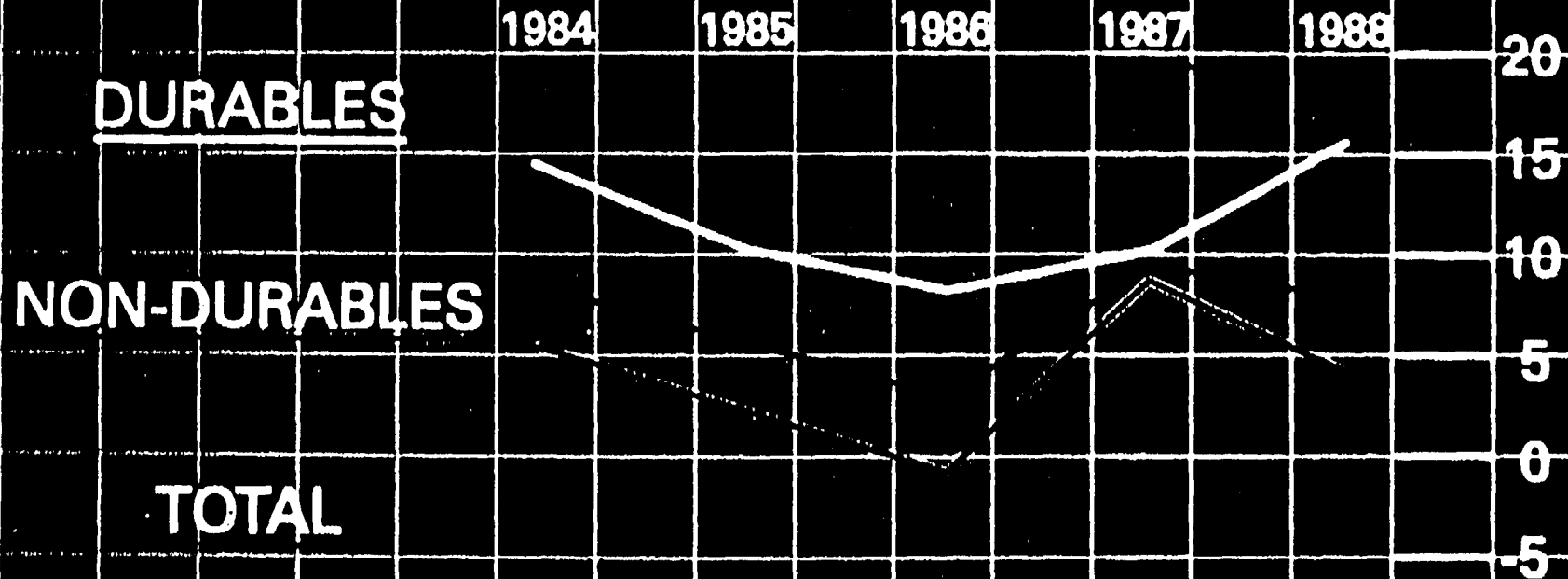


SOURCE: NICT

MANUFACTURING SHIPMENTS

DURABLE* AND NON-DURABLES* GOODS

Québec (%)



* Excluding rubber and miscellaneous manufacturing, for which the data are confidential

OUTLOOK FOR 1989: OECD FORECASTS

SOURCE: OECD DEC. 1988 (%)

	Real GDP	EMPLOYMENT	INFLATION	UNEMPLOYMENT RATE	
Canada	3,0	2,25	3,75	7,75	
United States	3,0	1,75	4,5	2,25	5,5
Japan	4,5	1,0	1,0	2,5	
West Germany	2,5	0,5	2,25	2,25	7,75
France		0,5	0,5	2,5	10,5
United Kingdom		1,0	5,25	7,75	
Italy			4,25	11,25	
OECD Total	3,25	1,25	4,0	7,25	

ECONOMIC FORECASTS

Québec, 1989 (%)

	Confédération Desjardins	Conference Board	Caisse de dépôt
	Dec. 1988	Jan. 1989	Dec. 1988
REAL GDP	2,6	3,1	2,7
EMPLOYMENT	1,7	2,7	1,1
UNEMPLOYMENT	9,6	9,0	9,5
MONTREAL CPI	4,6	4,5	3,7

CPI: Consumer price index

PRIORITY INDUSTRIAL SECTORS

- Automotive and Auto Parts
- Aerospace and Defence Products
- Microelectronics
- Information Systems
- Plastics Processing
- Pharmaceutical and Health Care-Bioindustries
- Energy-Intensive Process Industries

MAJOR INVESTMENTS

Transportation Equipment and Machinery

MILLIONS

General Motors (Automobiles) 450 1987-1989

Hyundai Canada (Automobiles) 325 1987-1989

Montupet France (Cylinder Head) 112 1988-1992

Hayes-Dana (Crankshaft) 17 1988-1989

Albany Canada 13 1988-

Bradley & Frères 5 1988-

NEW PLANT

EXPANSION

MODERNIZATION

MAJOR INVESTMENTS

Aerospace and Defence

CO

\$ MILLIONS

Oerlikon Aerospace

40

1988-

Canadian Space Agency

N/A

1989-

NEW PLANT

EXPANSION

MODERNIZATION

MAJOR INVESTMENTS

Electrical and Electronic Products

\$ MILLIONS

IBM Canada (Electronics)

70

1988-

Matrox (Electronics)

15

1988-

NEW PLANT

EXPANSION

MODERNIZATION

MAJOR INVESTMENTS

Rubber and Plastics Products

\$ MILLIONS

Copack (Plastic Bottles)

7

1988-

Himont Cda (Polyp. Resin)

26

1988-

IPL

16

1988-

Camoplast

10

1988-

16

NEW PLANT

EXPANSION

MODERNIZATION

MAJOR INVESTMENTS

Pharmaceutical and Chemical Products

\$ MILLIONS

Merck Frosst (Pharmaceu

205

1988-

Squibb (Pharmaceut.)

65

1988-

Ciba-Geigy (Pharmaceut.)

100

1988-

Boehringer-Ingelheim (Phar.)

73

1989-

Boehringer-Manheim

21

1989-

Nordic (Pharmaceut.)

53

1989-

NEW PLANT

EXPANSION

MODERNIZATION

MAJOR INVESTMENTS

Primary Metals

\$ MILLIONS

Alcan (Latterière) 342 1988-1990

Alcan (Jonquières) 1989

Reynolds (Baie-Comeau) 500 1989-

Reynolds (Cap Madeleine) 30 1989

Aluminerie Bécancour 550 1990-

NEW PLANT

EXPANSION

MODERNIZATION

MAJOR INVESTMENTS

Primary Metals

\$ MILLIONS

Sidbec-Dosco (Steel)

100

1987-1990

Québec Iron & Titanium

154

Norsk Hydro (Magnesium)

500

1986-1989

Noranda Mines (Zinc)

120

1989-

Noranda Mines (Copper)

1989-1994

NEW PLANT

EXPANSION

MODERNIZATION

MAJOR INVESTMENTS

Pharmaceutical and Chemical Products

\$ MILLIONS

Albright & Wilson (Chlorate)	40	1989-
Canox (Liquid Hydrogen)	36	1988-
Kamtec (Cumene & Paraxylene)	120	1989-
Union Carbide (Ethylene)	30	1989-

NEW PLANT

EXPANSION

MODERNIZATION

MAJOR INVESTMENTS

Non-Metallic Mineral Products

\$ MILLIONS

Glaverbel (Glass)

140

1989-

Miron (Cement Plant)

55

1989-

Miron (Cement Crusher)

10

-1989

Quatre projets (Granite)

1988-

NEW PLANT

EXPANSION

MODERNIZATION

MAJOR INVESTMENTS

Pulp and Paper Industry

\$ MILLIONS

Domtar Inc. (Fine Paper)

1985-1990

Kruger (Newsprint)

328

1989-

Consolidated Bathurst

1988-

Tembec (Cardboard)

270

1988-

Donohue (New Line)

170

1988-

Reed (Thermo-Mecha. Pulp)

156

1988-

NEW PLANT

EXPANSION

MODERNIZATION

MAJOR INVESTMENTS

Refined Petroleum Products

\$ MILLIONS

Ultramar Canada

100

1989-

NEW PLANT

EXPANSION

MODERNIZATION

MAJOR INDUSTRIAL INVESTMENTS IN QUÉBEC BY MANUFACTURING SECTORS - TOTAL

Primary Metals	2 374	millions
Aerospace and Defence	40	millions
Transportation Equipment and Machinery	922	millions
Electrical and Electronical Products	85	millions
Non-Metallic Mineral Products	207	millions
Food and Beverages	25	millions
Rubber and Plastics Products	59	millions
Textiles	59	millions
Pulp and Paper	1 994	millions
Refined Petroleum Products	100	millions
Pharmaceutical and Chemical Products	743	millions
	6 603	millions

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C.P. 6002
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Monsieur Rolland Robichaud
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SOCIÉTÉS DE CAPITAL DE RISQUE

Monsieur Paul J. Massicotte
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Monsieur Eric E. Baker
Président
Altamira Capital Corporation
475, Michel Jasmin
Dorval (Québec)
H9P 1C2

Monsieur Neil Raymond
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H3B 4P2

Monsieur Stephen Kauser
Président
Innocan Inc.
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Bureau 1410
Montréal (Québec)
H3A 1G1

LISTE DES INVITES
LA BOURSE DE MONTREAL

GUEST LIST
MONTREAL STOCK EXCHANGE

Monsieur Jacques Marnard
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COCKTAIL DU 25 AVRIL 1989
SALON BASILAIRE 2, LE MERIDIEN, MONTREAL
17:00 HEURES

INDUSTRY, SCIENCE AND TECHNOLOGY CANADA
GUEST LIST
COCKTAIL, APRIL 25, 1989
SALON BASILAIRE 2, LE MERIDIEN, MONTREAL
5:00 P.M.

Commissaires industriels

Roger Béland	OFF. DEV. ECON. -CUM
Stephen Bigsby	OFF. DEV. ECON. -CUM
Lydia Cappelli	OFF. DEV. ECON. -CUM
Michel Cliche	C.D.E. GRANBY METROPOLITAIN
Pierre Dagenais	S.D.E. DRUMMONDVILLE
Jean-Marc Lajoie	PARC TECHNOLOGIQUE QUEBEC METRO.
Diane Latendresse	S.D.E. DE GROULX
Benoit Marquis	C.I. DE MIRABEL-SUD
Ronald Mercier	C.D.E. BOIS-FRANCS
Jean-Paul Massé	S.P.E. QUEBEC METROPOLITAIN
Georges Nydam	C.D. AFFAIRES DU WEST ISLAND
Al Sybertz	OFF. DEV. ECON. -CUM

MICT - Industrie, Commerce et Technologie -Québec

Francine Dumont
Paul Lussier

MAI - Ministère des Affaires internationales -Québec

Réjean Lapointe

ISTC- Industrie, Sciences et Technologie Canada

François Archambault
Jean Arsenault
Noel Bilodeau
Claude Blais
Jacques Castonguay
Michel Charland
Paul Delaney
William Horovitz
Morris Krymalowski

AUTRES

Pierre Bergeron	GRUPE MALETTE INTERNATIONAL
André Corbeil	COOPERS & LYBRAND
Françoise Denault	PHILLIPS VINEBERG
M. Figlarz	FIGLARZ AVOCATS
Gilles Martin	C.D.E. LAVAL -CODEL
Gérald Merckel	INTERNATIONAL CONSTRUCTION CONSULT.
Denis Pageau	STRATEM
Pierre Pettigrew	SAMSON BELAIR
Claude Piché	MUNICONSULT
Edouard Préfontaine	STRATEM
Michel Villetorte	INTERNATIONAL CONSTRUCTION CONSULT.

LISTE DES INVITES
AU
DINER MINISTERIEL

GUEST LIST
MINISTERIAL DINNER

HOTEL RITZ CARLTON
SALON OVALE

Hydro-Québec
Alcan Aluminium Ltée
Bombardier Inc.
Groupe SGF
Pratt & Whitney Canada Inc.
Minéraux Noranda Inc.
Dontar Inc.
Société d'investissement
Desjardins
Québécor Inc.
Groupe S.N.C.
Sidbec-Dosco Inc.
CAE Electronique Ltée
Agropur
Rexfor
Cascades Inc.
Ivaco Inc.
Caisse de dépôt et
placement du Québec
Hoverco
Vidéotron Ltée
UAP INC.
Waterville TG Inc.
Papeteries JB Rolland Ltée
Groupe CSL Inc.
Sintra
Memotec Data Inc.
Sodarcam Inc.
Corporation des Tapis Peerless
Volcano Inc.
Compagnie Circo-Craft Inc.
Avon Canada Inc.
Shermag Inc.
Sico Inc.
Lumberland Matériaux Inc.
Lambert Somac Inc.

Camoplast Inc.
L'Industrielle Alliance
Velan Inc.
Artopex Inc.
Mitchell Inc.
Ciment Québec Inc.
Groupe Val Royal Inc.
IPL Inc.
Lassonde & Fils Inc. (A)
Héroux Inc.
Miron Inc.
Compagnie Seagram Ltée (La)
Sanivan

Claude Boivin vp
David Morton, prés.
Raymond Royer, prés.
Paul Berthiaume, prés.
L. David-Caplan, prés.
David Goldman, vp
James H. Smith, prés.

Pierre Barnès, prés.
Pierre Peladeau, prés.
Guy St-Pierre, prés.
John Leboutillier, prés.
H.B. Cavadias, prés.
Michel Lemire prés.
Robert C. Darveau, prés.
Bernard Lemaire, prés.
Paul Ivanier, prés.

Jean Campeau, prés.
David P. O'Brien, prés.
Claude Chagnon, prés.
Jean Douville, prés.
Paul Calvi, prés.
Edna St-Pierre, prés.
James Eider, prés.
Michel Rouillet, prés.
William M. McKenzie, prés.
Robert Parizeau, prés.
Bram Garber, prés.
Michel Doucet, prés.
Hans K. Muhlegg, prés.
John Novesad, prés.
Serge Racine, prés.
Jean-Paul Lortie, prés.
Morrie Bronstein, prés.
Denis Linteau, prés.

Normand Carpentier, prés.
Raymond Garneau, prés.
A.K. Velan, prés.
Guy Bonneau, prés.
George Holland, prés.
Guy Papillon, prés.
Yves Archambault, prés.
Julien Métivier, prés.
Jean-Paul Barré, prés.
Sarto Richar, prés.
Joseph P. Husny, prés.
Gabor Jellinek, prés.
J.G. Soulard, prés.

Tech Rep Electronics
Datagram Inc.
DMR & Associés Ltée
Entreprise Innotech Aviation
Outils Coupants International
Camions Pierre Thibault
Lavalin Inc.
Banque Nationale
Groupe La Laurentienne
Mouvement Desjardins
Bourse de Montréal
Chambre de Commerce
de Montréal
Les Coopérants
Agrinova
Ogivar
Institut de recherche
en Biotechnologie
Groupe Totec Inc.
Tecsult inc.
SOQUIP
Ogilvy Renault
Lévesque Beaubien Inc.
Chambre de Commerce du Canada
A/S Le Groupe Sobeco
Chambre de Commerce du Québec
Banque Royale
Banque de Montréal
Banque de Montréal
Centre de recherche
alimentaire

Jack McAllister, prés.
Pierre Pharand, prés.
Michel Benoit, prés.
V.R. Bennett, prés.
A. Minicozzi, prés.
Carl Thibault, prés.
Bernard Lamarre, prés.
Michel Bélanger, prés.
Claude Castonguay, prés.
Claude Béland, prés.
Bruno Riverin, prés.

Serge Godin, prés.
Pierre Schooner, prés.
Rosaire Lapierre, prés.
James Banchinol, prés.

Bernard Coupal prés.
R. Cajolet, prés.
Guy Fournier, prés.
Nicola Gravino, vp
Don Bunker, avocat
Pierre Brunet, prés.

Yves Guérard, prés
Louis Arseneault, prés.
John E. Cleghorn, prés.
Matthew W. Barrett, prés.
Gilles Jazzy

Dr Claude Aubé, dir.

Reynolds Aluminium Co.(Canada)	John W. Corcz, prés.
Aluminerie De Bécancour Inc.	Patrice Bourgeois, prés.
Git-Per & Titane	Gilles G. Charette, prés.
Norsk-Hydro Canada Inc.	Jacob Kulrud, prés.
General Motors du Canada Ltée	G. Henson, prés.
Hyundai Canada	S.B. Lee, directeur
Montupet Ltée	Didier Rind, prés.
Lafarge Canada Inc.	Gerry Gentles, prés.
Wong Wing Foods Inc.	Marcel Wong, prés.
Consolidated Bathurst Inc.	Guy Coulombe, prés.
Papeterie Reed Ltée	Peter Williams, prés.
IBM Canada Ltée	Denys Rivard, prés.
Himont Canada Inc.	J. Clissa, prés.
Ultramar Canada Inc.	Jean Gaulin, prés.
Albright & Wilson Amérique	Michel Beauchamp, prés.
Air Liquide Canada Ltée	John W. McGill, prés.
La Compagnie Canadienne d'Oxygène Ltée	André Riedl, prés.
Union Carbide	T.J. Nadeau, directeur
Merck Frost Canada Inc.	J.L. Zabriskie, prés.
CIBA-GEIGY	Atas Adly, vp
Squibb Canada Inc.	Mr. M.J. Kincaid, prés.
BG Checo International Ltée	David Chen, prés.
Westburne Industrial Enterprises Ltd	M. Howard Campbell, prés.
Dupont Canada Inc.	Jean-Louis Deschênes, Dir.
Banque de Hong-Kong	Patrice Blondel, vp adj.
Vittforge	Andriano Vittone, prés.
Rolls Royce	John Cheffins, prés.
Burroughs Welcome	Bernard T. Keene, prés.
Philips Information Systems	M.A.J. Nieuwerke
YKK Canada	M. Y. Yoshida, prés.
Boeringer Ingelheim	(à venir)
Multiver Ltée	E. Cormier, prés.
Albany International Canada	Kimon Ayan, prés.
Alby Chlorates	Kjell Erickson, prés.
Les Brevages Mora	Jean-Claude Lord, prés.
Jetro	Hiroshi Sakuramoto, prés.
Hitachi (HSC) Canada Inc.	S. Takeuchi, prés.
Hoescht Canada	Peter U. Blum, prés.
Hercules Canada	Harold Kenton, prés.
Vapor Canada Inc.	David Kerr, prés.
Générale Electrique du Canada	W. Blondell, prés.
Allis Chalmers	P.Z. Cohen, prés.
Mondo Rubber International	M.G. Viberti, prés.
Dow Chemical Canada Inc.	Peter Robb, vp
Fiberglass Canada	Robert Lacosse, dir. Vent
Johnson & Johnson	M.P.B. Lowndes, prés.
Pneus Pirelli	E. Poplin, prés.

Gerlikon Aérospatiale
Rio Algom
SKW Canada Inc.
Dominion Bridge-Sulzer Inc.
Société d'Ingénierie
Combustion Ltée
Bendix Avelox Inc.
Phillips Electronics
Spar Aérospatiale
Honeywell Amplitrol
Leroy-Somer Canada Ltée
Didier Corporation
Canadian Industries Ltd
Berol Inc.
Co. Nestlé
Banque de Tokyo
Komo Construction Inc.
Communications TIE Canada Inc.
Mitel Corporation
Banque Nationale de Paris
Crédit Commercial de France
Banque Fuji du Canada
Produits forestiers Daishowa
Laboratoires Abbott Ltée
Beloit Canada Ltée

Marco Genoni, prés.
W.I. Pollock, vp, dg.
D. Ksinski, prés.
D.G. Mathewson vp exc.
Jerry Crew, dg
K. Kivenko, prés.
?
G.A. Branchflower, vp, dg
M. Andy Hawitson, prés.
Michel Chripounoff, prés.
Norman Taylor, prés.
Normand Thogersen, dg
Shans Zaman, vp, dg
Claude Archambault, vp
Masato Miyachi, vp
Jean Dropinski, vp ex.
Tom Elliot, prés.
M.C.J. Compland, prés.
François Jonathan, pdg
Peter J. Freill
Anthony Gagnon, vp
André C. Sarrasin
M. McGlynn
R.J. Régnier

- | | |
|---|-----------------------------|
| 1. Société de promotion économique
du Québec métropolitain | Jean-Paul Massé, Pdg |
| 2. C.O.P.E.R.S. | Lise Brouillette, Comm.ind |
| 3. C.D. AFFAIRES DU WEST ISLAND | Georges Hydan, Comm.Ind |
| 4. S.D.E. DE GROULX | Diane Latendresse, v-p |
| 5. C.I. DE MIRABEL-SUD INC. | Benoit Marquis, Comm. ind. |
| 6. S.D.E. DE ST-JEROME | Michel Gauthier, Comm. ind |
| 7. C.D.E. DE VALLEYFIELD INC. | Daniel Dicaire, Comm. ind. |
| 8. OFFICE DEVELOPPEMENT VILLE DE LONGUEUIL | Etienne Héroux, Comm. gén. |
| 9. C.D.E. DES BOIS-FRANCS INC. | Yves Dallaire, Comm. ind. |
| 10. C.O.D.E.L. -Prosp.nouvelles entreprises | Gilles Martin, Comm. ind. |
| 11. OFFICE DE L'EXPANSION ECONOMIQUE(C.U.M.) | Stephen Bigsby, Directeur |
| 12. C.D.E. DE VILLE ST-LAURENT | Simon Vauclair, Com. ind. |
| 13. Parc technologique du Québec métro | Jean-Marc Lajoie, Dir. gén. |
| 14. Corporation de développement
économique Sorel-Tracy et région | Mario De Tilly, Dir. gén. |
| 15. Corporation de développement industriel
et économique-région de St-Hyacinthe inc | Guy Desrosiers, vp. exéc. |
| 16. Corporation de développement économique
de Bromont/Waterloo/Lac Brome inc. | Daniel Mignault, vp. exéc. |

April 26, 27 & 28, 1989

Toronto, Ontario

Sutton Place Hotel

April 26

8:30

- Briefing Toronto program
Coffee and pastries available

9:00 a.m.

- Registration
Coffee: Sponsor - DEA

9:30 a.m.

- Welcome and introduction of program

Mr. W.W. Cram
Provincial Executive Director
Industry, Science and Technology Canada
Ontario Provincial Office

Mr. Mike Duffy
President, OIDC
Business Development Officer
The Regional Municipality of Halton

9:45 a.m.

- DEA Investment Development Program

Moderator: R. Fournier
Department of External Affairs

- Overview of DEA Investment Programs
- Country Programs
 - Asia
 - Japan
 - Hong Kong
 - Seoul
 - Europe
 - Britain
 - France
 - Germany
 - Italy
 - The Netherlands
 - United States
 - Chicago
 - Atlanta
 - Middle East
 - Ryadh
 - Kuwait

11:30 a.m.

Role of the EDO in Ontario

Moderator: Mr. John Morand
Commissioner of Economic Development
City of Scarborough

12:20 p.m.

- Lunch

1:40

- Individual appointments

5:30 p.m.

- Reception

Host: Ontario Industrial Development Council

April 27

7:30 a.m.

- Breakfast meeting
Host: The Municipality of Metropolitan Toronto/
Scarborough

10:00 a.m.

- Presentation - ISTC Toronto, FEDNOR, MITT, CEIC

12:30 p.m.

- MITT hosted lunch

2:30 p.m.

- Employment and Immigration Canada
 - Labour Market in Market
 - CEIC Programs and Services to New
Businesses

3:15 p.m.

- Association of Industrial Commercial Realtors
- Wrap-up Session

5:30 p.m.

- Reception
Host: OIPCC/ISTC

April 28

9:00 a.m.

- Venture Economics Presentation on Strategic Partnering Study commissioned by DEA, ISTC and Investment Canada
 - by Mary MacDonald

(Attendance of London, The Hague, Bonn and Milan posts is required. All other posts are welcome).

Arrival:
Depart:

April 25/89
April 28 or 29/89

21:10
Consult individual
itineñaries

Accommodation:

Sutton Place

Toronto, Ontario

April 26, 27 & 28, 1989

Participating Officers: Audrey Turner (Atlanta), David Lenihan (New York), Andrew de Schulthees (London), Loepy ten Hoopen (The Hague), Pierre Belanger (Paris), Bob Mason (Kuwait), George Phillips (Chicago), Preston Shea (Los Angeles), Brian Casey (Santa Clara), Bill Johnston (London), Marta Moszczenska (Milan), Otch Von Finkenstein (Bonn), Pierre Boyer (Seoul), Bob Sutherland (Riyadh), Daniel Lawrence (Hong Kong), Brian Wilkin (Tokyo).

April 26

- The Toronto Program kicked off with refreshments and registration of participants, followed by a welcoming and introduction to the program by Doug Sirrs, Director General, International Trade, Technology and Investment, ISTC and Allan Anderson, Investment Development Officer, ISTC. Welcoming remarks were also provided by Mike Duffy, President, O IDC.

- With Bob Fournier, DEA, as moderator, each of the investment officers provided a brief outline of the investment program they operate in Canadian posts abroad. The officers stressed the importance of receiving specific project and opportunities information.

- The morning finished with a brief panel discussion on the "Role of the EDO in Ontario", moderated by John Morand, Commissioner of Economic Development with the City of Scarborough. The panelists were Mary Dillon, City of Burlington, Pat Olive, Regional Municipality of Durham, and David Cash, Kingston Area Economic Development.

- A working lunch with all morning participants allowed the officers to commence one-on-one meetings with EDOs and investment intermediaries at 1:40 p.m.. These appointments continued until 5:30 p.m. with all officers having a full schedule.

- The day concluded with a reception for all of the people who had participated in the day's program. Mike Duffy made a brief speech to the assembled guests.

April 27

- The program commenced with a breakfast meeting hosted by the Municipality of Metropolitan Toronto. John Baxter, Executive Director, Chairman's Office with Metro Toronto made a few welcoming remarks and commented on economic development in Toronto.

- The balance of the morning's meetings were hosted at the MITT office in Toronto. Presentations were made by: Morley Martin, Senior Economist, ISTC, and Allan Anderson of ISTC; Tom Tucker of FEDNOR; and MITT. Herb Duerr, Acting Assistant Deputy Minister, Industry and Trade Expansion Division, welcomed the officers.

- Morley Martin and Allan Anderson of ISTC Toronto provided an overview of the Ontario economy and the Toronto investment program.

- The FEDNOR presentation included an overview of the funding available through FEDNOR as well as the procedures required to apply for funding assistance. Allan Anderson has since undertaken to forward a FEDNOR brochure to all officers.

- The MITT presentations outlined the Province's participation in plant locations, municipal liason, and business immigration. They also provided an overview of the Province's U.S., and Europe, Middle East and South Asia investment programs, the Premier's Council and Technology Fund (science and technology), and their strategic sectors for investment development. The presentations were given by: John Ardagh, Director, U.S. and Latin America Branch; George Hanus, Manager - Investment, U.S. and Latin America Branch; Richard Howard, Manager - Investment, Europe, Middle East and South Asia Branch; John Ayling, Acting Manager, Plant Locations and Municipal Liason Section; Lynne Hartmann, Consultant, Business Immigration Section; Don Godfrey, Manager, Industry Sector Affairs Section; and Chris Pringle, Senior Policy Advisor, Premier's Council and Technology Fund.

- MITT hosted a working lunch for all participants.

- Following lunch Cliff Kearns, of Employment and Immigration Canada provided an overview of the labour market in Ontario, as well as the programs and services provided by CEIC to new businesses.

- John O'Tooles of Colliers, MacAulay and Nicolls and Hugh McFarlane of McFarlane Realty Inc. represented the Association of Industrial Commercial Realtors. They outlined the existing industrial and commercial real estate situation in Toronto and vicinity, including availability, cost (serviced and unserviced), and forecasts.

- The afternoon concluded with the DEA wrap-up session. All officers as well as representatives from UTE, RWT, Investment Canada, and ISTC Headquarters, participated actively in the session. A full summary of the comments provided are outlined separately.

- The formal portion of the Tour ended with a reception hosted by the Ontario Investment Promotion Coordinating Committee (OIPCC) and ISTC Toronto. In addition to regular members of the OIPCC, guests included clients of those OIPCC members who had contributed to the

cost of the function.

April 28

- The morning was dedicated to a presentation by Mary MacDonald of Venture Economics and discussions regarding the ongoing Strategic Partnering Study which is co-sponsored by DEA, ISTC and Investment Canada. All officers were welcome, while those officers from London, The Hague, Italy and Bonn were required to attend as they are participating in the pilot project.

- The purpose of the study is to facilitate partnership arrangements, contacts and access to European companies and markets. While this may initially involve manufacturing outside of Canada, it is expected to lead to the second objective which is new investment and technology in Canada.

- Europe was selected as the initial target for a number of reasons, including:

- U.S. was too large and difficult to tackle;
- In Europe, the Milan post was already focussing on strategic partnerships, and The Hague has a large untapped venture capital community;
- Japan isn't ready; and
- Europe was a natural choice with the impending 1992

- The balance of the Study Process for Venture Economics will be as follows:

- Familiarize themselves with the materials;
- Undertake research regarding suitable foreign partners developing a long list of companies that could warrant contact, and refine the list. They will use the European venture capital community to enhance the posts' lists of potential candidates;
- Provide the Canadian companies with a list of the foreign candidate companies for their review;
- Canadian companies to provide feedback.
- Posts to make contact with select foreign companies and start screening process; and
- Develop a short list of foreign companies and introduce to Canadian companies.

- Venture Economics has strong contacts with the European venture capital community and can work with them to identify those foreign companies which typically invest in companies in the technology sectors of interest. Venture Economics can also help to establish/maintain the working relationships with the Canadian companies identified.

- Mary MacDonald stressed the importance of keeping the project tightly controlled over the next three months (i.e. restrict participation to the 4 posts identified).

- The companies participating in the study have provided information that should be used judiciously. Parties involved recognize the importance of posts involved remaining in close contact with the Canadian companies to obtain further information and review existing activities/relationships.

- Within the next week or so, Mary MacDonald agreed to contact the Canadian companies to:

- ask for press clippings, periodical articles, etc.;
- further information on their competition;
- details on contacts with companies in European countries;
- prepare companies to be contacted by the posts.

- Bill Johnston, London, raised his concern regarding the posts' role in cases where the Canadian companies already have established commercial relationships in post territory. For example, where these companies have sales offices in the territory, the post will have to be careful not to interfere with existing commercial relations. This is why it is important to maintain close contact with the Canadian companies. Bill also suggested that there is a broader application for the Venture Economics template. If Investment Officers had this information on contacts met during the tour they would be much better prepared to seek out investors.

INVESTMENT OFFICERS' CROSS CANADA TOUR
WRAP-UP SESSION

Thursday, April 27, 1989
3:00 p.m. to 5:00 p.m.

AGENDA

1) OBJECTIVES

Were the objectives of the tour met:

- in raising the profile of IDP?
- in clarifying how the program can be used by Canadian clientele to their benefit?
- in supporting program use by current clientele and in accessing additional clientele?
- in providing Investment Officers with the information they need to promote investment in identified regional investment priority sectors?
- in establishing a Canadian servicing network for investment inquiries.

2) FOLLOW-UP

- What type of follow-up is required as a result of the tour? Have the Investment Officers been "tasked" by the provinces as a result of the meetings?

3) PROGRAM

- How would you rate the quality of the tour programs overall? Where were the particularly weak and strong programs? What were some of the highlights in terms of meetings, presentations etc?

4) LOGISTICS

- Were the travel and hotel arrangements satisfactory? Was the travel itinerary too demanding?

5) BRIEFING MATERIAL

- Was the briefing material sufficient? What other briefings should be included or excluded?

6) MEDIA RELATIONS

- Were you satisfied with the media coverage of the tour? Did the media ask questions that were particularly difficult or awkward to answer? Were the Q & A 's helpful?

7) FUTURE TOURS

- Would you recommend that an Investment Cross Canada Tour be organized on a regular basis, and if so what changes would you propose?

Wrap Up Session

The consensus among the investment officers was that the tour was a very useful event and should definitely be held on an annual basis. The following comments were made during the wrap-up session in Toronto:

1.

PROGRAM

- in general, the programs were very informative and substantial; the officers were kept very busy most the time
- more time was required for discussion, and question and answers at the end of each presentation - less emphasis should be placed on formal presentations and more on discussion
- number of provincial meetings should be reduced; more private sector industry meetings needed
- private sector participants should be screened in advance in order to be better prepared and to ensure that everyone is kept busy
- important to specify on private sector invitations that investment officers are looking for specific needs or requirements, and opportunity profiles
- officers found that there was not enough time given for their presentations. Profiles and priority areas should be faxed to companies/provinces etc. in advance of the tour
- would have been beneficial for all the officers to go across the country - suggestion was that if funds permit perhaps a colleague could come on the tour; or all provinces could be visited but all officers need not go to each province i.e as in "leap frog"

- the use of the Annual CATA conference to promote the investment officers in Montreal was not very successful

2. BRIEFING MATERIAL

- briefing material was very good
- more provincial material received prior to the tour would be useful

3. LOGISTICS

- for the most part the logistics were good
- consideration for next year would be to keep one day room for changing before flights

4. MEDIA RELATIONS

- the Q and A's were very helpful and well done
- the interviewers were friendly
- the general perception was that the media felt the value of foreign investment in Canada
- given that the tour was not a "media event", coverage was surprisingly good

5. OBJECTIVES

- profile of the IDP has been increased
- the investment officers do have a better understanding of provincial priorities (to the extent that some of the provinces have priorities)
- many of the priorities sound similar in that they are not focussed or targetted enough
- many of the officers are returning to their posts tasked; the provinces are tasked as well in trying to provide the posts with the materials and information they require in identifying investment prospects
- tour provided the opportunity for the officers to establish a network; it is important to compile a master list of these contacts

- discussion surrounding the procedure for servicing leads - no set procedures to follow, it is best to use those contacts where you know you will get the best service

6.

FUTURE TOURS

- the investment officers unanimously felt that the tour was successful and should be repeated on a regular basis for the sake of continuity as well as keeping in tune with new market conditions
- in order to help the posts with their planning, the tour should be held at the same time every year (preferably in late April or early May)
- the tour was somewhat taxing for the smaller posts in terms of the time they had to be away, this should be taken into consideration when planning future tours



PREMIER'S COUNCIL
TECHNOLOGY FUND

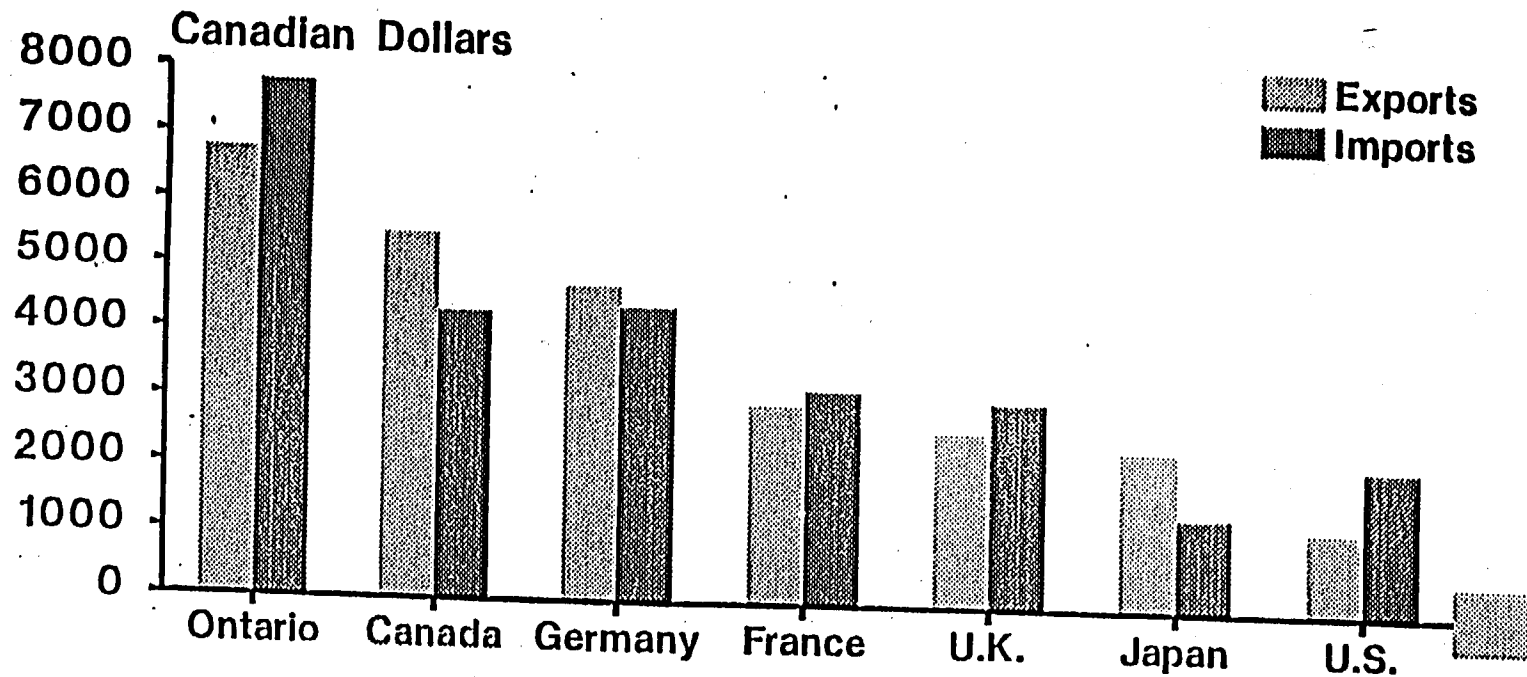
The Technology Fund

The long-term prosperity of an economic jurisdiction is largely dependant on its ability to develop and maximize its tradeable goods and services.

The Technology Fund

Trade is Extremely Important to Ontario

International Trade Per Capita 1986

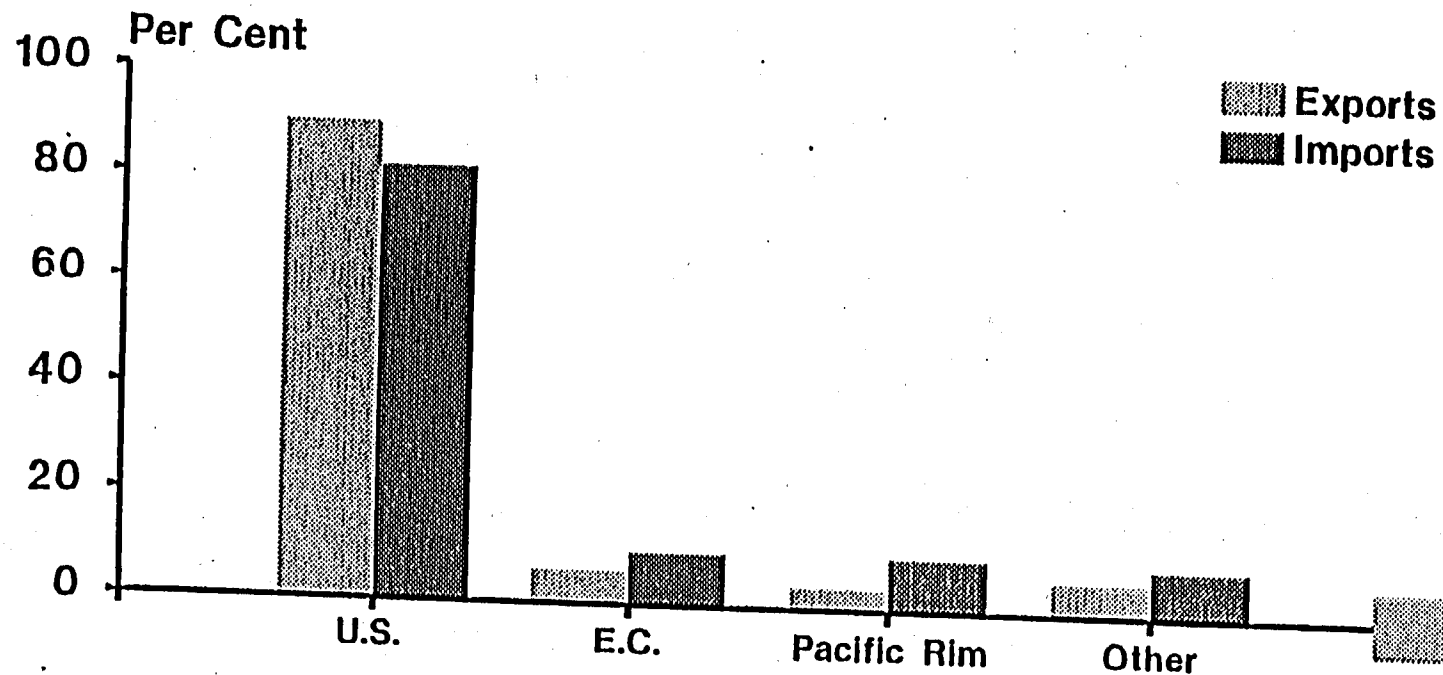


Source: Ontario Ministry of Industry,
Trade and Technology and
Statistics Canada

The Technology Fund

90% of Trade is With the U.S.

Ontario's Trading Partners 1986

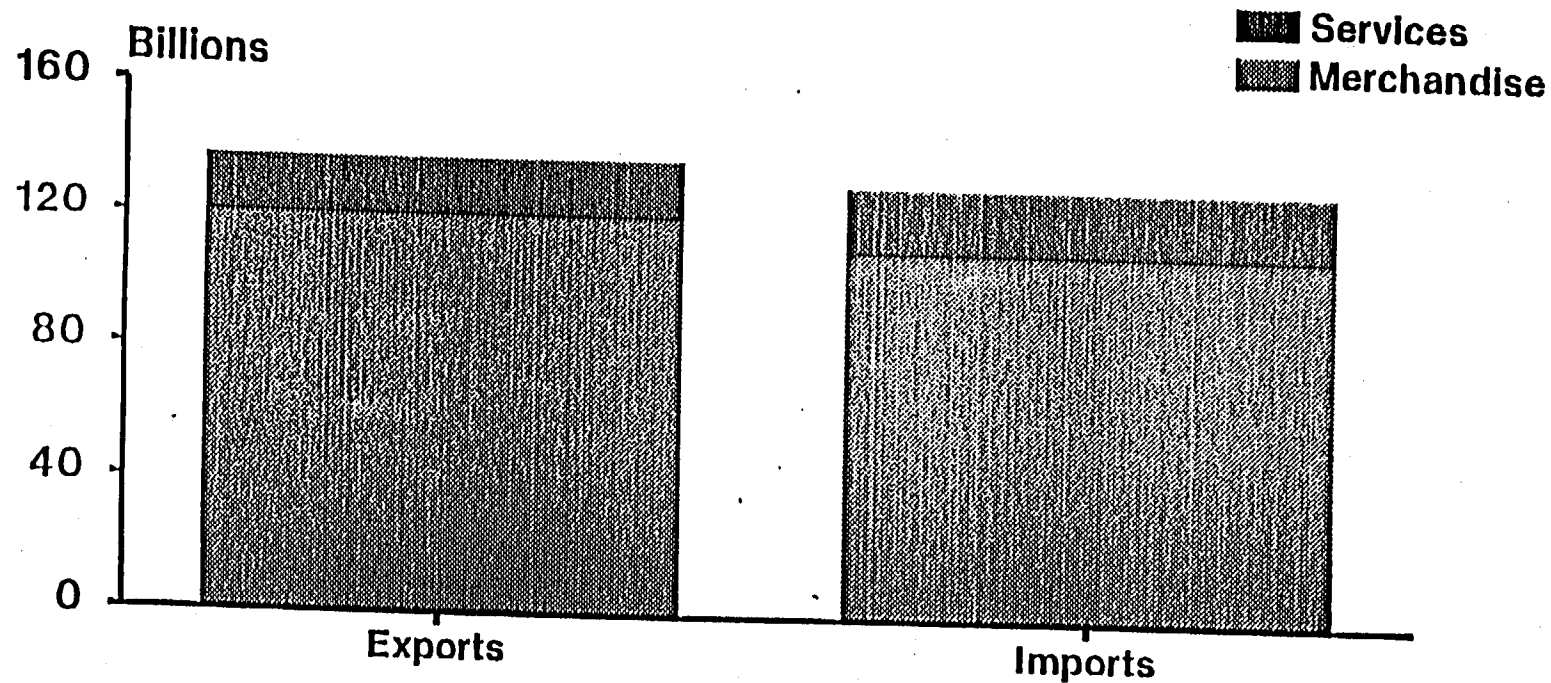


Source: Ontario Ministry of Industry,
Trade and Technology and
Statistics Canada

The Technology Fund

The Bulk of Trade is in Goods

Composition of Canada's Trade 1986

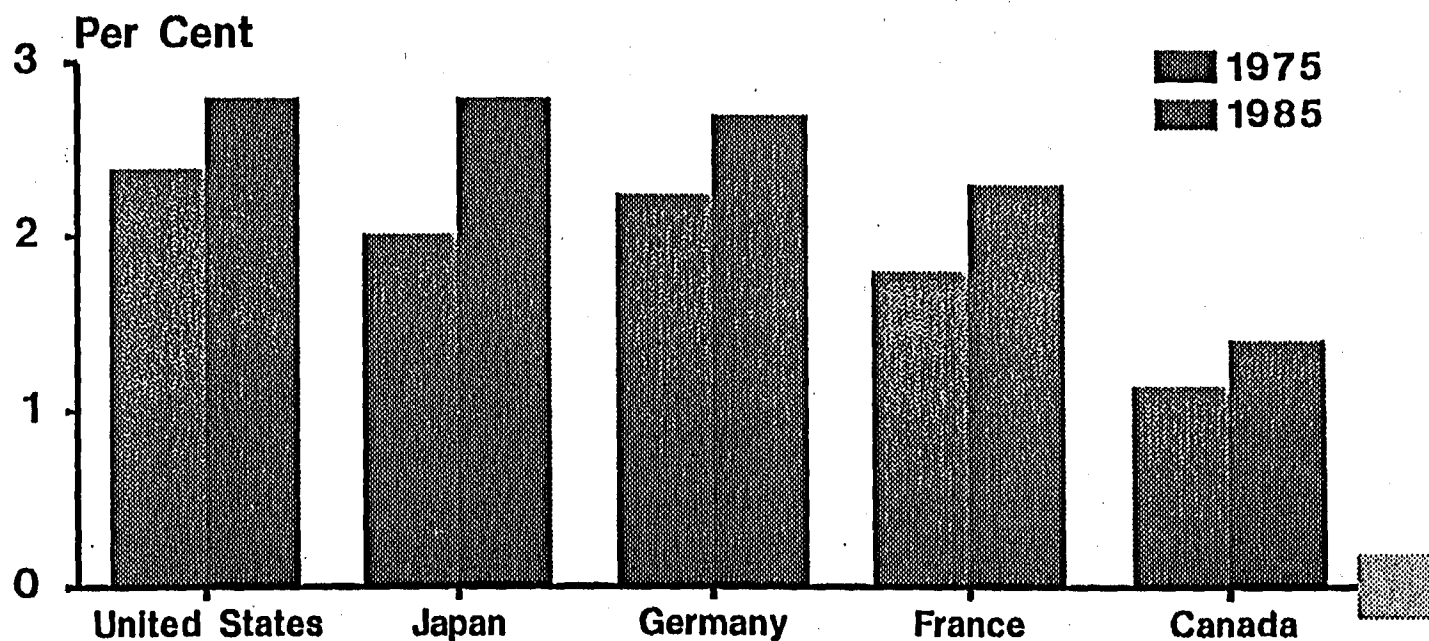


Source: Statistics Canada

The Technology Fund

Canada Lags in R & D

Expenditures on R and D as a Share of Output 1975-1985

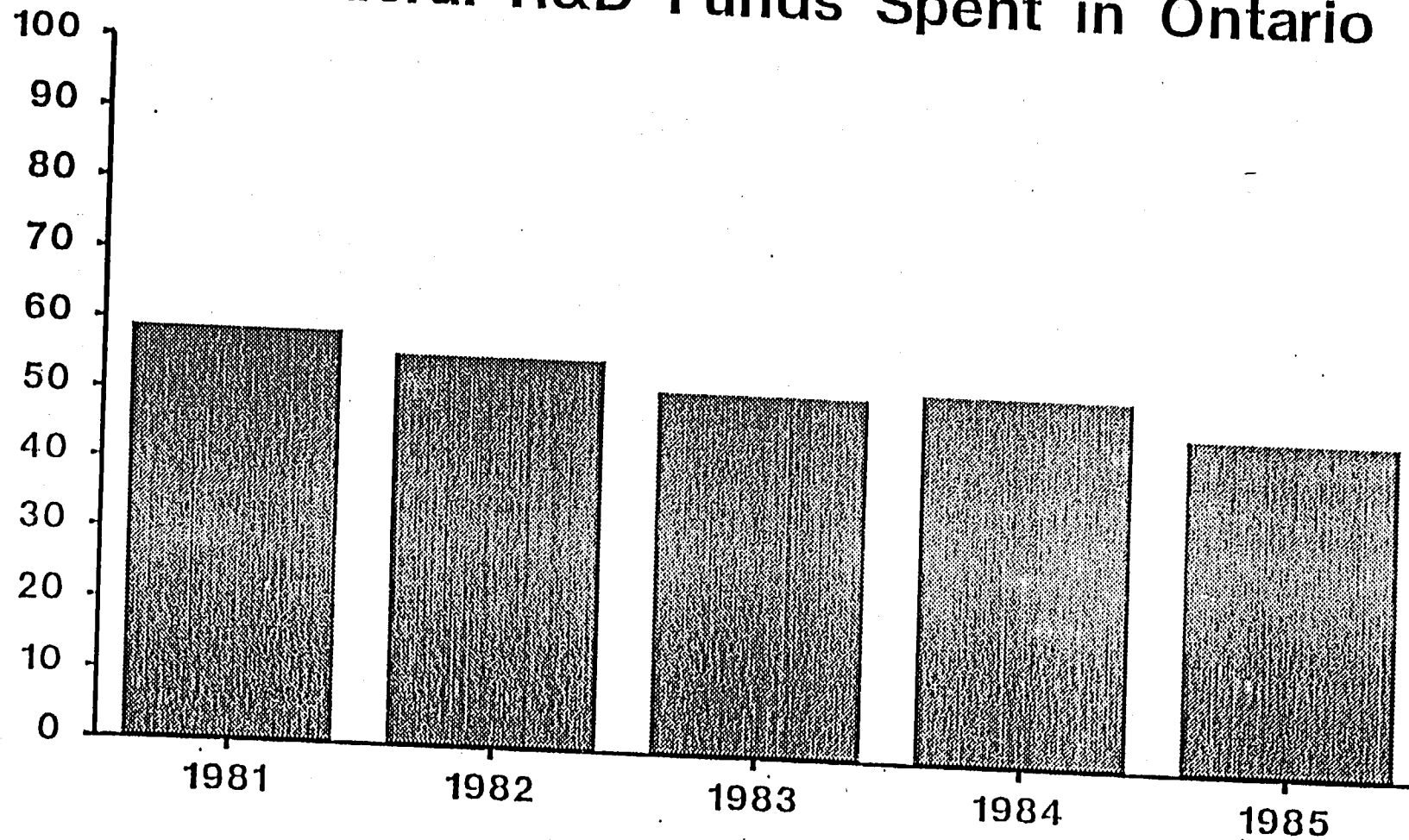


Source: Statistics Canada

Research & Development in Ontario

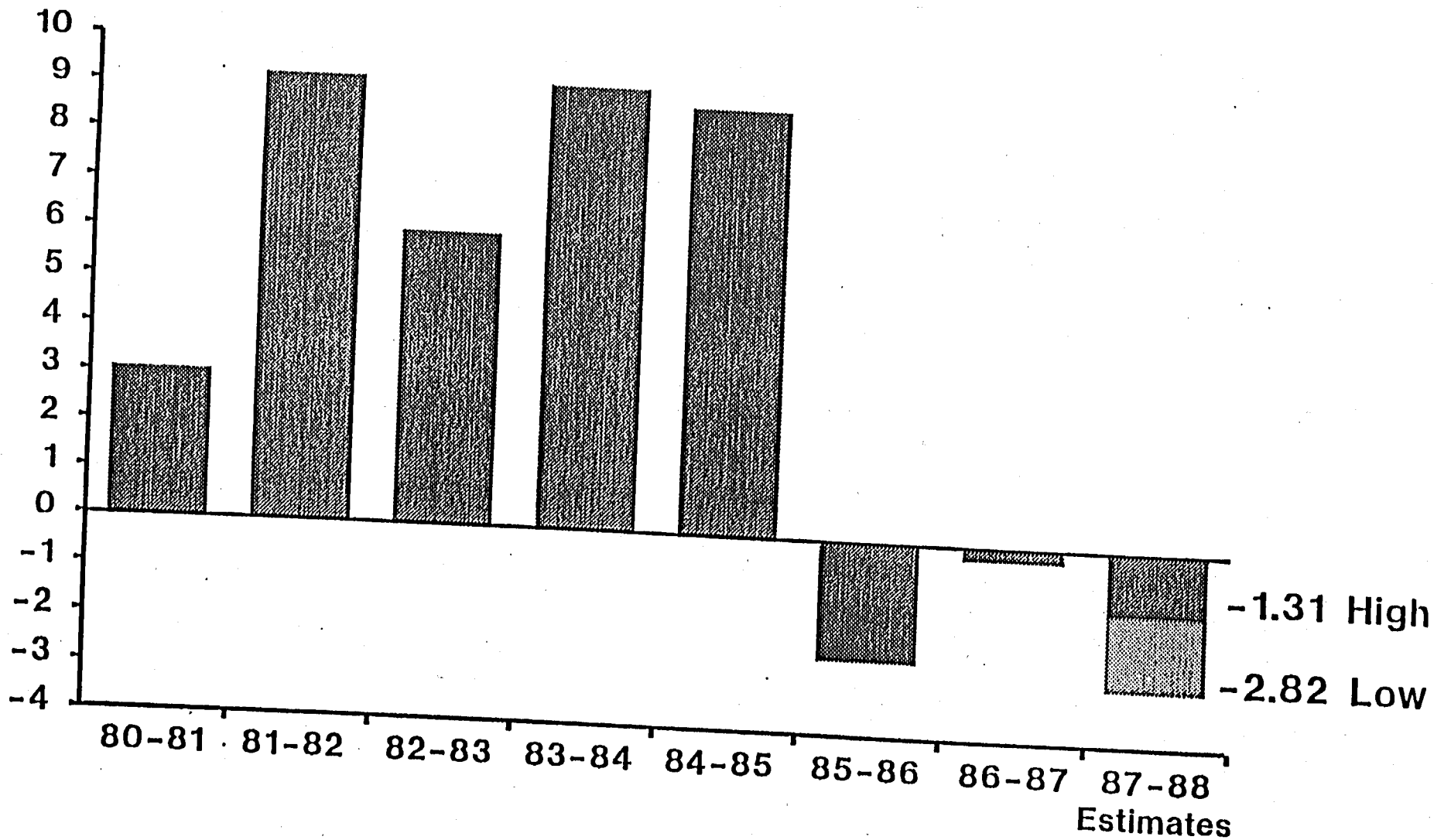
Trends in Federal Spending in Ontario

% of Federal R&D Funds Spent in Ontario



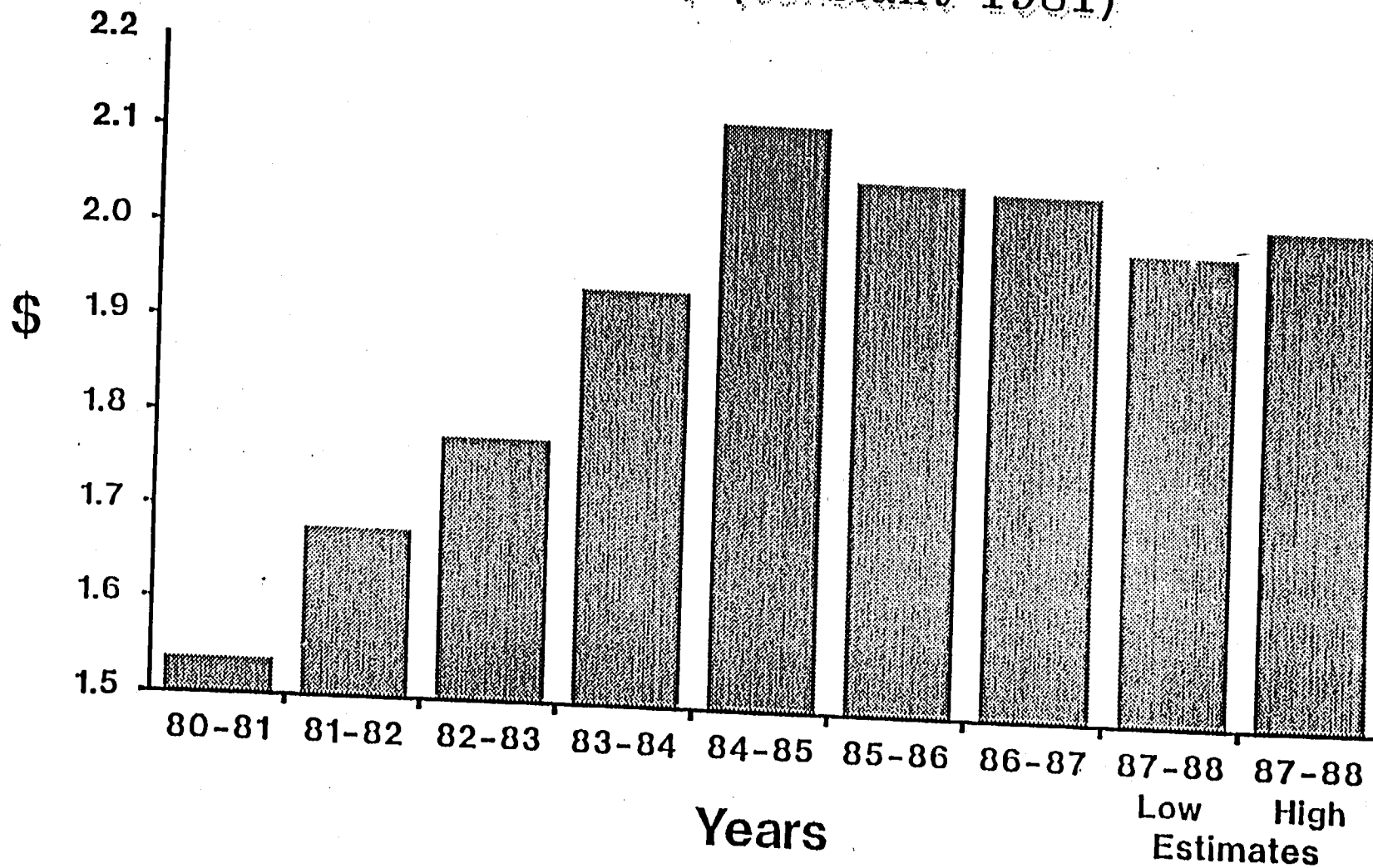
Based on Stats Can 1981

Federal Government R&D Expenditure Trends



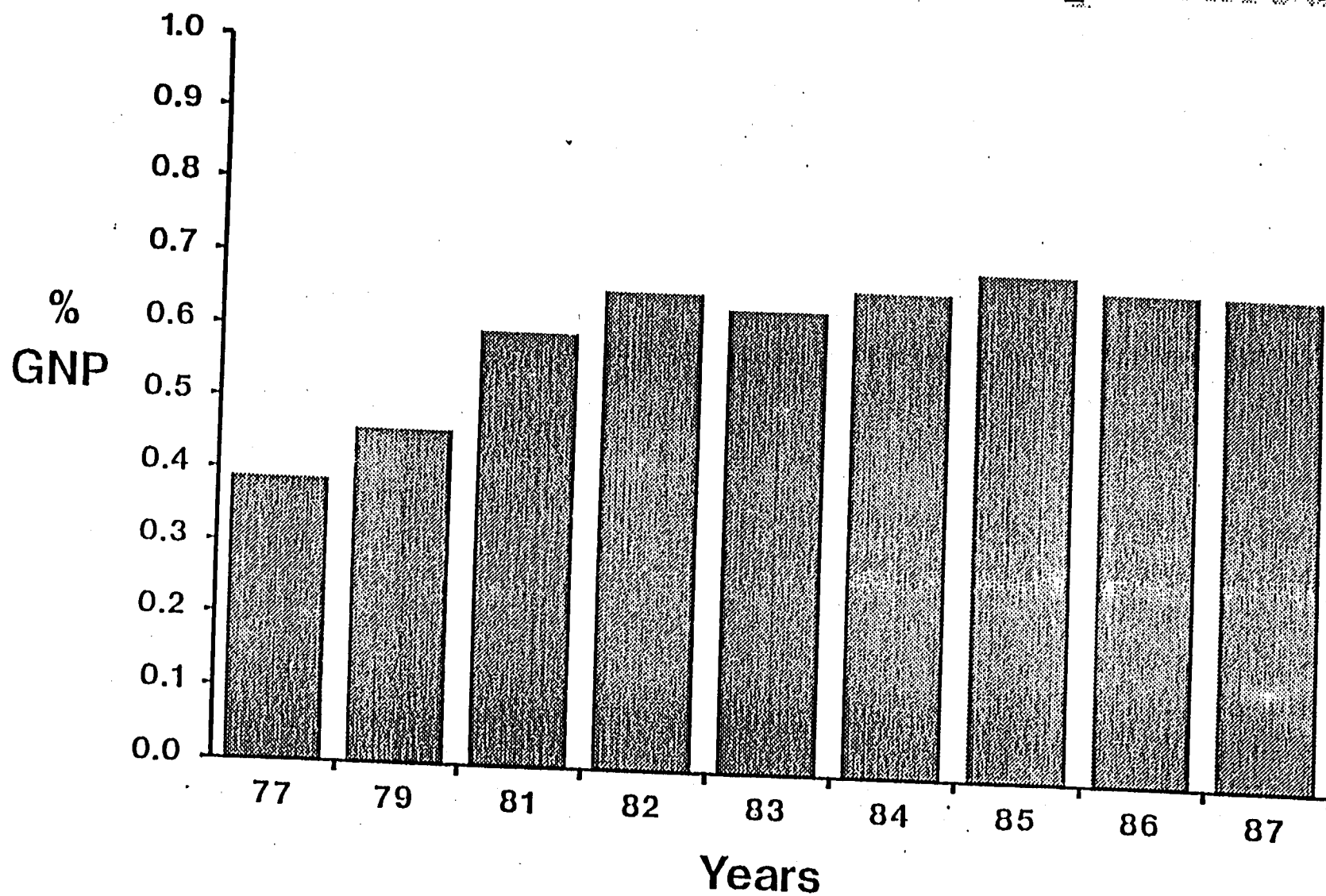
Source: Stats Can 1987

Federal Government R&D Expenditure Trends In Billion \$ (constant 1981)



Source: Stats Can 1987

Canadian Industrial R&D Expenditures



Source: Stats Can Tabulation

ONE NEW ONTARIO THRUST DESIGNED
TO MEET THESE CHALLENGES AND
CAPITALIZE ON ONTARIO'S STRENGTHS IS
THE PREMIER'S COUNCIL
AND
THE TECHNOLOGY FUND

The Technology Fund

The Premier's Council

- "To help steer Ontario into the forefront of economic leadership and technology innovation"
- The council - chaired by the Premier will:
 - Provide cabinet with recommendations on strategic direction to benefit the economy
- Champion entrepreneurship and innovation
- Establish broad strategies in support of critical industries & technologies
- Encourage the most productive investment in:
 - Basic research
 - Applied research
 - Technology transfer

The Technology Fund

University Research Incentive Fund

- **Managed by Ministry of Colleges and Universities**
- **To encourage universities and the private sector to enter into cooperative research ventures**
- **Program will match dollar for dollar eligible investments in university research by the private sector**

The Technology Fund

University Research Incentive Fund

- Funds flow to the Researcher to expand the project
- In 1 year, research projects with a total value of \$25.1 million have been initiated to which URIF has added \$ 9.1 million - this represents funding of 117 projects
- Maximum funding - \$12 million/annum

The Technology Fund

Centres of Excellence

"Centres of Excellence are designed to stimulate the production of advanced, world-class research, to train and deliver world-class researchers over the long-term and to encourage the transfer and diffusion of technology."

Funding: \$204 million over 5 years

The Technology Fund

Centres of Excellence

7 Centres of Excellence were selected from 28 applications assessed by an international panel of experts

The Centres are:

	5 Year Budget \$ Millions
- Laser and Lightwave Research	22.0
- Space and Terrestrial Science	39.0
- Manufacturing Research Corp.	31.0
- Groundwater Research	8.0
- Information Technology Research	35.0
- Materials Research	43.0
- Telecommunications Research	26.0

The Technology Fund

Industry Research Program

- To enhance the long term competitiveness of Ontario's industry by:
 - Stimulation of cooperative ventures in research, development and technology applications in areas of strategic importance

The Technology Fund

Industry Research Program

Summary

- **Leading edge industrial R&D in areas of strategic importance**
- **Demonstrated export or import replacement potential**
- **Grants up to 50% of eligible costs**
- **Minimum of two partners**
- **Impact on human resources development**

The Technology Fund

Eligible Applicants or Partners

- Canadian corporations or subsidiaries of foreign owned firms operating in Ontario
- Crown corporations - less than 50% government financed
- Research organizations - more than 50% private financing
- Ontario post secondary institutions
- Ontario government ministries

The Technology Fund

Industry Research Program

Projects Assessed for:

- Scientific merit and risk
- Enhancement of technology base in province
- Economic benefit
- Management skills
- Ability to finance
- Development of skills
- Labour impact

The Technology Fund

Industry Research Program

How to Apply

1. Acquire information from Secretariat
2. Discuss project with Secretariat staff
3. Define project
4. Send outline (2 pages) to Secretariat for discussion
5. Prepare final draft for discussion
6. Submit final presentation

Time: 1 - 3 months for preparation

3 - 6 months for decision

The Technology Fund

Industry Research Program

Typical Technology Profiles of Applicants

Materials	5
Scientific instrumentation	7
Resource/mature industries	4
Semi-conductors	2
Software	2
Communications	5
Pharmaceutical	2

* As of Feb. 1, 1988

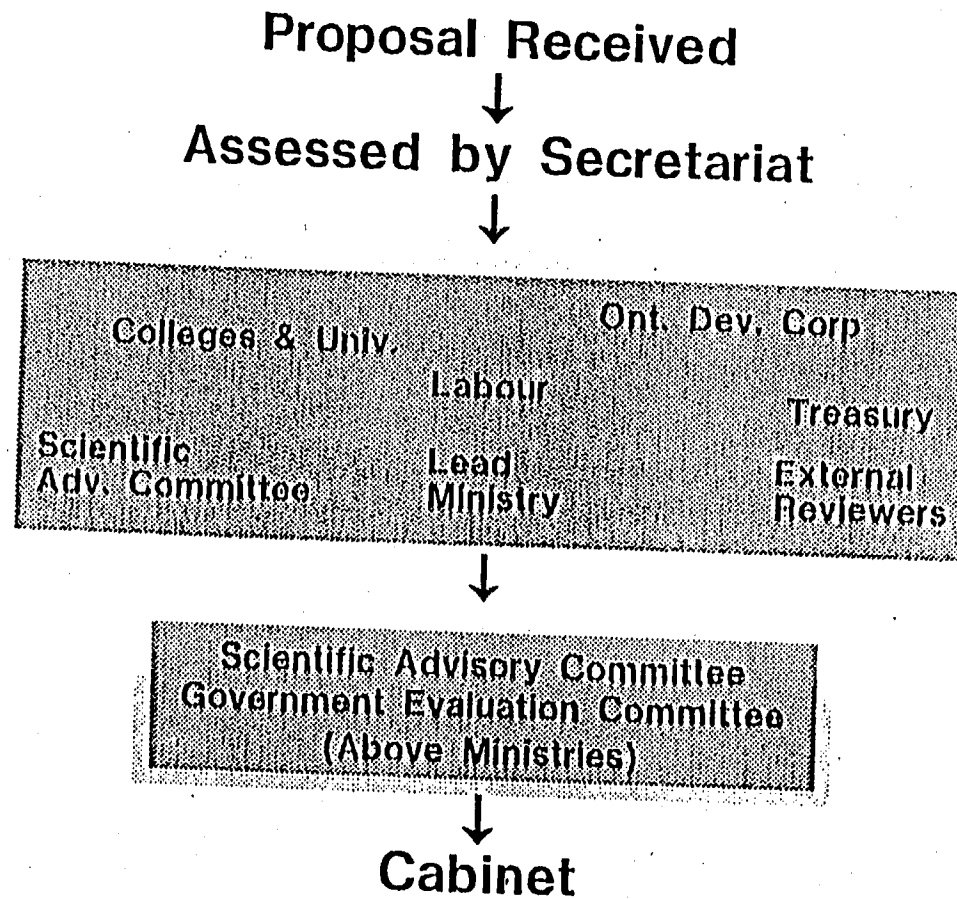
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Industry Research Program

Typical Principal Applicant Profile

Sales	Export (% of sales)	R&D (% of sales)
\$5-100 million/yr	40-80%	4-20%

The Technology Fund Evaluation & Approval Process



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Allanson, Gauthier & Associates	Mr. Philip Allanson
AT & T	Mr. & Mrs. David Zorb
Bank of Nova Scotia	Mr. John Lightbody
Bank of Nova Scotia	Mr. Calas Horn
Bank of Nova Scotia	Mr. Richard Marshall
Bank of Nova Scotia	Mr. Holt
Bank of Nova Scotia	Mr. Danny Chia
BDO Ward Mallette Chartered Accountants	Mr. Tom Welsh
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Bios Paradigm	Mr. Ross Perry
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C. Itoh & Co.	Mr. Y. Naemura
Canada-Netherlands Chamber of Commerce	Ms. Janny Lowensteyn
Canadian Imperial Bank of Commerce	Mr. Hans Gutsch
Canadian Imperial Bank of Commerce	Mr. D. A. Ulbrich
Canadian Imperial Bank of Commerce	Mr. Eric Lau
Clarkson Gordon	Mr. Gordon Fear
Enterprise Canada	Mr. Douglas E. Milliken
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Financial Concept	Mr. John Donald
Goodman & Carr	Mr. Mark Cohen

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Mr. Norm Ringel

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INVESTMENT OFFICERS CROSS CANADA TOUR

April 17-28, 1989

THE CANADIAN GOVERNMENT INVESTMENT DEVELOPMENT
PROGRAM IN THE NETHERLANDS

CANADIAN EMBASSY
THE HAGUE

TO START WITH I LIKE TO PROVIDE YOU WITH A SHORT OVERVIEW ON THE
NATURE OF THE DUTCH BUSINESS ENVIRONMENT IN WHICH WE OPERATE.

THE NETHERLANDS IS ONE OF THE RICHEST NATIONS OF THE WORLD WITH AN INCOME PER HEAD IN 1987 EQUALLING TO 15.600 CANADIAN DOLLARS. A POPULATION OF 14.7 MILLION LIVES AND OPERATES IN AN AREA OF 42.000 SQUARE KILOMETERS ONLY. UNEMPLOYMENT RATE IS 10% OF THE WORKING POPULATION. THE GROSS NATIONAL PRODUCT AMOUNTS TO AN EQUIVALENT OF 240 BILLION CANADIAN DOLLARS WITH A STEADY VOLUME GROWTH OF 1.5%.

ECONOMIC GROWTH IN 1989 IS EXPECTED TO BE IN THE ORDER OF 3%. INFLATION RATE IS EXPECTED TO INCREASE FROM 1% IN 1988 TO 1.4 IN 1989.

THE NETHERLANDS IS AN IMPORTANT AND SIGNIFICANT COMMERCIAL PARTNER FOR CANADA. IN 1988 IT WAS OUR SIXTH LARGEST EXPORT MARKET, OUR SEVENTH LARGEST SOURCE OF TOURISTS AND THE FOURTH LARGEST INVESTOR IN CANADA. IT IS AN INCREASINGLY IMPORTANT SOURCE OF HIGH TECHNOLOGY AND JOINT VENTURE PARTNERS AND AN EFFECTIVE AND NORMALLY SUPPORTIVE INTERLOCUTOR ON MULTI-LATERAL ISSUES AND IN INTERNATIONAL FORA.

CANADIAN EXPORTS TO THE NETHERLANDS IN 1988 WERE AT A RECORD LEVEL, EXCEEDING 1.3 BILLION DOLLARS COMPARED TO 1 BILLION DOLLARS IN 1987 AND 970 MILLION DOLLARS IN 1986. A SIGNIFICANT PERCENTAGE OF THESE EXPORTS WERE MANUFACTURED END PRODUCTS.

MAJOR EXPORTS WERE METALS AND MINERALS, COMPUTOR AND OFFICE EQUIPMENT, CHEMICALS AND PHARMACEUTICALS, FOREST PRODUCTS, AEROSPACE AND ELECTRONIC EQUIPMENT, AGRICULTURAL AND FOOD PRODUCTS, MACHINERY AND FISH.

CANADIAN IMPORTS FROM THE NETHERLANDS (BEING CANADA'S 13 LARGEST SUPPLIER) ALSO APPROACHED A RECORD AT APPROXIMATELY 800 MILLION DOLLARS AND INCLUDED CHEMICALS, AGRICULTURAL AND FOOD PRODUCTS, MACHINERY, ELECTRICAL AND ELECTRONIC EQUIPMENT, METALS AND MINERALS AND INSTRUMENTATION.

A STRONG GUILDER, COMBINED WITH CANADA'S BUOANT ECONOMY, A FAVOURABLE INVESTMENT CLIMATE, THE CANADA-USA FREE TRADE AGREEMENT AND THE AVAILABILITY OF DUTCH INVESTMENT CAPITAL, (PRIVATE AS WELL AS INSTITUTIONAL) ARE THE MOST IMPORTANT INCENTIVES FOR DUTCH INVESTORS AND ENTREPRENEURIAL IMMIGRANTS TO CONSIDER CANADA.

DUTCH COMPANIES HAVING SUGNIFICANT INVESTMENTS IN CANADA INCLUDE MULTINATIONALS LIKE PHILIPS, UNILEVER, AKZO, SHELL, NATIONALE NEDERLANDEN AMONG OTHERS, AND DUTCH INVESTMENT IN CANADA IS CURRENTLY ESTIMATED AT CANADIAN DOLLARS 2.5 BILLION.

ACCORDING TO INFORMATION RECEIVED FROM INVESTMENT CANADA, IN 1983 THERE WERE 77 NON-FINANCIAL DUTCH CORPORATIONS WITH CANADIAN OPERATIONS CONTROLLING ASSETS OF 7.5 BILLION CANADIAN DOLLARS. ONLY FIVE YEARS LATER THIS NUMBER INCREASED TO ALMOST 200 DUTCH CONTROLLED OPERATIONS IN CANADA WE ONLY KNOW OFF!

WITH 2.5% OF TOTAL FOREIGN DIRECT INVESTMENT IN CANADA, THE NETHERLANDS RANKS FOURTH BEHIND THE UNITED STATES, THE UNITED KINGDOM AND WEST GERMANY.

ABOVE FACTS AND FIGURES ARE CLEARLY SHOWING THE IMPORTANCE AND INTEREST OF THE DUTCH INVESTMENT SOCIETY IN NORTH AMERICA AND WE MUST TAKE ADVANTAGE OF THE EXISTING POSITIVE ATTITUDE AND EXTENSIVE KNOWLEDGE OF CANADA IN THE NETHERLANDS. WE MUST CONTINUE TO FOSTER AND ENHANCE THIS INTEREST AND CONVINCE THE DUTCH THAT NOW IS THE TIME TO CONSIDER THE ADDITIONAL ADVANTAGES CANADA IS OFFERING BY THE POSITIVE PROSPECTS FOR FREE TRADE WITH THE U. S. A. AND THE CURRENT FAVOURABLE RATE OF EXCHANGE.

HOW DO WE OPERATE IN THE DUTCH MARKET?

PROSPECTING INVESTMENT DEVELOPMENT ACTIVITIES OF OUR POST DURING THE PERIOD 1985-1987 WERE MAINLY TARGETTED AT THE BUSINESSMEN, ENTREPRENEURS AND CORPORATIONS ALLREADY DOING BUSINESS IN NORTH AMERICA AND THE IDENTIFICATION OF FAST GROWING SMALL AND MEDIUM SIZED COMPANIES.

LEARNING BY DOING WAS OUR CREDO AND WE STARTED IN 1986 TO ORGANIZE INVESTMENT SEMINARS, ARRANGED ONE-ON-ONE MEETINGS, EVENTS TO SUPPORT MINISTERIAL VISITS AND PARTICIPATED IN AN INTERNATIONAL TRADE FAIR.

WE UTILIZED A VARIETY OF TECHNIQUES AND AS A RESULT WE IDENTIFIED IN 1986 AND 1987 SIXTY NEW PROSPECTS AND CONCLUDED SEVERAL JOINT VENTURES AND EVEN SOME GREENFIELD INVESTMENTS.

WE FELT, HOWEVER, UNCOMFORTABLE WITH THE EXISTING SITUATION. THE PREPARATIONS TO ARRANGE SEMINARS AND EVENTS WERE VERY TIME CONSUMING LEAVING NOT MUCH TIME FOR A PROPER FOLLOW-UP OF THE PROSPECTS GENERATED.

WHAT IS THE NATURE OF INVESTMENT PROGRAM WE ARE RUNNING NOW?

WHEN REVIEWING OUR IDP ACTIVITIES LAST YEAR WE DECIDED TO EMPHASIZE ON ENVIRONMENTAL IMPROVEMENT, TARGETTED DIRECT MAILING AND FOLLOWING UP THE GENERATED RESPONSE BY CORPORATE LIAISON VISITS.

THESE ACTIVITIES, IN COMBINATION WITH AN OUTCALL PROGRAM TO LARGE COMPANIES TURNED OUT TO BE THE MOST EFFECTIVE WAY TO IDENTIFY POTENTIAL INVESTORS AND TO ESTABLISH CONTACTS WITH KEY DUTCH INDUSTRIALISTS. WE SUPPLEMENTED THESE ACTIVITIES WITH ENHANCED LIAISON WITH THE FINANCIAL COMMUNITY.

OTHER ACTIVITIES SUCH AS THE SUCCESSFUL REVITALIZATION OF THE NETHERLANDS/CANADA CHAMBER OF COMMERCE AND OUR SUPPORT OF PROVINCIAL ACTIVITIES, LIKE MINISTERIAL VISITS, INCREASED THE DUTCH AWARENESS OF CANADA AS AN ATTRACTIVE INVESTMENT MARKET. IT ALSO PROVIDED US WITH AN AVALANCHE OF NEW AND RELEVANT CONTACTS.

DIRECT MAIL WILL CONTINUE TO THE EARLIER DETERMINED SECTORS WHERE THE NETHERLANDS HAS CONSIDERABLE EXPERTISE AND WHICH ARE DEFINED IN CONSULTATIONS WITH ISTC.

THE SECTORS AND SUBSECTORS WE ARE FOCUSING AT ARE:

- FOOD HANDLING AND PROCESSING
- HEALTH CARE, PHARMACEUTICALS, AND BIOTECHNOLOGY
- TRANSPORTATION, AUTOMOTIVE, TRUCKS AND TRAILERS
- MACHINERY EQUIPMENT, DIES AND TOOLS
- RESOURCE PROCESSING, ELECTRONIC COMPOSITES AND OCEAN INDUSTRIES

ENVIRONMENTAL IMPROVEMENT INCLUDES A CONTINUATION OF OUR SUPPORT TO THE ACTIVITIES OF THE NETHERLANDS/CANADIAN CHAMBER OF COMMERCE. WE PROVIDE GUIDANCE IN PUBLISHING A BI-MONTHLY NEWSLETTER AND ARE IN PROCESS OF UPDATING THE 2ND EDITION OF A BUSINESS AND INVESTMENT DIRECTORY. ONCE A YEAR A MEMBERSHIP DRIVE TO NEW CONTACTS AND COMPANIES IS UNDERTAKEN TO BE ACCOMPANIED BY A SUPPORTING LETTER SIGNED BY THE AMBASSADOR. WE ALSO PROVIDE ASSISTANCE IN INVITING CANADIAN FEDERAL OR PROVINCIAL KEYNOTE SPEAKERS FOR THE ANNUAL MEETING OF MEMBERS AND LUNCHEON MEETINGS FOR MEMBERS AND INVITEES.

CHAMBER NOW PROVIDES EXCELLENT FORUM FOR VISITING CANADIAN MINISTERS AND OTHER OFFICIALS TO FURTHER CANADIAN INTERESTS.

A FURTHER EXTENSION OF OUR DIRECT MAILING AND OUTCALL PROGRAM IS THE AVAILABILITY OF 63 IMPORT PROFILES PREPARED AND RECENTLY ISSUED BY ISTC AND THE OPPORTUNITY OF INVESTMENT PROSPECTING OFFERED BY THE SO-CALLED EUROPEAN VENTURE PARTNERING PILOT PROJECT.

THE AVAILABILITY OF IMPORTPROFILES OF CANADIAN INDUSTRIES IS AN IMPORTANT SOURCE OF INFORMATION AND SHOULD BE OF GREAT HELP IN OUR EFFORTS TO IDENTIFY AND TO APPROACH DUTCH COMPANIES WISHING TO ESTABLISH AN ASSEMBLY- OR MANUFACTURING PLANT IN ORDER TO DIVERSIFY THEIR GEOGRAPHICAL POSITION.

STRATEGIC PARTNERING PROJECT

THE OBJECTIVE IS TO IDENTIFY SELECTED VENTURE FINANCED CANADIAN COMPANIES THAT WISH TO ESTABLISH FORMAL RELATIONSHIPS WITH EUROPEAN FIRMS AND TO FIND APPROPRIATE PARTNERS IN EUROPE FOR THESE ALLIANCES TO OCCUR AND VICE-VERSA.

ABOVE MENTIONED SELECTION IS UNDERTAKEN BY VENTURE ECONOMICS CANADA, IN COLLABORATION WITH EXTERNAL AFFAIRS, INVESTMENT CANADA AND ISTC, AND NOW IS IN A WELL ADVANCED STAGE. MEANWHILE 16 CANADIAN COMPANIES IN THE BIOMEDICAL AND BIOTECHNICAL SECTOR HAS BEEN SELECTED FOR PARTICIPATION IN THE PROJECT. OTHERS HAVE ASKED THAT THEIR NAMES BE KEPT CONFIDENTIAL FOR THE TIME BEING.

WE ARE FORTUNATE IN THIS REGARD TO HAVE ENTHUSIASTIC SUPPORT OF OUR SCIENCE AND TECHNOLOGY SECTION AND HAVE ESTABLISHED A TASK FORCE AT OUR POST COMBINING THE COMMERCIAL/SCIENCE AND INVESTMENT FORCES TO IDENTIFY COMPLEMENTARY DUTCH TECHNOLOGY PARTNERS.

WE HAVE MET WITH THE MIP, ONE OF THE LARGEST VENTURE CAPITAL FUNDS IN THE NETHERLANDS, WITH ABOUT 500 MILLION DOLLAR CURRENTLY UNDER MANAGEMENT AND IT BECAME CLEAR THAT THERE WERE A NUMBER OF COMPANIES IN THEIR PORTFOLIO THAT WERE LOOKING CLOSELY AT EXPANDING INTO NORTH AMERICA.

WE ARE LOOKING FORWARD TO THE OPPORTUNITY TO DISCUSS THE PROJECT IN GREATER DEPTH DURING THE TORONTO PORTION OF THIS TOUR NEXT WEEK.

AS FAR AS THE LINK BETWEEN TECHNOLOGY TRANSFER AND INVESTMENT IS CONCERNED WE ATTEMPT TO ENSURE OPTIMAL INTEGRATION BETWEEN OUR TECHNOLOGY AND INVESTMENT RELATED ACTIVITIES. FROM AN INVESTMENT POINT OF VIEW SOME OF THE TECHNOLOGY INFLOW RELATED ENQUIRIES AND INITIATIVES ARE PARTICULARLY RELEVANT IN AS MUCH AS THEY ENTAIL SOME FORM OF INVESTMENT BY A DUTCH ORGANIZATION, FOR INSTANCE, ESTABLISHING A JOINT VENTURE OR TRANSFERRING INTELLECTUAL PROPERTY RIGHTS TO CANADA, WHICH MIGHT ALSO BE SEEN AS AN INVESTMENT.

MR. CHAIRMAN, LADIES AND GENTLEMEN: THE FOREGOING REPRESENTS OUR BEST COURSE FOR THE NEXT FISCAL YEAR AND I AM LOOKING FORWARD TO WORK WITH YOU , NOT ONLY TO-DAY, BUT ALSO IN THE FUTURE.
YOUR WELCOME ABOARD!
THANK YOU.

THE HAGUE, APRIL 1989

Ladies and Gentlemen:

It is a great pleasure indeed to be here today, and to give you a brief overview of the German market for investments in Canada. At the end of my remarks, I shall also venture to offer some advice on how this lucrative market can be approached by Canadian investment promoters.

But let's deal with the overview first:

The Federal Republic of Germany, the largest single market in Western Europe and a dominant force in the European Economic Community (EEC), remains a fertile ground for investments in Canada.

Germany's technology-driven industry, consisting of some 1,000 large and some 112,000 small and medium-sized companies, has always been strongly export-oriented. In most major markets, export successes have lead to a substantial German corporate presence. Canada is no exception, some 1,500 German companies are resident in Canada, among them such international household names as BASF, Bayer, BMW, Bosch, Daimler-Benz, Degussa, Krupp, MBB, Metallgesellschaft, Siemens, Thyssen, Volkswagen, and others.

In the last four years, German direct investment abroad has risen steadily, from 8.6 billion Canadian dollars in 1984 to 11.4 billion in 1987. Canada has been able to

maintain her position as one of the 10 top destinations for German capital. (see Chart 1). A closer look at the other eight destinations reveals that the United States clearly remain the top destination, with a share of almost 48%. Other EC-countries such as the UK, Netherlands and France are trailing far behind with 6.3%, 5.9%, and 5.6% respectively.

In the same time frame, German new direct investments in Canada have been in the range of 275 million Canadian dollars a year, depending on the relative strength or weakness of the Canadian dollar which had a direct impact on German propensity to invest (see Chart 2).

In line with other investments in similar resource-intensive countries like Australia and South Africa, German direct investments in Canada have concentrated on resource processing, chemicals, pharmaceuticals, machine tooling, oil & gas and specialty vehicles.

However, the last five years have seen a substantial increase in investment in the automotive sector. At last count, some 18 German automotive suppliers had settled in Canada, with a total investment of some 47 million Canadian dollars.

What is the potential of the German market for investments in Canada? To get an idea of market size, let's

look at German investments in the U.S. in 1987. Seen with German eyes, the U.S. are, after all, an English-speaking off-shore country with a different way of doing business, just like Canada, so the comparison is fairly accurate.

In 1987, German investments in the U.S. totalled 5.4 billion Canadian dollars. Let's subtract 10 mega investments of 100 million dollars each for giants like Siemens or Hoechst who rounded off their long-standing holdings. That still leaves us with 4.4 billion dollars.

If we assume the average investment of a medium-sized German firm in the U.S. to be around 7 million dollars, we arrive at the astonishing fact that some 616 new companies invested in the U.S.A. in 1987. I hope this example will convince you that there are plenty of fish in the German pond.

From a global Canadian point of view, German new direct investments are running neck-to-neck with those from Japan vying for the number 4 spot behind the US, the UK and France. Again, the US lead with a lion's share of 63.7%, followed by the UK with 9.6%, France with 3.7%, Japan with 3.2% and Germany with 3.1%.

Canada's investment climate and the impressive performance of the Canadian economy, singled out as exemplary by the Organization of Economic Development and Cooperation (OECD) continue to attract German direct investment. The recently concluded Free Trade Agreement will further enhance Canada's chances in two ways.

Firstly, German companies resident in Canada, no longer burdened with the uncertainties of the FTA issue, are looking to increase their presence with secondary investments. Boehringer Ingelheim, Boehringer Mannheim, Siemens, Henkel, Kunz, Schering, and Hoechst, just to mention a few, are known to have waited for the FTA green light before embarking upon major expansions of their facilities in Canada.

Secondly, German companies can now look seriously at Canada as a gateway to the expanded North American market of 268 million. Considering Canada's other main attributes such as political stability, a market-oriented economy, abundant natural resources, a first-class infrastructure and a skilled labour force, it is hard to fathom, how Germans, known for their business acumen, can fail to seize upon the opportunities offered by this new enlarged market.

So, thanks to the F.T.A., it's smooth sailing all the way and the Germans are beating their way to our door to bring in millions of D-Marks? Not quite.

The F.T.A., is quite a bonus for us -- except we have not sold it in Germany. We have not run a powerful advertising campaign to tell Germans what it is and that we have actually concluded it. It's one of our best-kept secrets over there. And our partner, the U.S., have kept strangely silent on the subject.

And at the moment, most Germans have another thing uppermost in their mind. It's called Europe '92.

As they see it, the new internal market of '92 is a most dramatic development that will fundamentally change the way they are doing business. The worries about '92 are heightened by a media hype of unusual noise and intensity and stirred up by the banks, the unions and other associations taking out full-page ads in major dailies, offering advice what to do about Europe '92. Does all this hype affect our target group? Very much so. They really get worked up about it and try to prepare for it.

Many investors have told me: "Yes, yes, it's all true what you have said about Canada, but we have other worries at the moment. We must look at Europe '92 first".

That is why I have recommended that we mount a powerful advertising campaign in Germany to introduce the F.T.A. and to put up a counterweight against the heavy figure of Europe '92.

However, we will have to live with the Europe '92 syndrome, like it or not. So how can a good Canadian investment promoter, be it in Halifax or Vancouver, or right here in, work the German market?

First of all, there's plenty of help available. B.C., Ontario, Quebec, New Brunswick, and Nova Scotia have an office on the spot in Germany. Manitoba is represented in Holland; Alberta and Saskatchewan have an investment officer in London, responsible for the continent.

Last, and least, you can count on me, the federal investment counsellor in Bonn.

How can you go about it? Let me show you two practical ways, the sectoral route and the geographic route.

Let's look at the sectoral route first. Look at your own city and select an industry that is already predominant. Let's assume it's food processing. Write to your provincial man on the spot, or to, me and ask him to find out the name and location of the German food

processing association. Get a membership list from them, then do a direct mailing blitz, or visit the food fair ANUGA, or place series of ads in a German magazine of food processing, or in the newspaper of the city in which there is a large conglomeration of food processors (i.e, Wiesbaden/Mainz). When you receive leads, fly over to Germany and service them.

And now to the geographic route: Germany does not look it, but it is a very big industrial country. You cannot possibly cover all of it. So why try? Just take one small region of Germany, say the greater Hanover area. Get a map of the Hanover region and you will see that Hanover, a large metropolis in itself, is surrounded by several other important centers, such as Wolfsburg, where they make Volkswagens, Braunschweig,, Hildesheim, Bielefeld, and Salzgitter. Get a list of all companies dealing with Canada from the respective Chambers of Commerce. Then do a direct mail campaign to these companies, or place an ad in the local paper, the "Hannoversche Allgemeine", saying that you will be in town June 10 to 15 and would like to see them for a private talk. When you get enough leads, fly over and work them. When you do not get enough responses, fly over anyway and make appointments over the telephone.

You can get appointments by telephone, especially when you have a German language capability yourself, or can

bring along someone speaking German -- or hire local help. We can get you a very good German hostess/interpreter/receptionist for about 160 dollars a day. Believe me, you will need her.

While it is true that most Germans speak English they do not relax in English, they do not tell you what's on their mind, as they are too busy translating words in their head.

Let's assume you follow my two pennies worth of advice and choose the sectoral geographic route, let's assume you work hard at it and use a German-language assistant -- will all that lead to success? Not necessarily so. But without such an effort, nothing will happen.

Can you sell Germany to the doubting Thomases of your board of directors? I think you can. Just tell them that there is a terrific market over there, but that it is fiercely competitive and that it will take about 2 ½ years and maybe 10 trips for a case to mature, from the first telephone call to the ribbon-cutting ceremony. If they can muster that much patience and invest the time and money required, you will succeed.

Needless to say, should any of you here want to pick up the challenge and wish to conquer the German market, I would be delighted to help him.

Thank you.

CHART 1GERMAN NEW DIRECT INVESTMENT ABROAD
1984 - 1987

Year -----	1984	1985	1986	1987	
	(can\$ mio*)				in % of total direct invest- ment in 1987
Country -----					
1. U.S.	2,681	5,253	7,117	5,419	47.7
2. U.K.	210	552	894	716	6.3
3. Netherlands	761	513	1,522	674	5.9
4. France	544	554	532	632	5.6
5. Belgium/ Luxemburg	323	403	457	729	4.4
6. Switzerland	445	292	441	464	4.1
7. Italy	1,048	410	904	426	3.8
8. Austria	199	234	177	363	3.2
9. Canada	232	115	470	273	2.4
10. Spain	328	308	899	132	1.7
11. other countries	1,844	1,119	587	1,764	15.5
Grand Total	8,615	9,753	14,000	11,366	100.0

* exchange rate (average): can\$1 = DM1.45

(Source: Deutsche Bundesbank)

Note: Data may not add exactly due to rounding

GERMAN NEW DIRECT INVESTMENT IN CANADA
1984 - 1987

(Year)	in can\$ mio*	in % of total German new direct investment abroad in that year
1984	232	2.7
1985	115	1.8
1986	470	3.4
1987	273	2.4

* exchange rate (average): can\$1 = DM1.45

(Source: Deutsche Bundesbank)

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DISTR RWT

---INVESTMENT OFFICERS CROSS CANADA TOUR

UNERSTAND YOU MAY NOT/NOT HAVE RECEIVED ATTACHED WHICH PROVIDES
OUTLINE OF PRESENTATIONS MADE BY DESCHULTHESS AND JOENSTON DURING
CBCSS-CANADA TOUR.

2. INVESTMENT DEVELOPMENT PROGRAM: LONDON

1. MARKET FACTS

THE UK IS CANADA'S 2ND LARGEST SOURCE OF FOREIGN DIRECT
INVESTMENT (FDI) WITH HOLDINGS ESTIMATED AT C\$11.2 BILLION AT
YEAR-END 1987. INVESTMENT FLOWS FROM THE UK ACCELERATED SHARPLY
OVER THE PAST 3 YEARS PRINCIPALLY DUE TO MAJOR ACQUISITIONS: 273
CASES RECORDED BY INVESTMENT CANADA REPRESENTED C\$6.3 BILLION IN
ASSETS ACQUIRED. THE MAJORITY OF THE UK'S LARGEST COMPANIES HAVE
CANADIAN HOLDINGS; IN ALL, THERE ARE OVER 1100 UK SUBSIDIARIES IN
CANADA WHICH COLLECTIVELY RETURNED C\$366 MILLION IN PROFITS TO
THE UK IN 1986.

THE UK IS CANADA'S 3RD LARGEST SOURCE OF PORTFOLIO INVESTMENT.
NET FLOWS SURGED TO C\$3.6 BILLION IN 1986 AND DECLINED TO C\$1.9

...2

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BILLION IN 1987, MORE TYPICAL OF LEVELS IN RECENT YEARS. A SIGNIFICANT PROPORTION OF EC PORTFOLIO INVESTMENT IN CANADA IS CHANNELLED THROUGH LONDON FINANCIAL INTERMEDIARIES.

2. TRENDS

BRITAIN'S INTEREST IN NORTH AMERICA IS AT RECORD LEVELS. IN 1987, BRITAIN SPENT THE EQUIVALENT OF 4.7PC OF GDP ON U.S. ACQUISITIONS ALONE: US\$31.7 BILLION TO BUY 262 AMERICAN COMPANIES; UK ACQUISITIONS OF USA ASSETS REACHED 13.8 BILLION IN 1988.

BRITAIN'S SIZEABLE INVESTMENT BASE IN CANADA GIVES SIGNIFICANT IMPETUS TO FURTHER INVESTMENT EXPANSION AS BRITISH FIRMS MOVE TO TAKE ADVANTAGE OF EMERGING OPPORTUNITIES. THE RAPID GROWTH OF UK EXPORTS TO NORTH AMERICA---DOUBLING IN THE LAST 3 YEARS---HAS GENERATED CONSIDERABLE NEW INVESTMENT AND TECHNOLOGY TRANSFER INTEREST. THIS MOMENTUM HAS BEEN ACCELERATED BY RECENT EXCHANGE RATE MOVEMENTS AND THE PROSPECT OF UNRESTRICTED ACCESS TO THE ENTIRE NORTH AMERICAN MARKET UNDER THE CANADA-U.S.A. FREE TRADE AGREEMENT.

3. LONDON'S INVESTMENT DEVELOPMENT PROGRAM

OUR EFFORTS TO ATTRACT LEADING UK TECHNOLOGY-DRIVEN FIRMS TO INVEST IN CANADA ARE GUIDED BY 3 INVESTMENT PROMOTION AXIOMS:
(A) 80PC OF ALL NEW INVESTMENT COMES FROM EXISTING INVESTORS
WE WORK CLOSELY WITH SOME 200 LEADING UK INVESTORS TO BE SURE WE

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UNDERSTAND WHAT MOTIVATES THEM TO CONSIDER ADDITIONAL INVESTMENTS, TECHNOLOGY TRANSFERS AND WORLD PRODUCT MANDATES IN CANADA. WE ADVISE OTTAWA OF REAL OR PERCEIVED CONSTRAINTS AND WORK WITH THE COMPANIES, ISTC AND THE PROVINCES TO ADVANCE NEW PROJECTS. TESTIMONIAL MATERIAL IS REGULARLY SOLICITED AS HAPPY INVESTORS ARE THE BEST ADVERTISEMENT.

(B) INVESTMENT FOLLOWS TRADE

UK FIRMS WHICH HAVE NOT SOLD THEIR WIDGETS IN CANADA OR AT LEAST IN NORTH AMERICA ARE LONG SHOTS FOR INVESTMENT. WE ARE WORKING WITH A DOSSIER OF SOME 120 "SUBSTANTIAL" [\$2MILLION OR MORE] UK EXPORTERS TO CANADA TO IDENTIFY THOSE WITH SUFFICIENT MARKET PROSPECTS AND THE MOTIVATION TO CONSIDER UPGRADING THEIR PRESENCE IN CANADA FOR THE NORTH AMERICAN MARKET.

(C) TARGET INVESTMENT PROSPECTING WHERE CANADA IS COMPETITIVE USING BRITISH INDUSTRIAL ASSOCIATIONS AND EXHIBITIONS, WE FOCUS ON THOSE SECTORS WHERE CANADA HAS WELL-DEVELOPED INFRASTRUCTURE AND GOOD ACCESS TO THE U.S. MARKET. PRIORITIES REMAIN WHERE A GOOD FIT EXISTS BETWEEN BRITISH CAPABILITIES AND NORTH AMERICAN MARKET OPPORTUNITIES. THE EMPHASIS IS ON UK TECHNOLOGIES WHICH AUGMENT RATHER THAN COMPETE WITH THE EXISTING CANADIAN INDUSTRIAL BASE. CURRENT TARGET SECTORS INCLUDE DEFENCE INDUSTRIES, ELECTRONICS, HEALTH CARE AND OCEAN TECHNOLOGY. OTHER SECTORS WE

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HAVE TACKLED INCLUDE AUTOMOTIVE PARTS, PROCESSED FOOD AND PLASTICS MACHINERY.

4. INVESTMENT DEVELOPMENT SERVICES

THE HIGH COMMISSION INVESTMENT TEAM CONCENTRATES ON IDENTIFYING AND WORKING WITH UK FIRMS INTERESTED IN ESTABLISHING OR EXPANDING OPERATIONS IN CANADA. NEVERTHELESS, SERVICES ARE AVAILABLE TO CANADIAN COMPANIES WHO ARE SEEKING STRATEGIC PARTNERS, TECHNOLOGY TRANSFER AND JOINT VENTURE OPPORTUNITIES AND SOURCES OF INVESTMENT CAPITAL IN THE UK. IN ADDITION TO UK CORPORATE CONTACTS, THE HIGH COMMISSION CAN PROVIDE ENTREES TO THE SPECIALIZED ADVICE AVAILABLE FROM CANADIAN AND BRITISH CHARTERED BANKS, INVESTMENT HOUSES, LEGAL, ACCOUNTING AND MANAGEMENT CONSULTING FIRMS. LONDON IS HOME TO:

6 PROVINCIAL HOUSES (BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO, QUEBEC, NOVA SCOTIA)

7 CANADIAN BANKS

13 CANADIAN LAW FIRMS

10 CANADIAN INVESTMENT HOUSES

12 ACCOUNTING/MANAGEMENT CONSULTING FIRMS

5. INFORMATION SOURCES

FOR FURTHER INFORMATION ABOUT ATTRACTING UK INVESTMENT CONTACT:

BILL JOHNSTON

COUNSELLOR (INVESTMENT) SPECIAL ADVISOR (INVESTMENT)

CANADIAN HIGH COMMISSION, 1 GROSVENOR SQUARE, LONDON W1X 0AE

UUU/074 041530Z XNTD4364

NOTES FOR A SPEECH BY
PIERRE BELANGER
INVESTMENT COUNSELLOR
CANADIAN EMBASSY
PARIS

DURING

THE INVESTMENT OFFICERS
CROSS CANADA TOUR
APRIL 17TH TO 28TH 1989

IT IS ALMOST THREE YEARS AGO, THAT THE CANADIAN GOVERNMENT, IN ITS STRATEGY TO IMPROVE THE CANADIAN ECONOMY BY STIMULATING INVESTMENTS, DECIDED TO ASSIGN TO ITS POST IN FRANCE, A FULL TIME INVESTMENT COUNSELLOR, BACKED BY A TEAM OF COLLABORATORS.

SINCE THEN, THE INVESTMENT DEVELOPMENT SECTION'S TASK IN PARIS REMAINS, OF COURSE, TO SERVICE THE ACTUAL FLOW OF INVESTMENTS FROM FRANCE, AND MORE SPECIFICALLY TO PROMOTE NEW TECHNOLOGY-BEARING INVESTMENTS IN SECTORS WHERE CANADA NEEDS TO BE COMPLEMENTED IN ORDER TO INCREASE THE TECHNOLOGY CONTENT OF ITS INDUSTRY, ENHANCE ITS COMPETITIVE CAPABILITY, STIMULATE JOB CREATION, EXPAND ITS EXPORTS TO FOREIGN COUNTRIES, AND REDUCE ITS TOTAL IMPORTS.

BUT WHY FRANCE ?

FIRST OF ALL, FACTS SHEETS CONCERNING THE FRENCH ECONOMY TELL US THAT IN 1988, FRANCE HAS SET NEW RECORDS IN ITS EXPORTS TO CANADA :

CANADA HAS IMPORTED FOR MORE THAN 12 BILLION FRANCS (CLOSE TO 2,5 BILLION CANADIAN DOLLARS). FOR THE FIRST TIME, FRANCE HAS EXPORTED MORE TO CANADA THAN TO ALGERIA OR RUSSIA.

IT HAS BECOME THE 5TH SUPPLIER TO CANADA, AND ALSO ITS 5TH TRADING PARTNER AFTER USA, JAPAN, UK AND WEST GERMANY.

IN 1988, AERONAUTIC PRODUCTS, PROFESSIONAL GOODS AND AUTOMOBILE EQUIPMENT AND PARTS ACCOUNTED FOR MORE THAN 57% OF ALL CANADIAN IMPORTS FROM FRANCE. IT IS A GOOD INDICATION OF THE SECTORS THE IDP TEAM IN PARIS IS PROSPECTING.

ON TOP OF THAT, THE FRENCH ECONOMY HAS BEEN PERFORMING VERY WELL IN THE PAST FIVE YEARS ; IN 1988, ITS GROWTH WAS OVER 3%. THE PROFITS OF THE FRENCH CORPORATIONS HAVE INCREASED SIGNIFICANTLY TO REACH NEW UNKNOWN LEVELS SINCE MANY YEARS, AND ACCORDING TO FRANCE'S MINISTRY OF INDUSTRIAL AND REGIONAL DEVELOPMENT, THE INDUSTRIAL DEVELOPMENT IS INCREASING RAPIDLY : ABOUT 12% IN 1988.

THROUGHOUT THE YEARS, FRANCE HAS BECOME THE THIRD LARGEST OUTSIDE INVESTOR IN CANADA.

TODAY, MORE THAN 300 FRENCH FIRMS HAVE OPENED OPERATIONS IN CANADA, AND MOST OF THE LARGE INDUSTRIAL GROUPS ARE PRESENT, INCLUDING LAFARGE CEMENT, MICHELIN, PECHINEY, AIR LIQUIDE AND MANY OTHERS. FRENCH INVESTMENTS ARE HEAVILY CONCENTRATED IN THE MANUFACTURING/SERVICE AND ENERGY SECTORS.

THIS SAID, I WOULD LIKE TO COME BACK TO THE INVESTMENT DEVELOPMENT PROGRAM THAT I AM RUNNING IN PARIS.

FIRST OF ALL, PRO-ACTIVELY, OUR STRATEGY IS SECTOR DRIVEN. WE PRIORIZE A HANDS-ON APPROACH, MEANING A DIRECT CONTACT WITH COMPANIES THAT ARE LEADERS IN THEIR RESPECTIVE SECTOR ON THE FRENCH MARKET, AND OFTEN ON THE EUROPEAN MARKET, WITH A VIEW TO SELLING THE IDEA OF INVESTING IN CANADA. WE TARGET FIRMS IN SECTORS WHERE FRANCE IS PARTICULARLY STRONG AND THAT OFFER THE BEST OPPORTUNITIES IN TERMS OF TECHNOLOGICAL ADVANCE FOR THE CANADIAN AND NORTH-AMERICAN MARKETS.

OUR TARGETTED SECTORS IN PARIS ARE : BIOTECHNOLOGY/PLASTICS AND ADVANCED INDUSTRIAL MATERIALS/PARTS, COMPONENTS, AND TECHNOLOGY RELATED TO AERONAUTICS, DEFENCE AND AUTOMOTIVE.

BUT ENVENTHOUGH WE CONCENTRATE OUR ACTUAL EFFORTS IN THESE TARGETTED SECTORS, WE KEEP BOTH EYES OPENED MEANING REMAINING OPPORTUNIST IN OTHER FIELDS WHERE FRANCE POSSESSES A STRONG TECHNOLOGY SUSCEPTIBLE TO GENERATE NEW INVESTMENTS -IN CANADA.

JUST TO MENTION A FEW, THEY ARE URBAN TRANSPORTATION, OCEAN INDUSTRIES, ENVIRONMENTAL EQUIPMENT, TELECOMMUNICATIONS, CHEMICAL SPECIALITIES, ELECTRONIC COMPONENTS, FOOD PROCESSING AND ADVANCED MANUFACTURING TECHNOLOGIES.

THE VARIOUS TYPES OF INVESTMENT THAT WE ARE SEEKING, AND THAT ARE OFTEN SOUGHT BY FRENCH INVESTORS ARE JOINT VENTURES OR A TECHNOLOGY TRANSFER INVOLVING CAPITAL INVESTMENT FROM THE FRENCH PARTNER, AND GREENFIELDS.

LIKE OTHERS, THE IDP TEAM IN PARIS IS RESULTS ORIENTED. TO ACHIEVE OUR GOALS, WE WORK VERY CLOSELY WITH INTERMEDIARIES AT ALL LEVELS OF THE PUBLIC AND PRIVATE SECTORS IN FRANCE AND IN CANADA.

FOR INSTANCE, IN FRANCE, WE WILL KEEP A CONSTANT COMMUNICATION WITH THE ECONOMIC DIVISIONS OF THE REGIONAL "INSTANCES POLITICO-ECONOMIQUES" SUCH AS THE REGIONAL GENERAL COUNCIL, AND WILL VISIT REGULARLY THOSE OF A MORE ECONOMICAL ACTION LIKE THE FRENCH PRIVATE BANKS, THE CHAMBERS OF COMMERCE AND INDUSTRY, THE LOCAL ECONOMIC DEVELOPMENT AGENCIES, BUSINESS PARKS, ETC..

IT IS BY DEVELOPING A CLOSE RELATION WITH THESE PEOPLE IN ORDER TO CONSTANTLY PROMOTE CANADA AS THE IDEAL BASE FOR FRENCH FIRMS THAT WISH TO EXPAND THEIR COMMERCIAL ACTIVITIES IN NORTH-AMERICA, THAT SOME OF THE FRENCH ORGANISMS HAVE INCLUDED CANADA IN THEIR STRATEGY. THEY HAVE BECOME AN EXTENSION OF OUR TEAM AT THE CANADIAN EMBASSY.

MOREOVER, THE FRENCH GOVERNMENT IS STRONGLY PROMOTING ALLIANCES BETWEEN FRENCH AND CANADIAN COMPANIES. IT SUPPORTS THIS BY PROVIDING TECHNICAL AND FINANCIAL ASSISTANCE TO COMPANIES WISHING TO STUDY AN EVENTUAL IMPLEMENTATION IN CANADA.

MEANWHILE, IN CANADA, IN ORDER TO FACILITATE THE COMPANY'S ESTABLISHMENT, WE KEEP A CLOSE RELATION WITH THE PUBLIC SECTOR AT ALL LEVELS (FEDERAL, PROVINCIAL AND MUNICIPAL), AS WELL AS WITH THE PRIVATE SECTOR (CONSULANTS, LAW-FIRMS, ETC...).

FOR EXAMPLE, IN SOME CASES WHERE WE NEED TO INITIATE A PROMPT ACTION, WE DO NOT HESITATE TO WORK DIRECTLY WITH THE LOCAL ECONOMIC DEVELOPMENT AGENCIES, THE INDUSTRIAL COMMISSIONERS, OR WITH THE CONSULTING FIRMS. IN ALL CASES, WE WILL TRY TO SUGGEST THE BEST SUITABLE PROGRAM OF ACTIVITIES THAT WILL FACILITATE THE POTENTIAL INVESTOR'S DECISION IN THE SHORTEST POSSIBLE PERIOD OF TIME.

IN ALMOST EVERY CASE, WE WORK "A LA CARTE".

ON TOP OF THIS, WE INSURE THE JUNCTION WITH OUR
SECTORIAL REPRESENTATIVES IN CANADA IN ORDER TO
CONFIRM OUR CANADIAN INTEREST IN THE POTENTIAL
INVESTMENT, AND TO MAKE SURE THAT THE INVESTOR WILL
BE WELL ASSISTED BY OUR SERVICES WHEN HE WILL
TRAVEL TO CANADA.

FINALLY, THE IDP TEAM IN PARIS IS ENTIRELY DEVOTED
TO PROSPECTING ACTIVITIES. WE ARE AT YOUR SERVICE,
AND FULLY WILLING TO WORK WITH YOU, SHOULD YOU HAVE
SOME CANADIAN COMPANY'S REQUIREMENT IN THE MATTER
OF LOOKING FOR NEW OR COMPLEMENTARY TECHNOLOGY THAT
WOULD LEAD TO A JOINT VENTURE OR AN INVESTMENT TO
ESTABLISH A NEW BUSINESS ENTITY.

IT IS EASIER AND IT MAKES MORE SENSE WHEN WE DO
WORK FROM INDUSTRY REQUIREMENTS, PLEASE LET US KNOW
ABOUT YOUR PRIORITIES, AND, PLEASE, KEEP US
INFORMED ON A CONSTANT BASIS.

NOTES D'ALLOCATION DE MONSIEUR PIERRE BELANGER

CONSEILLER AUX INVESTISSEMENTS

AMBASSADE DU CANADA

PARIS

DURANT

LA TOURNEE CANADIENNE DES CONSEILLERS AUX INVESTISSEMENTS

DU 17 AU 28 AVRIL, 1989

VOILA DEJA PRESQUE TROIS ANS, LE GOUVERNEMENT CANADIEN, DANS SA STRATEGIE VISANT A STIMULER LES INVESTISSEMENTS DE FACON A AMELIORER L'ECONOMIE CANADIENNE, DECIDAIT D'OCTROYER A LA FRANCE UN CONSEILLER AUX INVESTISSEMENTS A PLEIN TEMPS, SECONDE PAR UNE EQUIPE DE COLLABORATEURS.

DEPUIS LORS, LA TACHE PRINCIPALE DE LA SECTION INVESTISSEMENT A L'AMBASSADE DU CANADA A PARIS DEMEURE DE PROMOUVOIR LES NOMBREUX AVANTAGES DU CANADA AFIN D'Y ATTIRER DE NOUVEAUX INVESTISSEMENTS PORTEURS DE TECHNOLOGIES DE POINTE AFIN D'AUGMENTER LE NIVEAU DE COMPETENCE TECHNOLOGIQUE DE NOS ENTREPRISES, FAVORISER NOTRE CAPACITE INDUSTRIELLE A COMPETITIONNER SUR LES MARCHES ETRANGERS ET CREER DE NOUVEAUX EMPLOIS.

ON PEUT AJOUTER A CELA LE DESIR DE DIMINUER DE FACON TANGIBLE L'IMPORTATION AU CANADA DE PRODUITS ETRANGERS.

MAIS POURQUOI LA FRANCE ?

PREMIEREMENT, LES STATISTIQUES CONCERNANT L'ECONOMIE FRANCAISE NOUS FONT REALISER QU'EN 1988, LA FRANCE A ETABLI DE NOUVEAUX RECORDS D'EXPORTATION DE SES PRODUITS AU CANADA :

LE CANADA A IMPORTE POUR PLUS DE 12 MILLION DE FRANCS FRANCAIS (2,5MM \$ CDN). POUR LA PREMIERE FOIS DE SON HISTOIRE COMMERCIALE, LA FRANCE A PLUS EXPORTE AU CANADA QU'EN ALGERIE ET EN RUSSIE, DES PARTENAIRES TRADITIONNELS DE LA FRANCE.

CE SUCCES COMMERCIAL A PERMIS A LA FRANCE DE SE HISSER AU 5EME RANG DES FOURNISSEURS DE NOTRE PAYS. ELLE EST AUSSI DEVENUE LE 5EME PARTENAIRE COMMERCIAL DU CANADA AUPRES DES USA, LE JAPON, LA GRANDE-BRETAGNE ET L'ALLEMAGNE DE L'OUEST.

EN 1988, LES PRODUITS DE L'AERONAUTIQUE ET AUTRES BIENS D'EQUIPEMENT AINSI QUE LES PIECES ET EQUIPEMENT AUTOMOBILE ONT REPRESENTE PLUS DE 57% DES IMPORTATIONS CANADIENNES VENANT DE LA FRANCE. CE QUI VOUS DONNE UNE BONNE INDICATION DES SECTEURS-CIBLES DE PROSPECTION DE NOTRE EQUIPE A PARIS. QUI PLUS EST, L'ECONOMIE FRANCAISE S'EST TRES BIEN COMPORTEE AU COURS DES 5 DERNIERES ANNEES. EN 1988, LA CROISSANCE DE SON ECONOMIE FUT SUPERIEURE A 3%. LES PROFITS DES CORPORATIONS FRANCAISES ONT AUGMENTE DE FACON SIGNIFICATIVE POUR ATTEINDRE DES SOMMETS EXCEPTIONNELS ET MEME INCONNUS DEPUIS DE NOMBREUSES ANNEES. SELON LE MINISTRE FRANCAIS DU DEVELOPPEMENT INDUSTRIEL ET REGIONAL, LE DEVELOPPEMENT INDUSTRIEL BENEFICIE D'UNE CROISSANCE TRES RAPIDE, ATTEIGNANT 12% EN 1988.

ET A TRAVERS LES ANNEES, LA FRANCE EST DEVENUE LE 3EME PLUS IMPORTANT INVESTISSEUR ETRANGER AU CANADA.

AUJOURD'HUI PLUS DE 300 ENTREPRISES FRANCAISES SONT EN PLEINE OPERATION AU CANADA ET LA PLUPART DE SES GRANDS GROUPES INDUSTRIELS Y SONT PRESENTS, PARMIS LESQUELS, CIMENT LAFARGE, MICHELIN, PECHINEY, AIR LIQUIDE ET COMBIEN D'AUTRES.

AUTRE FAIT, LES INVESTISSEMENTS FRANCAIS SONT CONCENTRES SURTOUT DANS LES SECTEURS MANUFACTURIER, DE SERVICE ET DE L'ENERGIE.

CECI ETANT DIT, JE SOUHAITE REVENIR AU PROGRAMME DE DEVELOPPEMENT DE L'INVESTISSEMENT DONT JE SUIS RESPONSABLE A PARIS.

PAR DESSUS TOUT, NOTRE ACTION SE VEUT PRO-ACTIVE ET STRATEGIQUEMENT, NOUS VISIONS DES SECTEURS-CIBLES, TOUT EN DEMEURANT OPPORTUNISTES, BIEN SUR.

NOUS FAVORISONS LE CONTACT DIRECT AVEC LES ENTREPRISES QUI SE SONT HISSEES AU RANG DE LEADER SUR LE MARCHE FRANCAIS DANS LEUR SECTEUR RESPECTIF AFIN DE LEUR VENDRE L'IDEE DE S'ETABLIR AU CANADA.

NOUS CIBLONS DES SECTEURS OU LA FRANCE EST PARTICULIEREMENT FORTE ET QUI OFFRENT LES MEILLEURES OPPORTUNITES EN TERME D'AVANCE TECHNOLOGIQUE POUR LES MARCHES CANADIENS ET AMERICAINS.

CES SECTEURS-CIBLES SONT : LES PIECES ET COMPOSANTS AINSI QUE LA TECHNOLOGIE RELIEES AUX SECTEURS DE L'AERONAUTIQUE ET DE L'AUTOMOBILE, LA BIOTECHNOLOGIE ET LES MATERIAUX INDUSTRIELS AVANCES.

CEPENDANT, MEME SI NOUS CONCENTRONS NOS EFFORTS DANS LES SECTEURS QUE JE VIENS DE MENTIONNER, NOUS NOUS MAINTENONS TOUT DE MEME A L'AFFUT DANS D'AUTRES DOMAINES OU L'INDUSTRIE FRANCAISE DEMEURE FORTE ET POSSEDE UNE TECHNOLOGIE SUSCEPTIBLE DE GENERER DE NOUVEAUX INVESTISSEMENTS AU CANADA.

POUR VOUS EN MENTIONNER QUELQUES UNS, IL S'AGIT DU TRANSPORT URBAIN, DES INDUSTRIES RELIEES A L'OCEAN, L'EQUIPEMENT ENVIRONNEMENTAL, LES TELECOMMUNICATIONS, LES SPECIALITES CHIMIQUES, LES COMPOSANTS ELECTRONIQUES, L'INDUSTRIE DE L'ALIMENTATION ET LES TECHNOLOGIES AVANCEES DE PRODUCTION.

LES PRINCIPAUX TYPES D'INVESTISSEMENTS QUE NOUS PROPOSONS ET QUI SONT AUSSI RECHERCHES PAR LES ENTREPRENEURS FRANCAIS SONT LES "JOINT VENTURE" OU "TRANSFERT DE TECHNOLOGIE" IMPLIQUANT UN INVESTISSEMENT EN FONDS PROPRES DE LA PART DU PARTENAIRE FRANCAIS ET, BIEN SUR, LES IMPLANTATIONS DIRECTES.

L'EQUIPE DE PROMOTION DES INVESTISSEMENTS A PARIS N'A QU' UN BUT, L' ATTEINTE DE RESULTATS. NOUS NE TRAVAILLONS QU' EN CE SENS. (NOUS NE NOUS ENFARGEONS PAS DANS LES FLEURS DU TAPIS, COMME ON DIT). ET POUR ATTEINDRE NOS BUTS, NOUS TRAVAILLONS DE FACON TRES RAPPROCHEE AVEC LES DIFFERENTS INTERMEDIAIRES, DE TOUT NIVEAU, DES SECTEURS PUBLIC ET PRIVE, TANT FRANCAIS QUE CANADIENS.

PAR EXEMPLE, EN FRANCE, NOUS NOUS TENONS EN COMMUNICATION CONSTANTE AVEC LES SECTEURS ECONOMIQUES DES PRINCIPALES INSTANCES POLITICO-ECONOMIQUES REGIONALES, EN PARTICULIER, LES CONSEILS REGIONAUX ET GENERAUX, LES CHAMBRES DE COMMERCE ET D'INDUSTRIE, LES BANQUES FRANCAISES, LES AGENCES LOCALES DE DEVELOPPEMENT ECONOMIQUES, LES DIRIGEANTS DE PARCS INDUSTRIELS, ETC...

C' EST EN DEVELOPPANT CETTE RELATION ETROITE AVEC CES DIVERS INTERVENANTS DE FACON A PROMOUVOIR CONSTAMMENT LE CANADA COMME SITE IDEAL POUR L'ENTREPRISE FRANCAISE DESIRANT ELARGIR SES ACTIVITES COMMERCIALES EN AMERIQUE DU NORD QUE QUELQUES-UNS DE CES ORGANISMES ONT INCLUS LE CANADA DANS LEUR STRATEGIE DE DEVELOPPEMENT DE L'ENTREPRISE SUR LEUR TERRITOIRE RESPECTIF.

EN OUTRE, LE GOUVERNEMENT FRANCAIS PROMOUVOIT TRES FORTEMENT LES ALLIANCES ENTRE ENTREPRISES FRANCAISES ET CANADIENNES EN SUPPORTANT TECHNIQUEMENT ET FINANCIEREMENT LES SOCIETES QUI DESIRENT ENTREPRENDRE DES DEMARCHES EN VUE D'UNE EVENTUELLE IMPLANTATION AU CANADA.

PENDANT CE TEMPS, AU CANADA, NOUS ENTRETENONS EGALEMENT DES CONTACTS REGULIERS AVEC LE SECTEUR PUBLIC A TOUS LES NIVEAUX (FEDERAL, PROVINCIAL, REGIONAL ET MUNICIPAL) AINSI QU' AVEC LE SECTEUR PRIVE (CONSULTANTS, AVOCATS, COMPTABLES, ETC...) ET CECI, AFIN DE FACILITER L'ETABLISSEMENT DE NOTRE INVESTISSEUR FRANCAIS. A TITRE D'EXEMPLE, LORSQUE NOUS DEVONS AGIR PROMPTEMENT, NOUS N' HESITONS PAS A TRAVAILLER DIRECTEMENT AVEC LES INTERVENANTS LOCAUX, LES COMMISSAIRES INDUSTRIELS ET LES CONSULTANTS PRIVES. DANS TOUS LES CAS, NOUS TENTONS DE SUGGERER LE MEILLEUR PROGRAMME D' ACTIVITES QUI VA FACILITER LA PRISE DE DECISION DE L' INVESTISSEUR ET CECI, DANS LE PLUS COURT LAPS DE TEMPS POSSIBLE.

DANS PRATIQUEMENT TOUS LES CAS, NOUS TRAVAILLONS "A LA CARTE". NOUS NOUS ASSURONS EGALEMENT DU CONCOURS DE NOS REPRESENTANTS SECTORIELS AU CANADA AFIN DE SUPERVISER CETTE ACTION LOCALEMENT ET ASSISTER L' INVESTISSEUR LORSQU' IL SE PRESENTE AU CANADA.

FINALEMENT, L' EQUIPE DE PROMOTION DES INVESTISSEMENTS A PARIS, CONSACRE TOUTES SES ENERGIES A SES ACTIVITES DE PROSPECTION, DE FACON EXCLUSIVE.

EN TERMINANT, LAISSEZ-MOI VOUS DIRE QUE NOUS SOMMES ENTIEREMENT A VOTRE SERVICE ET D' ACCORD A TRAVAILLER AVEC TOUS CEUX QUI NOUS FONT PART DES BESOINS DES ENTREPRISES CANADIENNES EN MATIERE DE TECHNOLOGIE ET SAVOIR-FAIRE, POUVANT MENER A UN INVESTISSEMENT EN CO-PARTICIPATION OU PERMETTANT DE CREER UNE NOUVELLE ENTREPRISE. IL EST PLUS FACILE POUR NOUS DE TRAVAILLER A PARTIR D' OPPORTUNITES INDUSTRIELLES CANADIENNES EXISTANTES.

AUSI, N' HESITEZ PAS A FAIRE APPEL A NOUS, LAISSEZ NOUS CONNAITRE VOS PRIORITES DE DEVELOPPEMENT ET TENEZ NOUS INFORME DE FACON REGULIERE.

Speaking Notes: Investment Officers Cross Canada Tour

17 - 28 April, 1989

CHICAGO:

- Territory covers Illinois, Missouri, Wisconsin. A diverse economy.
- Chicago is a major transportation and distribution centre. It has the largest concentration of small- and medium-sized manufacturing companies in the U.S.
- Electronics, Telecommunications and computer industries are three high tech. sectors with a major presence in the midwest. These three industries have some of the fastest growing companies in the area and are priority investment sectors for us. Other key investment sectors are:

aerospace; automotive; food processing; agricultural equipment;
construction equipment; advanced manufacturing technologies;
pharmaceuticals; defence industries.
- Chicago itself is first or second amongst U.S. cities each year in terms of manufacturing output.
- It has second highest concentration of Fortune 500 companies.
- It is an important association, convention, and trade show centre. McCormick Place is the major exhibition facility with over 2 million sq. ft. of exhibit space. There's at least one major international industrial trade show each month.
- Our investment program includes holding seminars and mini-seminars. These may be horizontal or sector specific. Preference of businessmen in our area is for a mini-seminar over lunch period or late afternoon with drinks after.
- Seminars important in themselves. However, we chose to build on the high concentration of Fortune 500 companies and the trade show facility at McCormick Place in putting our investment program together.
- We target corporate liaison visits to discuss corporate plans re investment in Canada. We have a list of over 300 U.S. companies with Canadian operations (some 130 are R & D oriented).
- For close to three years now we've used an investment booth at selected trade shows. This has proven to be a cost effective way of generating investment leads.
- Economic development specialists estimate cost per investment lead from advertising and direct mailings to be Cdn \$400 - \$500. Our experience with using the investment booth gives cost/lead at Cdn \$150 - \$240.

- A major show such as the International Machine Tool Show draws over 1300 of the world's leading machine tool manufacturers; an attendance of over 100,000, many of whom are the investment decision makers for their company.

- How do we go about preparing for a show?

- Early in the new financial year a list of approved and pending projects is sent to economic development specialists such as yourselves across Canada (federal, provincial, municipal, banks). Economic development specialists review list to determine which events meet their particular investment promotion strategies. On deciding to participate, they contact us and are put on a roster for staffing the investment booth. When on the booth everyone represents Canada. When walking the show the specialists are free to promote their respective regions.

- One month prior to a show we contact everyone again to confirm the arrangements.

- We have pre-show mailings to exhibitors inviting them to discuss investment/joint ventures with economic development specialists at the booth. Invitations are also given to a reception where they can meet representatives of Canadian companies exhibiting at the show.

- Investment promotion material from provinces, municipalities, ISTC, DEA and private sector sources is on display and available at the booth.

- Leads generated at the show are listed in an end of show report and copies mailed to each economic development specialist who helped staff the booth and to each Canadian trade office in whose territory potential investors are based. Follow - up done by each post.

- The report also contains copy of the business cards of those who attended the reception.

- Decision taken at the outset of this program - no participation at the booth, no report sent. EXCEPTION - where a specific location has been identified by a potential investor.

- Specific investment enquiries/leads to date have been for joint venture; greenfield; technology transfer. They have included: a textile mill; a chemicals plant; a warehouse distribution point; a food processing plant; and a food and beverage packaging plant.

- Is it all worth while? We believe it is. This has been backed up by the positive feedback received from regional economic development specialists. As I said at the beginning, the investment booth approach is cost effective.

- If we're not getting in touch with you now, let me know and I'll make sure that you get on our mailing list. When we send out our program for the coming year, we'll be asking for your input as to the specific needs of your own particular regions. Your comments in this regard will be invaluable in preparing the investment development program for 1990/91. Planning and working together we can ensure that program will be a meaningful and effective one. One caveat before I close. We've grown accustomed to the fact that the U.S is our number one investor in Canada. We shouldn't take it for granted that this will continue without any effort on our part. With Europe 1992 on the horizon U.S companies are looking more and more to invest in Europe before the walls go up.

CANADIAN CONSULATE GENERAL - ATLANTA

1. TERRITORY

Tennessee
Mississippi
Alabama

Georgia
North Carolina
South Carolina

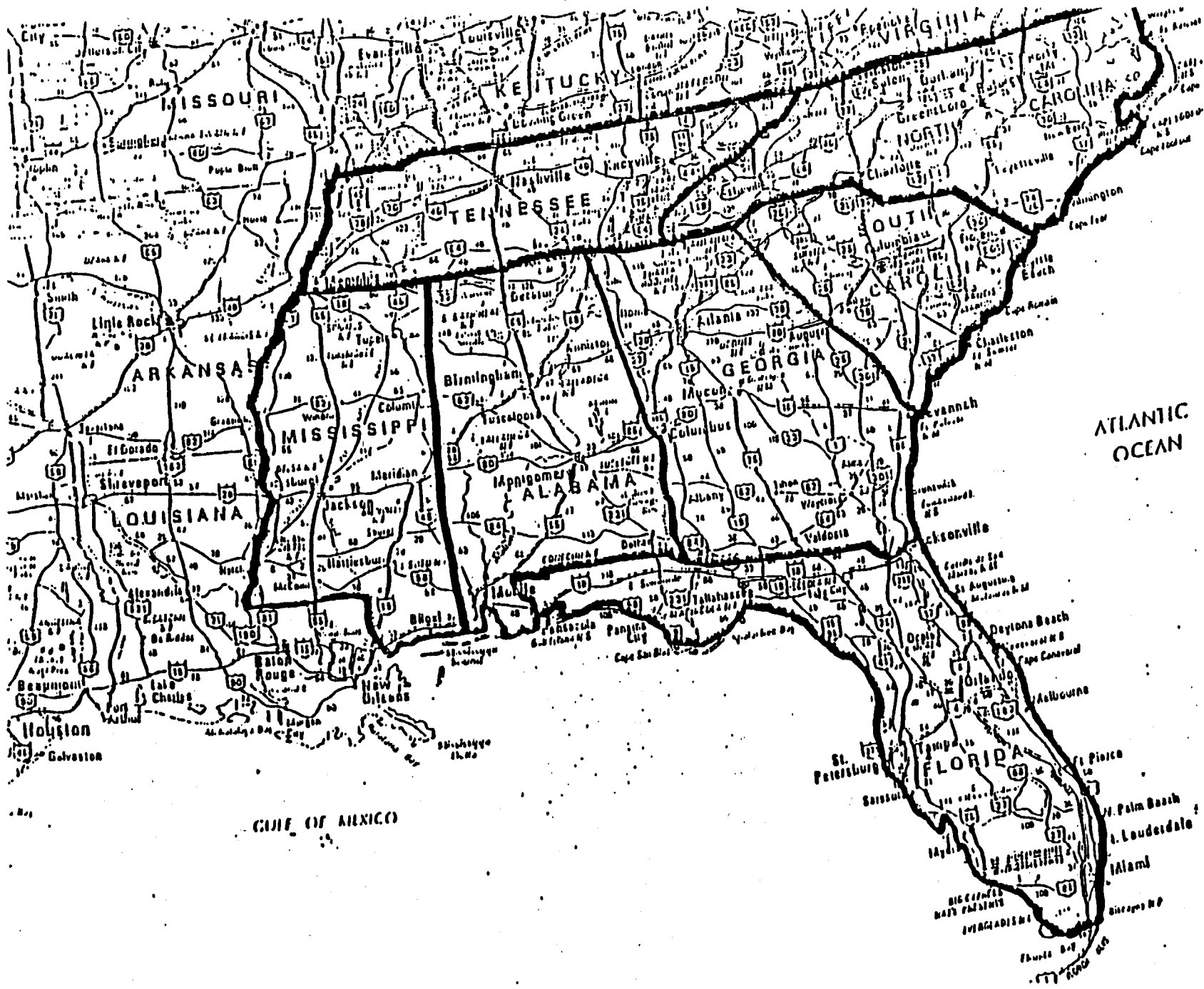
Florida
Puerto Rico
U.S. Virgin Islands

- Total area -- 346,214 sq. miles (B.C. 366,255 sq. miles)
- Total population -- 43.1 million (86)

2. MAJOR COMMERCIAL CENTRES

(METROPOLITAN STATISTICAL AREAS - AS OF JUNE 30, 1986)

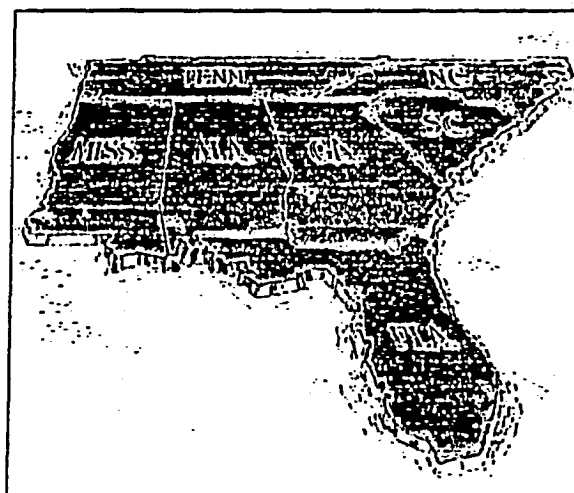
	POPULATION IN THOUSANDS
Miami - Ft. Lauderdale, Florida	2,878
Atlanta, Georgia	2,472
Tampa - St. Petersburg - Clearwater, Florida	1,869
San Juan - Puerto Rico	1,300
Charlotte - Gastonia - Rock Hill, N/S Carolina	1,049
Memphis, Tennessee	945
Nashville, Tennessee	910
Birmingham, Alabama	904
Greensboro - Winston-Salem - High Point, North Carolina	893
Orlando, Florida	866
Jacksonville, Florida	824
West Palm Beach - Boca Raton - Delray Beach, Florida	723
Raleigh - Durham, North Carolina	632
Greenville - Spartanburg, South Carolina	600
Knoxville, Tennessee	593



REGIONAL POPULATION GROWTH

REGION	POPULATION GROWTH 1975-1984	PROJECTED POPULATION - 2000	
	CHANGE	POPULATION	CHANGE 1984-2000
Southeast	6,445,000	47,695,200	9,355,200
Pacific	6,286,000	42,379,300	7,343,300
West South Central	5,150,000	32,679,100	6,168,100
Mountain	2,969,000	20,139,900	7,350,900
Other South	1,281,000	18,453,600	1,445,600
West North Central	758,000	18,067,300	512,300
East North Central	723,000	41,646,600	5,600
New England	456,000	12,775,200	114,200
Middle Atlantic	3,000	33,625,400	(3,572- ,600)
US	24,071,000	267,461,600	28,721,600

Source: US Department of Commerce, Bureau of the Census



STATISTICS CANADA
 EXPORT STATISTICS 1980-1986-1987
 Values In Millions of Canadian Dollars

State	To The USA				Imports From The USA				Total Trade			
	1980	1986	1987		1980	1986	1987		1980	1986	1987	
ALABAMA	231.8	548.6	533.7		300.8	630.3	636.4		532.5	1,178.9	1,220.1	
FLORIDA	518.9	988.2	1,233.8		747.3	1,159.5	1,241.8		1,266.2	2,147.7	2,475.6	
GEORGIA	439.4	1,353.5	1,357.0		342.4	692.7	770.8		831.8	2,046.2	2,127.8	
MISSISSIPPI	77.6	137.8	139.9		133.1	160.7	193.3		210.7	293.5	333.2	
NORTH CAROLINA	323.9	1,014.0	1,197.8		772.1	1,275.7	1,378.3		1,095.9	2,259.7	2,576.1	
SOUTH CAROLINA	150.4	626.4	732.5		354.4	580.4	499.0		504.8	1,206.8	1,231.5	
TENNESSEE	403.2	765.8	887.9		476.3	963.5	1,109.4		879.5	1,729.3	1,997.3	
TOTALS	2,195.1	5,434.3	6,082.6	6.6%	3,126.3	5,562.8	5,879.0	7.5%	5,321.4	10,899.1	11,961.6	7%
TOTAL U.S.A.S.E			91,756.4	100%			78,894.6	100%			170,651.0	100%



Business Growth in the 1980s: A Close-Up Look at the Southeast

New and expanded business facilities in each state during each year.

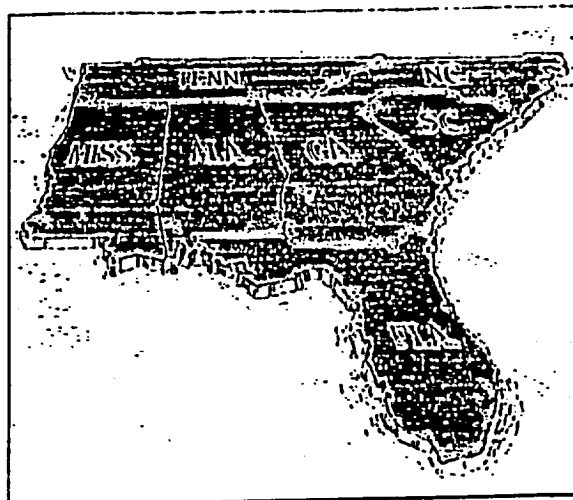
	1980	1981	1982	1983	1984	1985	1986	1987	1988	Total
Alabama	68	108	67	236	177	87	88	80	130	1,041
Florida	202	293	103	115	223	185	248	222	335	1,926
Georgia	100	88	70	51	108	97	149	152	204	1,019
Mississippi	123	155	126	90	92	80	130	103	116	1,015
N. Carolina	206	266	141	182	140	183	130	217	282	1,747
S. Carolina	41	80	27	83	77	56	50	112	110	636
Tennessee	99	46	45	45	113	54	51	106	128	687
Total	839	1,036	579	802	930	742	846	992	1,305	8,071

Region as

% of U.S.	23.0%	24.3%	21.0%	27.7%	25.2%	26.9%	23.6%	29.1%	30.5%
-----------	-------	-------	-------	-------	-------	-------	-------	-------	-------

* New and expanded manufacturing and non-manufacturing facilities reported to the Site Selection Handbook, published by Conway Data Inc. The facilities must meet at least one of the following criteria: Facility represents an investment of at least \$500,000, has a floor area of at least 20,000 square feet or employs at least 50 workers.

Source: Conway Data Inc.

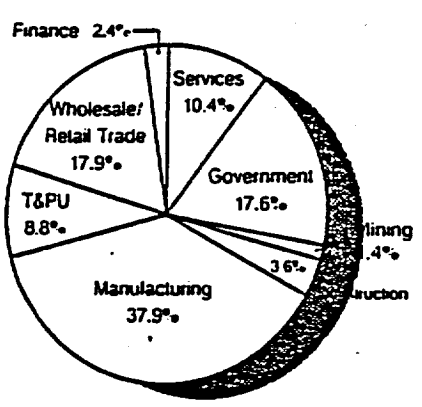


INDUSTRY MIX

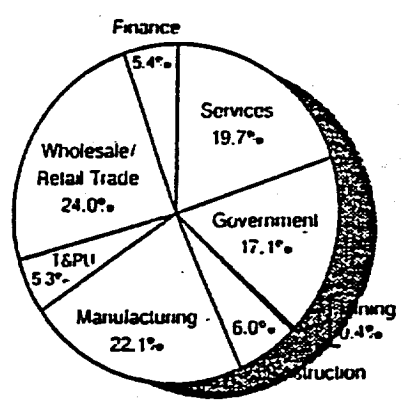
% EMPLOYMENT BY SECTOR

Southeast

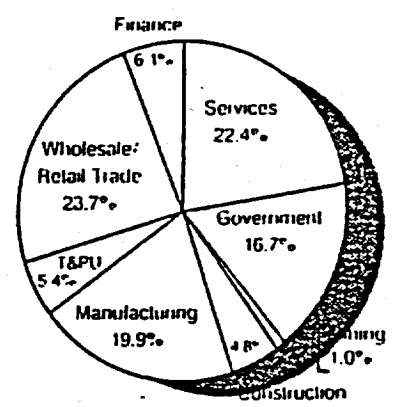
United States



1945

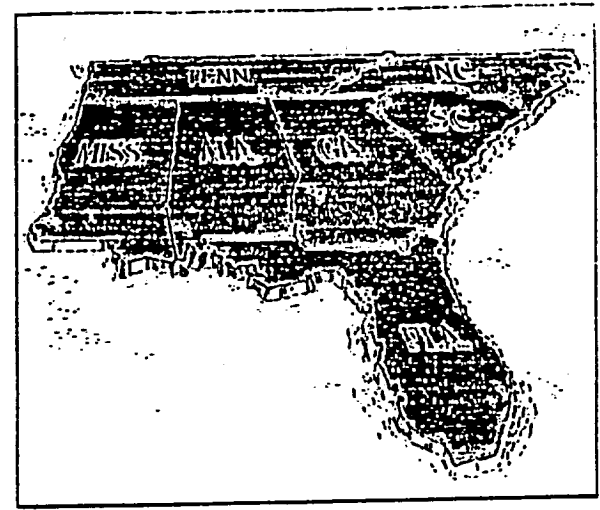


1985



1985

Source: *Employment and Earnings*, March and May 1986. Published by the U.S. Department of Labor, Bureau of Labor Statistics.

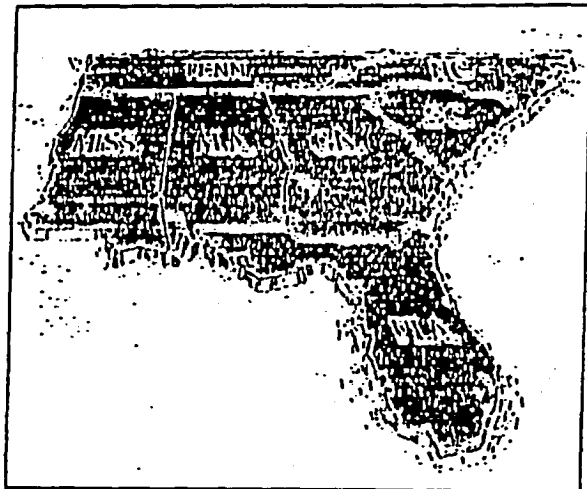


1983 GROSS NATIONAL PRODUCT IN
CONSTANT 1982 DOLLARS AND PER CAPITA

<i>COUNTRY</i>	<i>GNP (Billions)</i>	<i>PER CAPITA</i>
United States	\$3,164	\$13,492
Japan	1,092	9,149
Germany	671	10,903
France	541	9,896
United Kingdom	487	8,693
*Southeast	451	12,244
Italy	337	5,924
Netherlands	138	9,581
Switzerland	101	15,552
Korea	77	1,870
Canada	355	

Source: 1986 Statistical Abstract

*GRP - Gross Regional Product



INVESTMENT DEVELOPMENT PROGRAM OVERVIEW

BACKGROUND:

- * Investment Canada (est 1985) mandate to promote foreign and domestic investment
- * relatively recent program at post, now formal program (planning/budgets)

PROGRAM COMPONENTS:

- I. **Responsive:** servicing inquiries from prospective investors in S.E.
- II. **Proactive:** developing and implementing projects to promote investment in Canada and identify leads

REVIEW OF PROGRAM:

FY 88/89

Resources:

- Budget CDN\$35,000
- .5 PY

Focus:

- general awareness
industry targeting
- ocean industries
 - biotechnology
 - machinery

Methods: advertising campaign, trade shows, conferences

(Refer to Past Investment Events)

FY 89/90

Resources:

- Budget CDN\$102,700
- .5 PY

Focus:

- strategic industries/technologies
- biotechnology
 - space technologies
 - ocean technologies
 - informatics
 - advanced materials

Methods: trade shows, missions, conferences, visits

(Refer to Proposed Investment Events)

PROPOSED INVESTMENT EVENTS (AMT)
APRIL '89 - MARCH '90

(IDP FY89/90 Budget: CDN\$102,700)

- | | |
|-----------------|--|
| April/89 | INVESTMENT LEADS FOLLOW-UP
(Mailout survey/250 companies) |
| April 17-29/89 | U.S. INVESTMENT COUNSELLORS CANADA TOUR/
MEETINGS WITH PRIVATE AND PUBLIC SECTORS |
| April 25-27/89 | CITEX '89
(Computer Industry Trade Show)
Atlanta, GA
(Investment/TT info booth) |
| May 16-17/89 | TABES '89
(Technology and Business Expo)
Huntsville, AL
(Investment/TT info booth) |
| July 23-27/89 | AMERICAN ASSOCIATION OF CLINICAL CHEMISTS
Convention and Trade Show
(Medical, pharmaceutical, biotechnology)
Atlanta, GA
(Investment/TT info booth) |
| Fall/89 | OCEAN TECHNOLOGIES/HARBORBRANCH
CONFERENCE
(Canadian company mission/R&D Lyons)
Ft. Pierce, FL
(Joint ventures/tech transfer/strategic partnering) |
| December 3-7/89 | AMERICAN SOCIETY OF HOSPITAL PHARMACISTS
Annual Meeting and Convention
(Medical, pharmaceutical)
Atlanta, GA
(Investment/TT info booth) |
| TBA 89/90 | BIOTECHNOLOGY MISSION/CONFERENCE
(Canadian companies to S.E.)
(Joint ventures, tech transfer, strategic partnering) |
| TBA 89/90 | INVESTMENT PROSPECTING-BIOTECHNOLOGY
(Meetings with companies in Atlanta, Raleigh, Miami) |
| TBA 89/90 | INVESTMENT PROSPECTING-ADVANCED MATERIALS
(Meetings with companies in Clemson, Greenville,
Spartanburg, SC) |
| TBA 89/90 | INVESTMENT PROSPECTING-INFORMATICS
(Meetings with companies in Research Triangle, NC) |

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HONG KONG INVESTMENT PROGRAM

Advertising : NIL

Direct Mail (DM): to eight (8) major industrial sectors pre-screened professionally by Dun & Bradstreet, approx 1,300 firms per exercise.

2 - 5% response, creating forty (40) percent of caseload.

1st DM exercise: 1987/88; 2nd DM exercise: 1988/89

Awareness : Proactive approaches by prospective investors - creating 40% of caseload.

NETWORK : Canadian & local banks, lawyers, accountants, securities firms, industrial & trade associations - total professionals/"multipliers" = seventy (70) all on computer database times (x) clients/members.

(A) Onpassing of Canadian investment opportunities by local broadcast facsimile: 1 - 2% response

(B) Servicing Hong Kong caseload, allocated regularly to professionals by one-on-one meetings with Investment Officer

(B) Ref. professional seminars. September 1988, majority of HK cases now have one (sometimes, but not usually more than one) of each of first three professions listed above servicing. (Long) meetings take place one-on-one, two (2) or three (3) times per week, with banker, lawyer or accountant concerned.

Program Events : Individual private luncheons with investors/partners/family together with financial and other advisors, often entailing Network (B) above: about twenty (20) per FY.

Federal, Provincial, Municipal and other incoming missions from Canada with investment focus

UNCLASSIFIED

sometimes tied-in with Investment Luncheons and usually maximised for profile, receptions and key one-on-one meetings with HK investors. Approx. 10-15 such events per FY.

CASELOAD : 1987/88 index reached 180, less 100 either concluded or shelved; 1988/89 index now at 130, less 10 either concluded or shelved.

Normal case threshold is Cdn Dirs One (1) Million, unless lower figure initially indicated is likely to lead to good imminent reinvestment. Similar criteria for Canadian investment opportunities: between 3 - 5 weekly and 2 - 3 daily yield responses for inclusion in Cdn index once interest has been shown by potential HK investor(s). Cdn index is now about fifty (50) taking both FYs together so far. HK index is viz. over 200 cases, ongoing.

Commission for Canada

Commercial Division/Division Commerciale
13/F., One Exchange Square
8 Connaught Place
GPO Box 11143
Hong Kong



Commissionariat du Canada

Tel: 5-8104321
Fax: 5-867441
Tlx: 73391 DOMCA HX

MAIN INDUSTRIES OF HONG KONG
(in Order of Importance)

1. WEARING APPAREL, EXCEPT ISITWEAR & FOOTWEAR
 2. TEXTILES (INCLUDING KNITTING)
 3. PLASTIC PRODUCTS (INCLUDING TOYS, GAMES & SUNDRIES)
 4. ELECTRICAL & ELECTRONIC CONSUMER PRODUCTS
 5. ELECTRICAL & ELECTRONIC PARTS, ACCESSORIES & MACHINERY
 6. FABRICATED METAL PRODUCTS, EXCEPT MACHINERY & EQUIPMENT
 7. PROFESSIONAL & SCIENTIFIC MEASURING & CONTROLLING EQUIPMENT & PHOTOGRAPHIC & OPTICAL GOODS
 8. PRINTING, PUBLISHING & ALLIED INDUSTRIES
 9. MACHINERY, EXCEPT ELECTRICAL
 10. FOOD MANUFACTURING
 11. PAPER & PAPER PRODUCTS
 12. TRANSPORT EQUIPMENT
-



Commission for Commerce

Commercial Division/Division Commerciale
13/P., One Exchange Square
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GPO Box 11143
Hong Kong

Commission für den Handel

Tel: 5-8104321
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INVESTMENT OPPORTUNITY

Thank you for your advice of the above.

In order for us to network and market it in Hong Kong, we need as much of the following as possible:

1. Clear outline description of investment.
2. a. If it is to be a start-up "greenfield" operation, please outline the concept: production & lines of products; sources of raw material and/or semi-manufactures; markets (domestic and export).
b. If it is to be a joint venture or other investment, please provide basic tombstone data, i.e., number of years in business, number of staff/workers, location, etc.
3. Projected cash flow.
4. Profits to date (if 2.b. above) and projected profits (2a. & b.)
5. Type (equity, partnership, buy-out, etc.) and amount of investment required.
6. Contact person.

INVESTMENT OFFICERS TOUR

APRIL 17 TO APRIL 28

BRIAN F. WILKIN

THE SIZE OF JAPAN'S ECONOMY AND FINANCIAL POWER HAS BECOME AS OVERWHELMING AS IT WAS UNEXPECTED. EVEN THOUGH JAPAN PASSED WEST GERMANY AS THE THIRD LARGEST GLOBAL ECONOMY AS LONG AGO AS 1968, THE LOW VALUE OF THE YEN OVER THE NEXT TWENTY YEARS GAVE JAPAN THE APPEARANCE OF A FAST GROWING BUT MIDDLE SIZED ECONOMY. SINCE 1985, HOWEVER, THE YEN HAS NEARLY DOUBLED IN DOLLAR VALUE. JAPAN'S ECONOMY SUDDENLY ROCKETED PAST THAT OF NUMBER TWO USSR. FROM A NORTH AMERICAN PERSPECTIVE, JAPAN'S ECONOMIC STRENGTH TOOK A DRAMATIC QUANTUM LEAP THAT WE ARE STILL DIGESTING.

JAPAN'S 122 MILLION PEOPLE NOW ENJOY A GNP THAT SHOULD EASILY REACH \$3 TRILLION IN 1989, PUTTING IT IN THE SAME LEAGUE AS THE USA AND THE EC. IT IS GROWING ALMOST TWICE AS FAST. PER CAPITA INCOME IN NOMINAL DOLLAR TERMS NOW SURPASSES THAT OF THE USA AND CANADA. ONE MEASURE OF THE LEVEL OF PROSPERITY IN TODAY'S JAPAN IS TO NOTE THAT THERE ARE NOW MORE HOUSING STARTS IN JAPAN THAN IN THE USA.

THROUGH THE MANUFACTURE AND SALE OF CARS, ELECTRONIC EQUIPMENT AND MACHINERY, JAPAN HAS ALSO CHALKED UP THE LARGEST TRADE SURPLUSES IN HISTORY. IN 1988 FOR EXAMPLE, JAPAN'S SURPLUS OF \$95 BILLION WAS MORE THAN THE GNP OF MOST NATIONS. THE CUMULATIVE EFFECT OF YEARS OF SURPLUSES IS THAT SEVEN OF

CONT'D.../2

THE WORLD'S TOP TEN BANKS ARE NOW JAPANESE. NOMURA SECURITIES, UNHEARD OF TEN YEARS AGO. IS NOW THE LARGEST SECURITIES FIRM IN THE WORLD. JAPAN'S PERSONAL SAVINGS - THE KEY TO INVESTMENT AND FUTURE ECONOMIC GROWTH - NOW STAND AT A WHOPPING \$5 TRILLION AT A TIME WHEN EUROPE AND NORTH AMERICA IN PARTICULAR ARE SUFFERING A "SAVINGS CRISIS".

THE VALUE OF SHARES OF THE TOKYO STOCK EXCHANGE IS NOW THE HIGHEST OF ANY EXCHANGE IN HISTORY. 25% AHEAD OF NEW YORK. EVEN OSAKA HAS THE FOURTH LARGEST EXCHANGE IN THE WORLD.

JAPAN IS CANADA'S SECOND LARGEST CUSTOMER AFTER THE UNITED STATES. SALES OF CANADIAN GOODS TOPPED \$8.9 BILLION IN 1988. THE FIGURE IS MODEST COMPARED WITH \$ 92 BILLION IN SALES TO THE U.S., BUT IT DOUBLES CANADA'S TRADE WITH ANY OTHER NATION. THESE ARE VERY SIGNIFICANT FIGURES:

BUT I AM NOT HERE TO TALK ABOUT TRADE. SO LET US LOOK AT SOME FIGURES CONCERNING JAPAN'S DIRECT INVESTMENT IN CANADA. I CAN PRESENT THE FIGURES SO THAT THEY LOOK VERY IMPRESSIVE - IN FACT THEY ARE. WE HAVE MADE SIGNIFICANT PROGRESS. LOOKING AT THE LAST 3 YEARS, ACCORDING TO JAPAN'S MINISTRY OF FINANCE, JAPAN'S ACCUMULATED FDI IN CANADA, MEASURED IN US DOLLARS, HAS MORE THAN DOUBLED, FROM APPROXIMATELY \$2 BILLION TO APPROXIMATELY \$4 BILLION.

I SHOULD POINT OUT ALSO THAT THESE MINISTRY OF FINANCE FIGURES MEASURE ONLY YEN MOVING OUT OF JAPAN, NOT JAPANESE INVESTMENTS FROM RETAINED EARNINGS, OR FROM LOANS. SO THE ACTUAL FIGURES WOULD BE HIGHER. WHAT THE FIGURES PROVIDE US IS A GOOD INDICATION OF TREND, AND COMPARISON WITH OTHER COUNTRIES.

BEFORE WE START APPLAUDING OURSELVES, LETS LOOK AT SOME OTHER FIGURES. ALTHOUGH CANADA HAS BEEN GAINING AT DRAMATIC RATES, THE FLOW OF JAPAN'S FOREIGN DIRECT INVESTMENT GLOBALLY HAS BEEN INCREASING AT AN ALMOST EQUALLY DRAMATIC RATE, ABOUT 50% A YEAR. IN 1987 IT REACHED 33 BILLION DOLLARS US. AND IN 1988 IT IS EXPECTED TO TOP \$40 BILLION FOR THE FIRST TIME. SO, OUR SHARE IS ABOUT 2%. THE UNITED STATES' SHARE IS ABOUT 44%. SIMPLY PUT, I DON'T THINK WE ARE GETTING OUR SHARE. WE HAVE TO WORK TOGETHER TO EARN A LARGER SHARE.

WHAT TYPE OF INVESTMENT, AND IN WHAT SECTORS?

CONT'D.../4

ALL TYPES OF INVESTMENT ARE POSSIBLE FROM JAPAN. AT THE EMBASSY WE CONCENTRATE ON PROMOTING GREENFIELD INVESTMENTS, ENCOURAGING JOINT VENTURES AND VARIOUS FORMS OF STRATEGIC ALLIANCES. I WAS RECENTLY AT A LUNCH WITH AN EXECUTIVE FROM A MAJOR TRADING COMPANY AND HE REFERRED TO A NEW TERM THAT ONE OF HIS STAFF HAD COINED. HE PROUDLY ANNOUNCED THAT ONE OF HIS EMPLOYEES HAD INVENTED WHAT HE CALLS STRATEGIC PARTNERING. HIS EMPLOYEE THEN WENT ON TO EXPLAIN THE TERM - A TERM AND EXPLANATION I HAD FIRST HEARD TWO YEARS AGO IN CANADA.

CONCERNING SECTORS. THERE ARE MANY SOURCES ASSESSING SECTORS OF OPPORTUNITY, AND THEY USUALLY CONFLICT IN THEIR ASSESSMENTS. HOWEVER, AS FAR AS OUR ASSESSMENT GOES WE RATE THEM AS FOLLOWS - TRANSPORTATION, STRATEGIC TECHNOLOGIES, RESOURCES PROCESSING, MACHINERY AND EQUIPMENT, HEALTH CARE PRODUCTS, AGRICULTURE, COMPUTERS AND COMMUNICATIONS, CONSUMER PRODUCTS, AND AEROSPACE AND DEFENCE. AGAIN, HOWEVER, WE ARE NOT PICKING WINNERS AND LOSERS. THE JAPANESE ARE PREPARED TO LOOK AT ANY SECTOR.

IN MY BRIEF TALK I WOULD LIKE TO TOUCH ON THREE AREAS:

CONT'D.../5

1. WHAT THE JAPANESE LOOK FOR IN DECIDING ON AN INVESTMENT.
2. WHAT WE DO AT THE CANADIAN EMBASSY IN TOKYO TO PROMOTE CANADA AS AN INVESTMENT LOCATION, AND FINALLY,
3. HOW WE CAN WORK TOGETHER TO REACH OUR INVESTMENT OBJECTIVES.

BEFORE I GET TO THE FIRST AREA, I WOULD LIKE TO RAISE A RELATED POINT. THE JAPANESE PERCEPTION OF CANADA. WHAT DOES THE JAPANESE BUSINESSMAN THINK OF CANADA. THEY CERTAINLY RECOGNIZE US AS IMPORTANT TRADING PARTNERS. BUT IN TERMS OF INVESTING IN US, WE HAVE SOME VERY SIGNIFICANT HURDLES TO OVERCOME.

THERE ARE MANY SOURCES FROM WHICH TO DRAW THESE PERCEPTIONS. WE HAVE THE RESULTS OF SURVEYS, REPORTS BY KEY ORGANIZATIONS SUCH AS (JETRO), KEIDANREN, JAPAN'S VERY INFLUENTIAL BUSINESS ASSOCIATION, JAPAN'S MINISTRY OF INTERNATIONAL TRADE (MITI), AND FROM OUR CONTACTS IN INDUSTRY, MAJOR BANKS AND SEVERAL VERY POWERFUL TRADING COMPANIES. AND THEN OF COURSE I HAVE MY OWN OPINIONS. FROM REPRESENTING CANADA FOR CLOSE TO TWO YEARS IN THE JAPANESE MARKET PLACE. I'LL DRAW FROM ALL OF THESE SOURCES TO MAKE A NUMBER OF POINTS.

UNFORTUNATELY CANADA IS NOT VERY WELL KNOWN BY THE MAJORITY OF BUSINESSMEN IN JAPAN. ALL SURVEY RESULTS I HAVE READ LEAD OFF WITH THE FINDING THAT

EVEN THOUGH A SIGNIFICANT NUMBER OF COMPANIES HAVE NORTH AMERICAN INVESTMENT EXPERIENCE. CANADA IS GENERALLY VIEWED AS A LARGE RESOURCE RICH COUNTRY. MANY PARTS OF IT TOURISM BASED, WITH A FRIENDLY PEOPLE. ALL VERY TRUE, HOWEVER IN MANY CASES, PARTICULARLY IN SMALL TO MEDIUM SIZED COMPANIES (WHICH BY THE WAY IN CANADA WOULD BE VERY LARGE COMPANIES) THE JAPANESE ARE NOT AWARE OF CANADA'S STRENGTHS IN INDUSTRY. THE SKILLS OF OUR LABOUR FORCE, OUR COMPETITIVE PRODUCTION COSTS, OUR ACHIEVEMENTS IN TECHNOLOGY AND BIOTECHNOLOGY. OUR MARKET ACCESS - THE LIST GOES ON. WHEN THE JAPANESE ARE CONSIDERING AN INVESTMENT LOCATION, CANADA IS FAR TOO OFTEN OVERLOOKED.

WHAT DO THE JAPANESE LOOK FOR IN MAKING AN INVESTMENT DECISION - IT OF COURSE VARIES ACCORDING TO THE TYPE INVESTMENT, BUT THE NATURE OF THEIR SEARCH, AND THE THOROUGHNESS OF THEIR STUDY CAN BE DESCRIBED IN GENERAL TERMS.

A COMPANY USUALLY GOES THROUGH A SERIES OF FEASIBILITY STUDIES. THE FIRST OF THE SERIES IS THE DECISION ON WHICH LOCATIONS WILL BE STUDIED - WHICH AMERICAN STATES. I DON'T SAY THIS WITH TONGUE IN CHEEK. I REPEAT. WE HAVE TO BE VERY AGGRESSIVE TO MAKE SURE A CANADIAN LOCATION IS INCLUDED IN THE ANALYSIS.

WHO DOES THE STUDY? IN THE CASE OF LARGER COMPANIES SUCH AS HONDA,

CONT'D.../7

mitsubishi or Daishowa, they have their own resources. And also, in most cases, they are aware of Canada and do include us in their review - and we have seen the results. But the majority of companies hire location consultants, often more than one to verify the findings, and these location consultants are in so many cases hired through Japanese banks and trading companies. These institutions are extremely important to the Japanese in doing business in and outside of Japan. More on that later.

Once the potential sites are chosen, the analysis begins. At this second stage we are usually dealing with a site selection team, often at the beginning of a process that can take years, reviewing an exhaustive list of criteria. The detail the Japanese will go into is impressive. I've seen the lists and they can have up to forty criteria. A recent survey of 500 companies dealt with weighing their criteria in order of importance and the top ten considerations were: future potential of the market; economic stability; political stability; corporate taxation; quality of labour; availability of raw materials; industrial relations; cost of land; transportation and marketing infrastructure, and wage levels.

Interestingly, potential of the market tops the list, and I would put most emphasis on the word potential. Japanese investment decisions are primarily strategic, not profit oriented. Profitability is of course of primary

IMPORTANCE. BUT THEY ARE PREPARED TO WAIT. IN MANY RESPECTS THIS IS DIFFERENT FROM THE NORTH AMERICAN APPROACH TO MAKING INVESTMENT DECISIONS.

LINKED WITH QUALITY OF LABOUR CONSIDERATIONS IS THE IMPORTANCE PLACED ON UNIONIZATION. THE LEVEL AND STRENGTH OF UNIONIZATION IN A GIVEN INDUSTRY OR LOCATION IS OF UTMOST CONCERN TO CORPORATE DECISION MAKERS IN JAPAN. DETAILED DATA ON UNION ELECTIONS, GRIEVANCE, ARBITRATION AND STRIKE LEVELS ARE FREQUENTLY REQUESTED BY JAPANESE SITE SELECTION TEAMS.

CONCERNING LABOUR - PRODUCTIVITY, WAGE AND FRINGE BENEFIT LEVELS, AND SKILL AVAILABILITY ARE ANALYZED IN DEPTH. OF COURSE THE AVAILABILITY OF AN APPROPRIATE SKILLED WORK FORCE IS PART OF THE ANALYSIS. JAPANESE FIRMS OFTEN HAVE AS ONE OF THEIR CRITERIA PROXIMITY TO UNIVERSITIES AND RESEARCH INSTITUTIONS, AND INDUSTRIAL TRAINING PROGRAMS.

QUALITY OF LIFE CONSIDERATIONS ARE THE MOST USED, LEAST UNDERSTOOD AND LEAST ABLE TO BE QUANTIFIED OF ALL THE LOCATION FACTORS. THE PERCEPTION THAT THEY ARE WELCOME IS IMPORANT TO JAPANESE COMPANIES, AS IT WOULD BE TO ANY INTERNATIONAL FIRM LOCATING IN AN UNFAMILIAR ENVIRONMENT. SECURITY AND CULTURE. ALTHOUGH NOT ON THE LIST, ARE TOP PRIORITIES.

ANOTHER MAJOR CONSIDERATION FOR MANY JAPANESE COMPANIES IS THE AVAILABILITY OF JAPANESE SCHOOLS AND CULTURE CENTRES SO THAT THE CHILDREN OF RELOCATING

CONT'D.../9

EMPLOYEES CAN RETAIN A FAMILIARITY WITH JAPANESE CULTURE. UNLIKE OUR COMPARATIVE STRENGTH IN SO MANY OF THE CRITERIA I'VE SPOKEN OF SO FAR, CANADA FALLS FAR SHORT IN THIS AREA, FAR SHORT OF FOR EXAMPLE US STATES, OR AUSTRALIA.

ENOUGH OF CRITERIA IN A SITE SELECTION. THE POINT IS THAT CANADA IS COMPETITIVE, FAR MORE COMPETITIVE THAN THE 2% MARKET SHARE OF JAPANESE FDI THAT WE ARE GETTING TODAY. SO, THE NEXT PART OF MY TALK CONCERNS WHAT WE ARE DOING AT THE CANADIAN EMBASSY, SPECIFICALLY IN THE INVESTMENT SECTION, BUT ALSO WITH OUR COLLEAGUES IN THE COMMERCIAL, SCIENCE AND TECHNOLOGY, IMMIGRATION, TOURISM AND CULTURAL SECTIONS OF THE EMBASSY, AS WELL AS OUR COLLEAGUES IN THE CONSULATE IN OSAKA. ALLOW ME TO RUN DOWN A LIST OF PROGRAM AREAS THAT WE HAVE DEVELOPED AND IMPLEMENTED OVER THAT PAST 3 YEARS, AND THOSE WHICH WE ARE PLANNING FOR THIS YEAR. KEEP IN MIND THAT THE INVESTMENT SECTION HAS THREE OFFICERS, 2 CANADA BASED AND ONE LOCALLY ENGAGED, AND TWO SECRETARIES.

SO, BY PROGRAM AREA, WHAT DO WE DO.

FIRST, LET ME DESCRIBE WHAT WE CALL OUR BANK AND TRADING COMPANY OUTREACH PROGRAM. THERE ARE OVER 6 MILLION COMPANIES REGISTERED IN JAPAN, WHICH MAKES IT DIFFICULT TO CONSIDER REACHING INDUSTRY WITH OUR MESSAGE THROUGH COMPANY VISITS. YOU WILL RECALL MY POINTING OUT THE IMPORTANCE JAPANESE

CONT'D.../10

COMPANIES ATTACH TO THE ADVICE AND PARTICIPATION OF THEIR BANKS AND TRADING COMPANIES. THEY ARE AT THE CENTRE OF THE FEASIBILITY STUDIES I SPOKE OF. THE BANKS OF COURSE IN MOST CASES PROVIDE THE FUNDS FOR A COMPANY'S EXPANSION. IN THE CASE OF THE TRADING COMPANIES, THEY ALSO OFTEN TAKE A SMALL EQUITY POSITION IN THE INVESTMENT. WE HAVE, OVER THE PAST 3 YEARS, DEVELOPED CLOSE WORKING RELATIONSHIPS WITH SIX BANKS; THE BANK OF TOKYO, SUMITOMO BANK, MITSUBISHI BANK, MARUBENI BANK, THE INDUSTRIAL BANK OF JAPAN, AND THE EXPORT IMPORT BANK. ON THE TRADING COMPANY SIDE WE HAVE CONCENTRATED ON C.ITOH, NISSHO IWAI, MITSUI AND COMPANY AND MITSUBISHI CORPORATION. IN ALL OF THESE ORGANIZATIONS WE HAVE CONDUCTED SEMINARS. INNOVATED THEM WITH INFORMATION ON CANADA'S INVESTMENT CLIMATE. ORGANIZED MISSIONS FOR THEM TO VISIT CANADA--ESSENTIALLY WE HAVE TRIED, AND WITH SOME SUCCESS, TO ENSURE THAT THE BENEFITS OF A CANADIAN LOCATION, OR PARTNERS, ARE UNDERSTOOD AND CONSIDERED WHEN THEY ARE MAKING INVESTMENT DECISIONS WITH THEIR CLIENTS. IN EACH OF THESE INSTITUTIONS I CAN ASSURE YOU THAT THERE IS NOW A CANADA SPECIALIST, A SENIOR REPRESENTATIVE WITH DECISION MAKING POWER THAT I AM CONFIDENT GIVES CANADA CONSIDERATION AT THAT ALL IMPORTANT INITIAL SITE SELECTION PHASE. THE EMBASSY HAS THE RIGHT CONTACT IN EACH OF THESE ORGANIZATIONS TO FEED INFORMATION AS THERE ARE IMPORTANT CHANGES IN CANADA'S INVESTMENT CLIMATE (NEW BUDGET, THE FREE TRADE AGREEMENT). WE CAN GO DIRECTLY TO THEM, OR THROUGH THEM TO THEIR CLIENTS, WITH INVESTMENT OPPORTUNITIES. WE CAN INTRODUCE THEM TO CANADA'S INDUSTRY LEADERS, COMPANY PRESIDENTS AND OF COURSE KEY GOVERNMENT OFFICIALS. AND IN TURN THEY COME TO

CONT'D.../11

US FOR INFORMATION, FOR ADVICE, FOR INTRODUCTIONS. THE RELATIONSHIP IS VERY ACTIVE. DAILY, AND PRODUCTIVE. THIS YEAR WE PLAN TO ADD TWO MORE BANKS TO THIS PROGRAM AREA.

MISSIONS TO CANADA. WE HAVE ORGANIZED IN THE PAST THREE YEARS. APPROXIMATELY 40 MISSIONS. THEY HAVE BEEN ANYWHERE FROM A SINGLE REPRESENTATIVE FROM THE BANK OF TOKYO TO A MISSION OF 25 UNDER THE LEADERSHIP OF MR. KANAO, CHAIRMAN OF THE JAPAN CANADA ECONOMIC COMMITTEE OF THE KEIDANREN, AND CHAIRMAN OF NKK. THE PURPOSE OF EACH MISSION IS MUCH THE SAME - TO GET THEM TO AS MANY LOCATIONS IN CANADA AS POSSIBLE, TO SHOWCASE CANADA'S ECONOMIC, INDUSTRIAL AND INVESTMENT OPPORTUNITY STRENGTHS, TO GENERALLY LEAVE THEM WITH AN INFORMED AND POSITIVE VIEW OF CANADA AS AN INVESTMENT LOCATION. I DON'T HAVE THE TIME HERE TO GO INTO DETAILS, BUT I WOULD LIKE TO SEE MISSIONS BECOME PROGRESSIVELY MORE TARGETTED, TARGETTED IN TERMS OF JAPANESE MISSION MEMBERS WHO ARE LOOKING FOR INVESTMENT OPPORTUNITIES, AND TARGETTED IN TERMS OF CANADIANS PRESENTING INVESTMENT OPPORTUNITIES. THIS WILL BE THE CASE. FOR EXAMPLE, WITH THE MITI MISSION TO CANADA NEXT OCTOBER. THERE WILL BE UP TO 40 SENIOR EXECUTIVES REPRESENTING VARIOUS INDUSTRY SECTORS. MISSIONS. OF VARIOUS SIZES, WILL CONTINUE TO BE AN IMPORTANT COMPONENT OF OUR INVESTMENT PROMOTION ACTIVITIES.

MISSIONS FROM CANADA TO JAPAN. WE HAVE HAD, IN THE PAST THREE YEARS APPROXIMATELY 175 SUCH MISSIONS. THEY AGAIN RANGE FROM LARGE INDUSTRY

CONT'D.../12

MISSIONS. SUCH AS A RECENT INFORMATION TECHNOLOGY MISSION, TO PROVINCIAL GOVERNMENT MISSIONS, SUCH AS PREMIER VANDERZALM'S MISSION IN 1987. TO SMALLER, SOMETIMES SINGLE COMPANY REPRESENTATIVE OR REGIONAL INDUSTRIAL COMMISSIONER VISITS. THESE MISSIONS ARE EXTREMELY IMPORTANT. WE ENCOURAGE CANADIAN BUSINESS PEOPLE TO COME TO JAPAN, TO COME PREPARED, AND TO FOLLOW UP ON THEIR VISITS. IN EACH OF THESE MISSIONS WE HAVE BEEN INVOLVED IN SETTING UP THE PROGRAMS, BRIEFING THE PARTICIPANTS AND ACCOMPANYING THEM ON THEIR VISITS TO COMPANIES, BANKS, TRADING HOUSES, RESEARCH INSTITUTIONS, JAPANESE GOVERNMENT DEPARTMENTS. PARTICULARLY IN THE CASE OF COMPANY VISITS, I PLACE EMPHASIS HERE ON COMING PREPARED. A LITTLE MORE ON THAT IN A MOMENT.

SEMINARS. WE HAVE DONE OUR SHARE. IN THE LAST THREE YEARS WE HAVE CONDUCTED APPROXIMATELY 30 MAJOR INVESTMENT SEMINARS, FROM THE GENERAL "THIS IS CANADA, ITS ECONOMY, RUNNING THROUGH THE ELEMENTS OF THE CRITERIA I MENTIONED EARLIER", TO SEMINARS ON SPECIFIC INDUSTRY SECTORS USING ISTD AND INDUSTRY REPRESENTATIVES OR SPECIFIC SUBJECTS SUCH AS THE FTA, USING FOR EXAMPLE AMBASSADOR GORDON RICHIE. AGAIN THE BANKS AND TRADING COMPANIES HAVE BEEN OUR TARGETS, BUT SECURITIES COMPANIES, THE KEIDANREN, THE TOKYO AND REGIONAL CHAMBERS OF COMMERCE AND JETRO HAVE PUT TOGETHER IMPRESSIVE AUDIENCES TO HEAR OUR MESSAGE. I SHOULD INCLUDE SPEECHES IN THIS CATEGORY. WE HAVE A STANDARD SPEECH THAT PRESENTS THE CASE FOR CANADA THAT WE GIVE AT LEAST TWICE A MONTH TO VARIOUS ASSOCIATIONS, BUSINESS CLUBS AND INDUSTRY

RESEARCH GROUPS. AS YOU WOULD EXPECT, TOKYO HAS A SURPLUS OF SEMINARS AND THE GENERAL SEMINAR IS PRETTY MUCH A THING OF THE PAST NOW. A HOOK, FOR EXAMPLE A KEY SECTOR. CHANGES IN TAX LAWS, THE FTA IS NOW REQUIRED TO DRAW A CROWD. IN PARTICULAR, OUR RECENT SEMINAR ON THE FTA AT KEIDANREN WAS A STANDING ROOM ONLY AFFAIR. WE WILL CONTINUE TO HOLD SEMINARS BUT IN EACH CASE NOW THEY WILL BE VERY TARGETTED.

DIRECT MAIL. WE HAVE A MAILING LIST OF OVER 4000 RECIPIENTS THAT WE KEEP UP TO DATE AND CAN TARGET BY SECTOR. COMPANY SIZE. WE HAVE MAILED OUT OVER 53,000 PIECES OF INFORMATION, 42,000 OF THOSE IN JAPANESE. WE HAVE REACHED THE POINT WHERE INVESTMENT CANADA, ISTC, THE EMBASSY AND SO MANY OTHER GOVERNMENT AND PRIVATE SECTOR ORGANIZATIONS HAVE EXCELLENT MATERIAL TO SEND. IS IT READ? IN THE MAJORITY OF CASES WE THINK SO. WE USUALLY SEND IT OUT ON A READER RESPONSE BASIS AND THE RESPONSE IS GOOD. WE GET NUMEROUS REQUESTS FOR ADDITIONAL INFORMATION. MOST RECENTLY WE HAVE SENT OUT INFORMATION, IN JAPANESE, ON THE FREE TRADE AGREEMENT, TO COVER 4,000 RECIPIENTS. THIS AGREEMENT IS A VERY HOT SUBJECT IN JAPAN - A LOT OF INTEREST.

COMMUNICATION - USING THE MEDIA IS EXTREMELY EXPENSIVE IN JAPAN, LIKE EVERYTHING ELSE. ONE AD, ONE TIME, IN A LEADING BUSINESS NEWSPAPER OR MAGAZINE COSTS ABOUT \$50,000. WE'VE DONE IT, ABOUT 9 TIMES, CONCENTRATING ON LEADING BUSINESS NEWSPAPERS SUCH AS THE NIKKEI SANGYO SHIMBUN, NIHON

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KOGYO SHIMBUN AND NIKKAN KOGYO SHIMBUN. AGAIN WE DO IT ON A READER RESPONSE BASIS. MOST RECENTLY WE PLACED A MAJOR FTA AD IN THE THREE PAPERS I MENTIONED. WE KNOW THIS IS EXTREMELY IMPORTANT, BUT IN JAPAN IT IS EXPENSIVE AND DIFFICULT TO MEASURE IN TERMS OF RESULTS.

IN THE LAST 3 AREAS OF OUR INVESTMENT PROMOTION PROGRAM I HAVE CITED THE FREE TRADE AGREEMENT AS AN EXAMPLE. A FEW WORDS ON THE FTA. IT REPRESENTS PROBABLY THE MOST POWERFUL INVESTMENT PROMOTION TOOL THAT WE HAVE IN JAPAN. RIGHT NOW WE HAVE SINCE JANUARY 1 HELD SEMINARS, A PRESS CONFERENCE AT THE AMBASSADOR'S RESIDENCE, UNDERTAKEN A MAJOR DIRECT MAIL CAMPAIGN, PLACED ADS AND GIVEN SPEECHES ON THE SUBJECT. WITH ONE NORTH AMERICAN MARKET OF 270 MILLION, THE JAPANESE ARE MUCH MORE PREPARED TO LOOK AT A CANADIAN LOCATION FOR THEIR INVESTMENT.

THE LAST AREA I WOULD LIKE TO DISCUSS IS CORPORATE LIAISON. SUCH A SIMPLE CONCEPT. AND SO IMPORTANT. THE MOST REWARDING PART OF MY JOB IS SITTING DOWN WITH A JAPANESE COMPANY REPRESENTATIVE WITH A SPECIFIC INTEREST IN INVESTING IN CANADA, AND HAVING THE MATERIAL TO PRESENT A CANADIAN LOCATION, OR EVEN BETTER A THOROUGHLY DOCUMENTED INVESTMENT OPPORTUNITY - OR AGAIN EVEN BETTER THE CANADIAN ^{COMPANY} ~~COMPANY~~ REPRESENTATIVE BESIDE ME TO HELP MAKE THE CASE. OF COURSE WE DO IT, BUT THE REQUIREMENTS TO DO IT PROPERLY ARE ~~PRODIGIOUS.~~ ^{PRODIGIOUS.} LAST YEAR WE CONDUCTED A PROJECT FOCUSING ON 70 OF OUR BEST LEADS, PRIMARILY RESPONSES TO THE VARIOUS PROMOTION ACTIVITIES I HAVE

CONT'D.../15

DESCRIBED. TAKING THE 70 RESPONSES. QUALIFYING THEM TO 35 NECESSARY COMPANY CALLS. MAKING THE CALLS AND CONCLUDING WITH 14 PROSPECTS. TOOK ONE OFFICER. FULL TIME. 3 MONTHS. LIKE EVERYONE WE HAVE A RESOURCE PROBLEM. I HAVE MENTIONED THE CRITERIA THE JAPANESE USE IN LOOKING AT AN INVESTMENT OPPORTUNITY. YOU CAN APPRECIATE THE TIME IT TAKES FOR AN INDUSTRY SECTOR SPECIALIST AT ISTC OR THE COMMERCIAL RESOURCES AT THE EMBASSY, OR OUR PROVINCIAL REPRESENTATIVES IN JAPAN, OR INDUSTRY AND COMPANY REPRESENTATIVES IN CANADA TO HELP IN PUTTING TOGETHER A COMPREHENSIVE AND PRODUCTIVE COMPANY VISIT. CLEARLY THIS IS AN AREA WHERE ONE OF OUR CHALLENGES LIES. AS THE RESULTS OF ALL OF THE PROGRAM AREAS I HAVE OUTLINED ABOVE INCREASE. THE NEED FOR THOROUGHLY PREPARED COMPANY VISITS ALSO INCREASES. IT IS A LARGE TASK. THIS LAST POINT LEADS APPROPRIATELY TO THE LAST PART OF MY TALK - HOW WE CAN WORK TOGETHER TO REACH OUR INVESTMENT OBJECTIVES.

THREE POINTS, FOR YOU, FOR YOUR CLIENTS, FOR YOUR ASSOCIATES.

THE FIRST - COME ON TO JAPAN. BY ALL MEANS. IT'S A MARKET THAT CANADIAN INDUSTRY MUST BE MORE FAMILIAR WITH. PLEASE GET IN TOUCH WITH THE EMBASSY, THE INVESTMENT SECTION IN THIS CASE, ME IN FACT, EARLY ON IN YOUR PLANS. WRITE AND TELL ME WHAT INFORMATION YOU ARE LOOKING FOR, SPECIFICALLY WHAT KIND OF BUSINESS YOU WANT TO DO WHILE YOU ARE THERE. WE WILL BE VERY FRANK, WHICH IS IMPORTANT CONSIDERING THE COST, IN OUR ADVICE AS TO TIMING, PREPARATIONS, EXPECTATIONS. WE'LL BE SO FRANK THAT THE TIMING WE SUGGEST

CONT'D.../16

MAY NOT COINCIDE WITH WHAT YOU HAVE IN MIND. THE PREPARATIONS WE SUGGEST YOU MAKE MANY SOUND ONEROUS, AND WE MAY LOWER, RATHER THAN RAISE, YOUR EXPECTATIONS. BUSINESS IS SELDOM DONE IN JAPAN ON A FIRST VISIT. BUT, WHERE WE SEE AN OPPORTUNITY FOR YOU OR YOUR CLIENTS WE WILL HELP MAKE APPROPRIATE APPOINTMENTS, IN SOME CASES WE WILL PUT A PROGRAM OF VISITS TOGETHER FOR YOU, AND GO TO SOME OF THE MEETINGS WITH YOU TO MAKE INTRODUCTIONS. WE'LL EVEN MAKE THE HOTEL RESERVATIONS FOR YOU, AT A REDUCED RATE, BUT STILL EXPENSIVE.

THE SECOND POINT. IF YOU ARE NOT COMING TO JAPAN, BUT YOU OR YOUR CLIENT HAS AN INVESTMENT OPPORTUNITY YOU WANT OUR OPINION ON, OR POSSIBLY TO INTRODUCE TO SOME OF OUR CONTACTS ON YOUR BEHALF, GIVE US DETAILS, IDEALLY A BUSINESS PLAN OR A PROSPECTUS. WE NEED, THE JAPANESE NEED, AS MANY DETAILS AS YOU CAN PROVIDE. IF WE THINK THAT THERE IS A CHANCE OF INTEREST WITH ANY OF OUR CONTACTS WE WILL CIRCULATE IT, AND THEY WILL READ EVERY WORD. AND AGAIN WE MAY HAVE TO BE FRANK IN EXPLAINING WHY, IN OUR OPINION, THE INVESTMENT YOU ARE LOOKING FOR IS UNLIKELY TO BE FOUND IN JAPAN.

THE THIRD POINT. AS INVESTMENT INTERMEDIARIES, WHICH WE ALL ARE, LET'S COMMUNICATE. GIVE ME YOUR CARDS. LET'S TALK, LET'S EXPLORE WAYS WE CAN HELP ONE ANOTHER IN INCREASING CANADA'S SHARE OF DIRECT INVESTMENT FROM JAPAN.

THANK YOU.

SPEECH - CROSS CANADA INVESTMENT OFFICERS TOUR

1. BACKGROUND - OVERALL TERRITORY - LOCAL BUSINESS ENVIRONMENT

A) FACTS: THE GULF INCLUDES 6 COUNTRIES OF WHICH MY POST
COVERS 5 : (KUWAIT, BAHRAIN, QATAR, UAE & OMAN) +
SAUDIA ARABIA

CHARACTERIZED BY i) SMALL POPULATIONS (5.34 MILLION)

POPULATION SAUDIA ARABIA 11.30

POPULATION GULF 5.34

KUWAIT 1.70

BAHRAIN 0.42

QATAR 0.32

UAE 1.60

OMAN 1.30

ii) ARID LAND

iii) HIGH PER CAPITA INCOMES

OMAN CAN\$ 7769

BAHRAIN CAN\$ 10130

KUWAIT CAN\$ 17050

UAE CAN\$ 23000

QATAR CAN\$ 24500

SAUDI ARABIA CAN\$ 9625

iv) GDP: GULF AREA C\$ 71.6 BILLION

W/SAUDI ARABIA C\$ 163 BILLION

v) MANY WEALTHY INDIVIDUALS

vi) MUSLIM RELIGION

vii) ALL DEPEND ON OIL REVENUES WITH

SOME MORE SO THAN OTHERS

OIL PRODUCERS:

ABU DHABI - 3RD LARGEST OIL RESERVE
KUWAIT - 4TH LARGEST OIL RESERVE
QATAR - 4TH LARGEST GAS RESERVE
OMAN STARTING TO REACH 0.5 BN/BPD

TRADERS - DUBAI

SOME OIL - BAHRAIN

viii) LARGE IMPORT MARKET - \$22.4

BILLION. MOST MANUFACTURED GOODS
AND MAJORITY OF FOOD STUFFS ARE
IMPORTED. DUBAI TRYING TO CHANGE
THIS WITH LOCAL PRODUCTION.

ix) SAFEST REGION IN WHICH I HAVE EVER
LIVED.

x) TO DATE HAVE NOT BEEN RISK TAKERS
IN THEIR INVESTMENTS (SINCE SOUK AL
MANAKH CRISIS 1983 [KUWAIT])

xi) GOVERNMENT FINANCIAL ORGANIZATIONS
SET UP IN KUWAIT AND ABU DHABI TO
PROMOTE OVERSEAS INVESTMENT.

KUWAIT

KIA - KUWAIT INVESTMENT AUTHORITY

KIO - KUWAIT INVESTMENT OFFICE
LONDON

PIFSS - PUBLIC INSTITUTE FOR SOCIAL
SECURITY

KFTCIC - KUWAIT FOREIGN CONTRACTING
& INVESTMENT CO

KIC - KUWAIT INVESTMENT COMPANY

ABU DHABI

ADIA - ABU DHABI INVESTMENT
AUTHORITY

IPIC - INTERNATIONAL PETROLEUM
INVESTMENT COMPANY

ADIC - ABU DHABU INVESTMENT
CORPORATION

xii) LOCALS MAKE UP SMALL PERCENTAGE
POPULATION BUT OTHER NATIONALITIES
CANNOT OWN PROPERTY OR BECOME
CITIZENS.

B) COMMENTS: THIS BACKGROUND WILL HELP UNDERSTAND THE WAY
EACH COUNTRY IS APPROACHING INVESTMENT.

1) ABU DHABI & KUWAIT HAVE BOTH CONCENTRATED ON
OVERSEAS INVESTMENT AS A MATTER OF POLICY. IN
EACH CASE, REVENUES FROM OVERSEAS INVESTMENT NOW
EXCEEDS THE COUNTRY'S REVENUES FROM OIL.

KUWAIT HAS INVESTED OVER US\$ 120 BILLION AND ABU
DHABI OVER US\$ 50 BILLION OVERSEAS.

- KUWAIT'S KIA INVESTING US\$ 5 BILLION/YEAR.

2) BAHRAIN'S BANKING COMMUNITY HAS ACTED AS CHANNEL
FOR FLOW OF KUWAIT AND SAUDI ARABIA FUNDS
OVERSEAS.

3) DUBAI HAS CONCENTRATED ON LOCAL DEVELOPMENT.

4) OMAN IS STILL DEVELOPING AND REQUIRES FUNDS
INTERNALLY.

5) QATAR: SMALL, VERY WEALTHY POPULATION WITH SOME
OVERSEAS INVESTMENT THROUGH PRIVATE HIGH NET
WORTH INDIVIDUALS

C) MAJOR INVESTMENT PROGRAMS AT POST: WE HAVE CONCENTRATED OUR ACTIVITIES UNTIL RECENTLY ONLY IN KUWAIT. ONLY DURING OUR INVESTMENT SEMINARS, WE STARTED TO CAMPAIGN BAHRAIN AND ABU DHABI AS WELL. THE INTEREST OF LOCAL INVESTORS HAS BEEN CONCENTRATED IN THESE AREAS:

1. PORTFOLIO (I.E. BOND, COMMODITIES, CURRENCIES, CERTIFICATES, TREASURY BILLS, AND EQUITIES.
2. REAL ESTATE - COMMERCIAL
3. DIRECT - SOME MOVEMENT HAS BEEN NOTICED RECENTLY WITH LOCAL INVESTORS TAKING A MORE ACTIVE ROLE IN CORPORATIONS AND WILLING TO EXPAND INTO OTHER SECTORS, DEVELOPMENT SECTORS I.E. KUWAIT WITH CEL - A BIOTECH COMPANY. IN VANCOUVER.

OUR PROGRAM HAS BEEN TARGETTED TO THREE TYPES OF LOCAL INVESTORS:

1. MAJOR LOCAL INVESTMENT INSTITUTIONS: OUR OBJECTIVE IS TO CULTIVATE INFLUENTIAL CONTACTS IN THESE INSTITUTIONS TO MAKE THEM AWARE OR RATHER MORE AWARE OF INVESTMENT OPPORTUNITIES IN CANADA.
2. HIGH NET WORTH INDIVIDUALS: OUR OBJECTIVE IS TO MAKE MORE OF THESE INVESTORS CONSCIOUS OF CANADA IN THEIR OVERSEAS INVESTMENT PLANS. THIS CATEGORY OF INVESTORS FALLS INTO TWO BROAD CATEGORIES- THOSE WHO ARE ENORMOUSLY WEALTHY (MULTI-MILLIONAIRES) AND THOSE WHO HAVE \$0.25 TO 0.5 MILLION TO INVEST.

3. THE BUSINESS IMMIGRANT: MANY ARE TRYING TO DECIDE BETWEEN CANADA AND AUSTRALIA. IN THIS CASE THESE INVESTORS ARE ATTEMPTING TO LOCATE SUITABLE INVESTMENT PROJECTS IN CANADA WHICH WILL ENABLE THEM TO QUALIFY FOR IMMIGRATION.

CANADA'S BUSINESS PROGRAM IS RUN BY IMMIGRATION CANADA AND HAS THREE CATEGORIES: ENTREPRENEURS, INVESTORS AND SELF-EMPLOYED PERSONS.

TO REACH THESE INSTITUTIONS AND PRIVATE INVESTORS OUR PROGRAM HAS BEEN FORMULATED AROUND THE FOLLOWING PLAN OF ACTION:

- I) PRIVATE CALLS BY AMBASSADOR, AS WELL AS THE COMMERCIAL SECTION, ON SELECTIVE AND INFLUENTIAL PRIVATE AND INSTITUTIONAL INVESTORS. SUCCESS TO DATE: I.E. MENTION AMBASSADOR'S VISIT IN ABU DHABI.
- II) PARTICIPATION IN LOCAL PRIVATE INVESTMENT SHOWS SUCH AS MONEY 88 IN DUBAI. THIS PULLS IN THE PRIVATE AND BUSINESS IMMIGRANT INVESTOR. WE PLAN TO FOLLOW-UP LAST YEAR'S EFFORTS WITH ATTENDANCE AT MONEY 89 - NOVEMBER 1989.
- III) PARTICIPATION IN LOCAL TOURISM EVENTS I.E. BAHRAIN AND KUWAIT IN 1989. THIS GENERATES INVESTMENT THROUGH TOURISM AND IN TIME A CLOSER RELATIONSHIP IS DEVELOPED WITH SOME VERY INFLUENTIAL INVESTORS.

D) SPECIFIC SECTORIAL INTERESTS

- PORTFOLIO AND REAL ESTATE
- OIL & PETROLEUM SECTOR
 - 1. KUWAIT I.E. - Q8 GAS STATION; REFINERIES, DISTRIBUTION
 - BP
 - HOESCHT
 - 2. ABU DHABI - IPIC (INTERNATIONAL PETROLEUM INVESTMENT COMPANY)
 - \$124 M - 10% - CEPSA SPAIN'S MAIN REFINING AND PETROCHEMICAL COMPANY
 - LATELY NEW EMERGING TECHNOLOGIES I.E. CEL INDUSTRIES IN VANCOUVER - KIA - BIOTECHNOLOGY PRODUCT DEVELOPMENT - \$18 M

E) SPECIFIC TYPES OF INVESTMENT TYPES SOUGHT BY LOCAL INVESTORS

- ACQUISITION/MERGER - THIS WILL HELP LOCAL INVESTORS DEVELOP CONFIDENCE IN CANADIAN MARKET I.E. SPAIN - WENT TOO FAR.
- REAL ESTATE - MAINLY COMMERCIAL
- VENTURE CAPITAL FUNDS - DIRECTION IN WHICH WE MUST PROCEED. DEVELOPMENT OF FUNDS WITH LOCAL INVESTMENT HOUSES AND MERCHANT BANKS TO FINANCE NEW INDUSTRIAL DEVELOPMENT.
- SMALL PROJECTS BY SMALLER PRIVATE INVESTOR.

F) CONCLUSION

- REGION HAS MUCH FINANCIAL CLOUT
- INSTITUTIONAL AND HIGH NET WORTH INDIVIDUALS
LOOKING FOR PROFITABLE PLACES/PROJECTS IN WHICH TO
INVEST
- LARGE NUMBER OF BUSINESS IMMIGRANT APPLICATIONS
NECESSITATE PROVISIONS OF SUITABLE PROJECT
INFORMATION FOR US TO RESPOND.

MEDIA RELATIONS ANALYSIS

FOR

THE INVESTMENT DEVELOPMENT PROGRAMME

BY

CONTINENTAL GOLIN/HARRIS COMMUNICATIONS

MAY 9, 1989

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Introduction

In March of 1989, Continental Golin/Harris Communications was contracted by the Department of External Affairs to provide media relations specialists for the Investment Development Tour. The tour, which stretched from St. John's to Vancouver, was held between April 17 and April 26. Because the tour was broken into a western and eastern leg, running simultaneously, more than one media relations specialist was required. For this tour Continental Ottawa's Gail Flitton and Loring Phinney, and Continental Halifax's Janet Robertson were utilized as follows:

Gail Flitton -	Montreal
Loring Phinney -	Ottawa, Winnipeg, Saskatoon, Edmonton, Vancouver, Toronto
Janet Robertson -	Charlottetown, Fredericton, Halifax, St. John's

This report will provide an analysis of the media relations as well as recommendations for future programs.

Public Environment

The Investment Development Tour was one of a number of initiatives undertaken in early 1989 by External Affairs. A series of tours in collaboration with the Canadian Exporters' Association had been running non-stop since mid-January. These events did not go unnoticed by the media. This was the fourth in a series of tours co-sponsored by the Canadian Exporters' Association (CEA) and the Department of External Affairs (DEA). The dates of this tour coincided with another tour run independently by the CEA.

On the local level, various events in certain centres competed for media coverage. In Newfoundland, for instance, the tour date was the day after the provincial election. In Toronto and Montreal, the tour dates were the same week as the federal budget, while in Fredericton, a group of natives were protesting at the Provincial Legislature.

Distribution

With all the information that is being sent to the media it was important to make our message stand out from the rest. This was done in three phases.

Phase I - On Thursday, April 13, a bilingual news release was sent over Canada News Wire (CNW) on the National Disclosure Network. This release was received in every major newsroom from coast to coast as well as the newsrooms of many of the major trade publications.

(See Appendix A)

Phase II - Realizing that the actual amount of time available for on-site interviews was limited, Continental's strategy was to take interviews to the media. Phase II included telephone calls to public affairs and local talk shows to attempt to place Investment Officers on these shows. The calls were made one week in advance of the tour's arrival in a city.

Phase III - Phase III included a localized media advisory being sent by CNW to the newsrooms of all major media in the city about to be visited. This release was distributed two working days in advance of arrival. The advisory included pertinent information on the time and location of the tour as well as a local success story. The media advisory was followed up by media calls to the assignment editors of all local media.

Media Briefings

On Monday, April 17, a briefing was held in Ottawa at the Minto Place for all Investment Officers and External Affairs staff involved in the Investment Development Tour. Continental was asked to make a short presentation on the approach of the media relations strategy. The presentation outlined the strategic approach and discussed any possible situations that might arise.

On-site, when possible, a media briefing was given every morning to the investment officers. Any major news stories that occurred overnight, or any local trade issues were addressed at this session. Pre-scheduled interviews for the day were also mentioned and interviewees were informed of their requirements. As this was the first Investment Development Program Tour, these briefings proved beneficial to all involved.

Media Coverage

For the most part, coverage on the Investment Development Tour was good. All parties involved understood before the tour began that the goal was not only to generate positive media coverage but to prevent any negative coverage. This goal was achieved as almost all coverage received was positive. The Investment Development Tour was presented as a positive program in virtually all coverage. (See Appendix B)

In almost every city visited, comments were made during the media calls about the number of, and we quote, "dog and pony" shows being run by the federal government. The lack of news value, and in the case of electronic media, a good "visual", were the excuses made by the media for not attending.

The following is a city by city breakdown of the Investment Development Tour. It is meant to portray the environment observed in each centre and the coverage obtained.

Ottawa - Though included in the listing of tour visits, Ottawa was more of a briefing session for the Investment Officers. With this in mind, all proceedings were closed to the media. Despite this, both the **Ottawa Citizen** and the **Ottawa Sun** showed up on site to interview Investment Officers. Both reports were positive.

Winnipeg - For the western swing of the tour, Winnipeg was the starting point. The tour was direct in competition with the Manitoba Nurses Association who were holding a major meeting in the same hotel and the announcement that Boeing Canada was to open a Winnipeg plant that would employ more than 200 employees. Martin Cash, a columnist with the Winnipeg Free Press was on site all morning and came back for lunch. He was disappointed that the scheduled luncheon speaker did not speak. This change in schedule was not brought to the attention of the media representative until 11:45 a.m. The substantial report filed by the columnist was positive and appeared at the end of the week.

In the afternoon, a camera crew from MTN Prairie Pulse News showed up and took footage of the one-on-one interviews. A report on the conference was confirmed on the 5:30 p.m. news. Continental was supported on site by a student from the local ISTC office who was helpful in coordinating and staffing the media table.

Charlottetown - The tour started in the Atlantic Provinces with Charlottetown. Major media were invited and Continental's media representative worked closely with ISTC communications officer Chris Wells to determine the best way to obtain coverage. In general, the media showed no overwhelming interest and they tended to automatically connect this tour with Export Marketplace held in October, though the subject differed. The media representative explained that this tour was unique but the media were skeptical.

On-site, the local newspaper the Guardian Patriot attended with a photographer. A positive story was in the next day's paper with a photo. Two local radio station were also on site but no coverage has been confirmed.

Saskatoon - In Saskatoon, the entire morning session was closed to the media. The local ISTC office was helpful in contacting the local media but mentioned in a letter to the media that a news conference was to be held at 11:30 a.m. The media representative did not learn of this until 10:30 a.m. The two media outlets that did show up were placed immediately into one on one interviews with External Affairs representatives and Investment Officers.

The two media that did attend represented the Saskatoon Star Phoenix and STV Television News. A story ran in the morning paper but no confirmation of the TV clip was obtained.

Fredericton - The Fredericton media were more positively inclined to this issue, though on the day of the event, other stories took precedence. An example of this was a group of native Indians who were protesting at the provincial legislature at the time when Investment Officers were available for media interviews.

Coverage was received from three local media outlets. The Fredericton Daily Gleaner, CFNB Radio, and Info Affaires, a french monthly publication, attended the open sessions.

Edmonton - In Edmonton, the Investment Officers had the opportunity to go to the media. On the day of the event, a lunchtime interview was scheduled with the local CBC public affairs show. Two Investment Officers as well as the media representative visited the CBC studios for the 5 minute interview. The interview was aired the next day. CBC also sent a reporter to the afternoon presentations by the Investment Officers for a local business angle. The reporter interviewed two local businessmen on the potential of foreign investment for their company and the report was favourable.

The afternoon sessions were also attended by David Holehouse, a business reporter with the **Edmonton Journal**. David interviewed three Investment Officers before rushing off to file his story for the morning paper. The report on the program was again positive.

Ron Seline, the ISTC communications officer was very helpful in coordinating the media on-site.

Halifax - The Halifax media showed little interest in the Investment Development Tour and said, as was the case in Charlottetown, that these tours were "far too frequent."

The **Daily News** and the **Nova Scotia Business Journal** attended and interviewed a few Investment Officers. **MITV-TV News** was sent a media kit and said that they would mention it on the evening news but no confirmation of airing was received.

The **Nova Scotia Business Journal** is a monthly publication that is growing in prominence and is distributed at no cost to every business in the province. The **Halifax Board of Trade** publication was sent a media kit as they showed interest but were unable to attend. The fact that the session was closed to the media kept at least one TV station (**MITV**) away.

Vancouver - Vancouver is well-known for being one of the country's toughest media markets and it was very difficult to attract the media to the event.

An in-studio interview was taped for **CKO News Radio**. The 8 minute interview was broadcast on the **CKO National Network** and re-broadcast locally the following day.

Brian Goodyer, the communications officer for the ISTC office in Vancouver was very helpful in contacting the media as the lengthy media list was split in two and calls were made by the media representative and Brian. Even though no media attended the session, media kits were sent out by Brian to all local media interested in having background information on the program.

St. John's - As mentioned earlier in the report, the visit by the Investment Officers was the day after the Newfoundland provincial election. This election provided stiff competition to the IDP event but the media were relatively interested, as Newfoundland is fairly well disposed to foreign investment ideas.

CBC TV attended the sessions and did a couple of interviews in the afternoon while **VOCM Radio** attended the luncheon by the Hong Kong Canada Business Association. There have been no verified media reports to date.

Toronto - The day chosen for the Toronto event was the day before the federal budget. In advance, the on-site media relations representative contacted all local media. The interest was good, but due to the budget, there was a lack of business reporters who could promise to cover this event.

During the morning session, Anne Shortell of the **Financial Times** arrived with a co-worker who was going to Hong Kong during the next week. Although it had been explained to Ms. Shortell that the interview that she requested with Daniel Lawrence of Hong Kong may not be possible due to his schedule, she insisted that she would talk to no one but Mr. Lawrence. A impromptu interview was staged but little time was available. Ms. Shortell did not wish to speak to anyone else and to date no story has followed this interview.

CTV's network program CANADA AM, conducted on-site interviews with three of the Investment Officers. The interviews, scheduled for the next morning were bumped because of the budget leak but did air one week later. CFTM TV, the local multicultural station did show up on-site but the reporter failed to arrive. The cameraman took some footage and a press kit and returned to the station. Efforts to contact the station over the next two days were fruitless.

Montreal - The Investment Development Program visit to Montreal was connected with two other competing media events. One was a press conference by the Provincial Minister of International Trade, M. Pierre MacDonald and the other was the CATA conference. The Continental media representative worked closely with ISTC Montreal to ensure that all media outlets were informed of the availability of Investment Officers for interviews. Kits were delivered to 20 media outlets the week prior to the visit and follow up phone calls were made several days in advance. Calls were also made by officials of the provincial government to inform the media of M. MacDonald's press conference. Despite these efforts, only four media outlets were represented at the press conference. M. MacDonald made very positive remarks about the cooperation between federal officials and provincial Investment Officers. The text of his release appeared in La Presse and reference was made to the federal Investment Officers tour. No other media reports were verified.

Representatives of Finance magazine and La Revue Commerce, a prestigious monthly business publication, conducted on-site interviews with Investment Officers. These publications are being monitored.

Liaison With Regional Offices

Throughout the tour, the on-site media relations representatives interacted with the regional offices. The results varied as in some cases the Regional offices had the time and personnel to become personally involved while in other situations the Regional offices could only manage minimal support. Despite some confusion over access by the media to some of the sessions, the Regional offices were very helpful in dealing with the local media and addressing local issues. All clippings have been collected from the regions and are included in this report.

Recommendations

The following are recommendations for future Investment Development media relations campaigns.

1. The Investment Development Tour was held at a time when many similar tours had recently passed through the same centres. The media are not anti-government in their selection of news stories, but when they see an abundance of releases from the same department they do not isolate the topics and tend to regard them all as being the same. In the future, tours might take place over a longer period of time, in order to establish the "news-worthiness" of each tour.
2. It is our recommendation that the media relations component of such programmes be integrated into the early planning stages of the programme itself. This would ensure that spokespersons are well briefed, particularly on local angles, and that time for media interviews is part of the daily schedule of the sessions.

APPENDIX "A"

No. 083

April 13, 1989.

INVESTMENT OFFICERS' TOUR

International Trade Minister John Crosbie today announced that External Affairs Investment Officers from 15 Canadian missions abroad will travel across the country to meet with key private and public sector business people to discuss opportunities for foreign investment in Canada.

These meetings, scheduled from April 17 to 28, 1989, will be held in Ottawa, Toronto, Montreal, St. John's, Charlottetown, Halifax, Fredericton, Winnipeg, Saskatoon, Edmonton and Vancouver. They form part of an ongoing effort to promote foreign investment in Canada through the Investment Development Program, established in 1985. The Program's aim is to encourage and attract job creating, technology intensive investment to Canada from international sources.

"Foreign investment contributes to Canada's economy in terms of job creation, technology inflow and economic growth," said Mr. Crosbie. "External Affairs investment activities are designed to respond to Canada's industrial requirements, making our economy more competitive internationally, while at the same time creating more jobs. The de Grandpré Report (of the Advisory Council on Adjustment) identified effective investment programs as a priority and the Government is responding to that need." The Minister noted that the Canada - U.S. Free Trade Agreement also provides increased opportunities for investment in Canada since foreign firms locating here will now have easier access to the U.S. market.

The Investment Officers' mandate is to locate new sources of investment, with emphasis on technologically advanced industries. Their goal is to identify partnership, joint venture and licensing opportunities that will link Canadian companies with foreign investors. They are also responsible for encouraging the establishment of foreign manufacturing operations and offices in

.../2

Canada. Officers representing Canadian missions in Tokyo, Hong Kong, Bonn, The Hague, Paris, London, Los Angeles, New York, Milan, Chicago, Atlanta, Santa Clara (San Francisco), Seoul, Riyadh and Kuwait will participate in the meetings.

"These meetings will give our Officers a chance to talk with local economic development authorities, representatives from financial institutions, Canadian companies and federal and provincial government departments," Mr. Crosbie said. "With their input the Investment Officers will be able to better meet Canadian sectoral and regional investment requirements."

For further information contact:
Gail Flitton
Media Relations Coordinator
Investment Officers' Tour
(613) 230-2220

Abbie Dann
Media Relations Office
(613) 995-1877

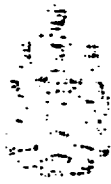
List of cities and dates is attached

INVESTMENT OFFICERS' TOUR

LOCATIONS AND DATES

Ottawa, Ontario	Monday, April 17, 1989
Charlottetown, P.E.I.	Tuesday, April 18, 1989
Winnipeg, Manitoba	Tuesday, April 18, 1989
Fredericton, New Brunswick	Wednesday, April 19, 1989
Saskatoon, Saskatchewan	Wednesday, April 19, 1989
Halifax, Nova Scotia	Thursday, April 20, 1989
Edmonton, Alberta	Thursday, April 20, 1989
St. John's, Newfoundland	Friday, April 21, 1989
Vancouver, British Columbia	Friday, April 21, 1989
Montreal, Quebec	Mon.-Tues., April 24 & 25,
Toronto, Ontario	Wed.-Thurs.-Fri.-April 26, 27, 28, 1989

Minister for
International
Trade



Ministre du
Commerce
extérieur

N^o 083

Le 13 avril 1989

TOURNÉE DES AGENTS D'INVESTISSEMENT

Le ministre du Commerce extérieur, John C. Crosbie, a annoncé aujourd'hui que des agents d'investissement de 15 missions du Canada à l'étranger effectueront une tournée pan-canadienne pour rencontrer d'importants gens d'affaires des secteurs privé et public afin de discuter des possibilités d'investissements étrangers au Canada.

Ces rencontres devraient se tenir du 17 au 28 avril 1989 à Ottawa, Toronto, Montréal, St. John's, Charlottetown, Halifax, Frédériciton, Winnipeg, Saskatoon, Edmonton et Vancouver. Elles s'insèrent dans le cadre d'un effort permanent pour promouvoir l'investissement étranger au Canada par le biais du Programme de promotion des investissements établi en 1985. Le but du Programme est d'encourager et d'attirer au Canada les investissements étrangers qui font largement appel à la technologie et qui créent des emplois.

"L'investissement étranger appuie l'économie canadienne aux plans de la création d'emplois, des apports de technologie et de la croissance économique. Nos activités de promotion des investissements visent à répondre aux besoins industriels du Canada de façon à rendre notre économie plus concurrentielle dans le monde, tout en créant davantage d'emplois. Le rapport de Grandpré (du Conseil consultatif sur l'adaptation) a jugé que les bons programmes d'investissement sont une priorité et que le gouvernement répond à ce besoin." Le Ministre a noté que l'Accord de libre-échange entre le Canada et les États-Unis offre également de meilleures possibilités d'investissement au Canada puisque les firmes étrangères qui s'implantent chez nous auront désormais plus facilement accès au marché américain.

Les agents d'investissement ont pour mandat de trouver de nouveaux investisseurs en mettant l'accent sur les industries technologiquement avancées. Leur objectif est d'identifier les possibilités d'associations, de coentreprises et de contrats de licence qui lieront des sociétés canadiennes à des investisseurs étrangers. Ils sont aussi chargés d'encourager les firmes étrangères à implanter de nouvelles opérations au Canada. Des agents représentant les missions du Canada à Tokyo, Hong Kong, Bonn, La

Haye, Paris, Londres, Los Angeles, New York, Milan, Chicago, Atlanta, Santa Clara (San Francisco), Séoul, Riyad et Koweït participeront à ces rencontres.

"Ces rencontres permettront à nos agents de s'entretenir avec les représentants des services locaux de développement économique, des institutions financières, des entreprises canadiennes ainsi que des gouvernements fédéral et provinciaux. L'apport de toutes ces personnes aidera nos agents d'investissement à mieux répondre aux besoins en investissements sectoriels et régionaux."

Pour plus amples renseignements, communiquer avec:

Gail Flitton
Coordonnatrice des relations avec les médias
Tournée des agents d'investissement
(613) 230-2220

Abbie Dann
Service des relations avec les médias
(613) 995-1877

Liste des villes et des dates en annexe

TOURNÉE DES AGENTS D'INVESTISSEMENT

LIEUX ET DATES

Ottawa (Ontario)	Lundi le 17 avril 1989
Charlottetown (I.-P.-É.)	Mardi le 18 avril 1989
Winnipeg (Manitoba)	Mardi le 18 avril 1989
Frédéricton (Nouveau-Brunswick)	Mercredi le 19 avril 1989
Saskatoon (Saskatchewan)	Mercredi le 19 avril 1989
Halifax (Nouvelle-Écosse)	Jeudi le 20 avril 1989
Edmonton (Alberta)	Jeudi le 20 avril 1989
St. John's (Terre-Neuve)	Vendredi le 21 avril 1989
Vancouver (Colombie-Britannique)	Vendredi le 21 avril 1989
Montréal (Québec)	Lundi-mardi les 24 et 25 avril
Toronto (Ontario)	Mercredi-jeudi-vendredi les 26, 27 et 28 avril 1989

APPENDIX 'B'

INVESTMENT DEVELOPMENT PROGRAMME

NATIONAL TOUR

MEDIA RELATIONS ANALYSIS

OTTAWA

PRINT

THE OTTAWA CITIZEN

Mike Urlocker

"Free trade helps to sell foreign investment" -- Apr. 18.

THE OTTAWA SUN

Julie Day

"Free trade to attract investors" -- Apr. 18.

WINNIPEG

PRINT

THE WINNIPEG FREE PRESS

Martin Cash (columnist)

"Manitoba courts investment" -- Apr. 24.

TELEVISION

MTN PRAIRIE PULSE NEWS

Anchorman

30 second spot with visuals on 5:30 p.m. newscast -- Apr. 19.

SASKATOON

PRINT

THE SASKATOON STAR PHOENIX
Dan Zakreski

"Italians casting about for joint partnerships" -- Apr. 20.

TELEVISION

STV NEWS
Jane Kerrigan

On-site interviews with Bob Fournier and Brian Wilkin of Tokyo
Verification not yet confirmed

EDMONTON

PRINT

THE EDMONTON JOURNAL
David Holehouse

"Albertans need more hustle to win in investment big league" -- Apr. 22.

RADIO

CBC RADIO EDMONTON
Nancy Forbes (Producer)

In studio interview with Brian Wilkin and Marta Moszczenska -- Apr. 20.

CBC RADIO EDMONTON
Lydia Neufeld

On-site interviews with councillors and local businessmen -- Apr. 20.

VANCOUVER

RADIO

CKO RADIO NATIONAL NETWORK

Bruce Mason (Producer)

In studio interviews with Bob Fournier and Brian Wilkin, aired on late Friday and once on weekend – Apr. 21.

CHARLOTTETOWN

PRINT

THE CHARLOTTETOWN GUARDIAN PATRIOT

Nigel Armstrong

"Sniff, sniff...yes sir there is potential here for good investment" – Apr. 19

[Photo] "Investment officers visit city" – Apr. 19.

RADIO

CHTN RADIO CHARLOTTETOWN

Ken Kingston

On-site interviews with Bernard Lemay, Audrey Turner Lupin Ten Hoopen -- Apr. 18.

CFCY RADIO CHARLOTTETOWN

Dale Poole

Telephone interview with Gaetan Bruno and David Lenihan -- Apr. 18.

FREDERICTON

PRINT

THE FREDERICTON DAILY GLEANER

Kathy Jenkins

"External Affairs Investment Officers Told: We Want the Business You Can Bring Us" -- Apr. 20.

INFO AFFAIRES
Gilles Belleau

On-site interviews with Geatan Bruno and luncheon guest speaker -- Apr. 19.

RADIO

CFNB RADIO FREDERICTON
Roger Snowden

"On-site interviews with investment officers -- Apr. 19.

HALIFAX

PRINT

THE DAILY NEWS
Charlene Sadler

"Selling Canuck biz deals abroad like a dating game, experts say" -- Apr. 21.

THE NOVA SCOTIA BUSINESS JOURNAL
Ken Partridge

On-site interviews with Pierre Belanger and Diana Horton -- Apr. 20.
To be published in June issue.

ST. JOHN'S

TELEVISION

CBC TV ST. JOHN'S
Reg Sherrin
John O'Brien (cameraman)

On-site interviews with Andy De Schultess and local businessman -- Apr. 21.
No verification of airing.

RADIO

VOCM RADIO ST. JOHN'S
Scott Chaffe

On-site interviews with investment councillors and businesspeople – Apr. 21.
No verification of airing.

TORONTO

PRINT

THE FINANCIAL TIMES
Anne Shortell

On-site interview with Daniel Lawrence of Hong Kong – Apr. 26.
No article filed but a follow-up interview was scheduled for the next week.

TELEVISION

CFMT TV
John Curk (Producer)

On-site cameraman, press kit returned to station – Apr. 26.
No verification of airing.

CANADA AM
Alex Bystram (Business Field Editor)

On-site interviews with Brian Wilkin, David Lenihan and Bob Mason – Apr. 26.
Aired on Tuesday, May 2 at 6:50 a.m.

MONTREAL

PRINT

LE DEVOIR
Claude Turcotte

"Des investissements en cours de \$15 milliards au Québec" – Apr.25.

FINANCE
Serge Therrien, Editor

On-site interviews with Bob Fournier. Article has not yet appeared.

REVUE COMMERCE
Jean Paul Lejeune

On-site interview with Mr. von Finkenstein. Publishes monthly, latest issue not yet available.

THE OTTAWA Citizen

April 17th, 1989.

Free trade helps to sell foreign investment

By Mike Urlocker
Citizen staff writer

The men and women who sell Canada to foreign investors have finally got the marketing weapon they longed for: the United States.

It may seem ironic, but free trade with the U.S. is one of the biggest advantages to foreign companies locating in Canada, say Canada's foreign investment officers.

"With the advent of free trade with the U.S., our jobs have been made somewhat easier," said Brian Wilkin, first commercial secretary at the Canadian embassy in Tokyo.

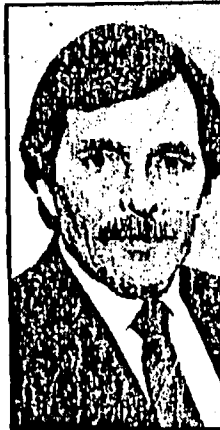
The benefits that Wilkin cites for investors in Canada, such as a large supply of skilled labor, good management, transportation and communication links, haven't changed under free trade. But the single largest obstacle has been removed — Canada's small population.

"Japanese businessmen asked all the right questions in terms of what it means to them to invest in Canada," said Wilkin.

"But often they would come back to us and say, 'Ah yes, but your market is too small, 25 million people.' Well we now have guaranteed market access to 270 million people."

Wilkin and 21 other investment officers have returned home looking for new deals to sell in the U.S. and overseas.

They'll spend the next two weeks meeting community officials and industry representatives



Wilkin
Job easier



Turner
Change image



Ten Hoopen
Test market

across the country to see what they have to offer investors in Japan, the U.S., the Middle East and Europe.

The tour will take them through 11 cities from Vancouver to St. John's, Nfld., hunting for locations for new businesses, as well as Canadian companies interested in joint ventures, technology transfers and import-export deals with foreign firms.

Direct foreign investment in Canada rose to \$10.2 billion in 1987, up 21 per cent over the previous year, according to the Department of External Affairs.

Tammy Davies, trade commissioner with Investment Canada, said the tour, which started in Ottawa Monday, will give embassy and consulate staff an idea of

which industries Canadian municipalities are trying to attract.

But it will also identify the most realistic targets, she said.

"Obviously a lot of communities will say that they'd like anything and all investment, but they may not be capable of supporting that," said Davies.

European investors are especially keen on Canada because of the impending European free-trade agreement which takes effect in 1992, said Loopy ten Hoopen, a Dutch businessman who acts as trade counsellor at the Canadian Embassy in the Hague.

Canada offers a good place to test expansion into the North American market, but it's also part of a defensive move, if the European economy becomes too

fragile, he said.

"If something happens on the European market that would affect their products, they want to have a presence in the North American market," he said.

For example, a Dutch-based food processing company recently set up a joint venture salad factory with investors in Saskatchewan. The Dutch-designed plant will use locally grown and American lettuce, carrots and other vegetables to churn out assembly-line salads for use in local hotels and restaurants.

Audrey Turner, vice-consul and assistant trade commissioner for the Canadian Consulate in Atlanta, Ga., said her biggest challenge used to be overcoming ignorance about Canada in the southeastern states.

Last year, the consulate's advertising campaign featured pictures of husky-powered dogsleds, snowmen and other images of the Great White North, to introduce the benefits of investing in Canada.

But with free trade, even that battle has gotten easier, said Turner.

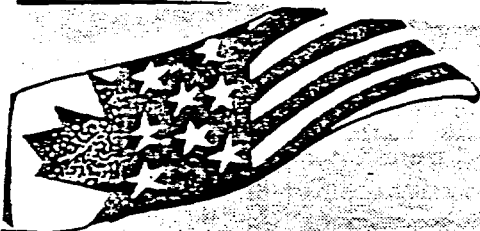
"With the awareness advertising we did last year, certainly that has had an effect," said Turner, "and now with the free-trade agreement we've been getting a lot more inquiries."

This year, the Atlanta consulate is focusing on participating in trade shows and working with technology-based companies that want to expand, she said.

SUN

OTTAWA, ONTARIO, TUESDAY, APRIL 18, 1989

Business



Free trade to attract investors

By JULIE DAY
Business Writer

The free trade agreement with the United States will help Canadian investment officers pitching the country to foreign companies eyeing the North American market, a deputy director with External Affairs said yesterday.

"The free trade agreement makes our argument a lot easier," Robert Fournier, of the department's investment program, said at the kick-off in Ottawa of a country-wide tour of foreign investment officers.

The officers, from 15 Canadian missions abroad, will travel across the country to meet with private and public sector business people to discuss opportunities for foreign investment in Canada.

Foreign investment contributes to Canada's economy in terms of job creation, technology transfer and economic growth, said International Trade Minister John Crosbie, in announcing the meetings. Organized under the Investment Development Program, the tour will give officers the chance to meet with local economic development authorities, representatives from financial institutions, Canadian companies and federal and pro-



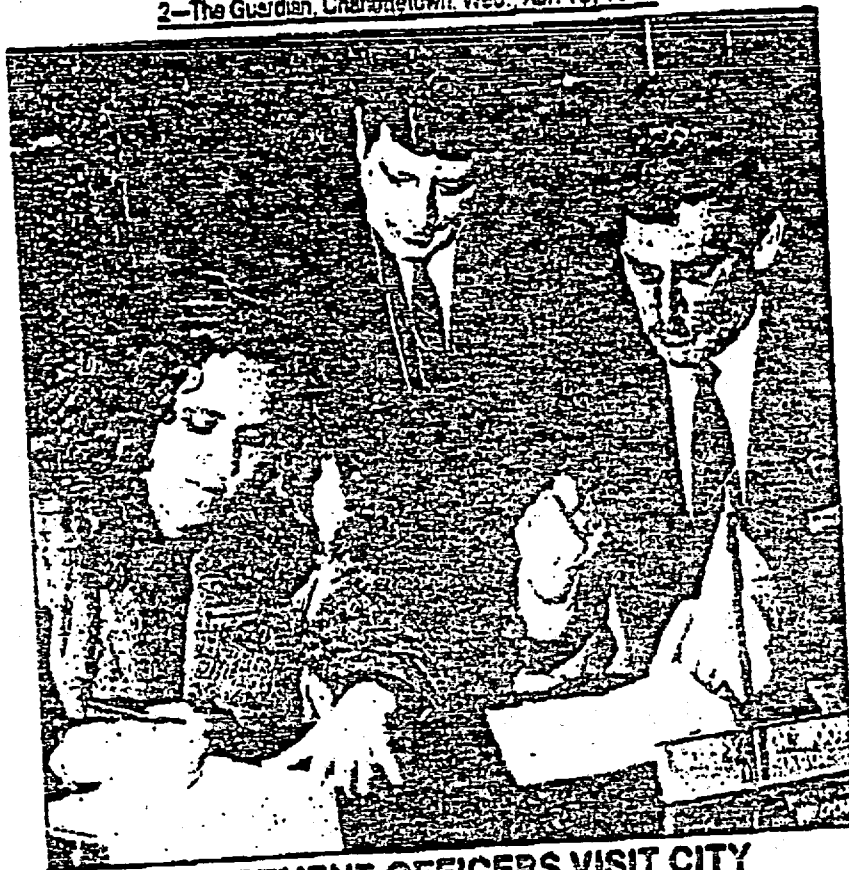
INTERNATIONAL TRADE Minister John Crosbie said the free trade deal provides increased opportunities for investment in Canada.

vincial government departments.

William Johnston said the free trade agreement will help with his sales job as a Canadian investment officer in London, England. "In order to survive in the North American context, you have to be able to serve as large a market as possible," Johnston said yesterday.

While the United States remains Canada's principal source of foreign investment, with Britain running in second place, non-traditional sources of investment in Canada now show the greatest growth potential.

The inflow of foreign investment continues to grow, reaching a record \$10.2 billion in 1987. For the first three quarters of 1988, gross inflows totalled \$6.9 billion, up 3.5% over the same period a year earlier.



INVESTMENT OFFICERS VISIT CITY

Investment officers with the Canadian government met with the banking community here on the Island, members of the various provincial industrial commissions, and government officials Tuesday. Here Audrey Turner, vice-consul and assistant trade commissioner in At-

lanta, Ga., looks over statistics with Hugh Plant, CENTER, executive director for P.E.I., with Industry, Science and Technology Canada, and Leopy ten Hoopen, investment officer for Canada in the Netherlands/the Hague. (10-4-69-21A-3)

SNIFF, SNIFF... YES SIR, THERE'S POTENTIAL HERE FOR GOOD INVESTMENT!

By Nigel Armstrong

As soon as Loopy ten Hoopen stepped off the plane at Charlottetown Airport he smelled the crisp refreshing air — air that creates a good investment environment, he said.

Mr. ten Hoopen was among six investment counsellors on the Island Tuesday. They work for the international trade department of External Affairs Canada. Based in embassies and consulates around the world, their job is to promote foreign investment in Canada.

ON TOUR

The group was brought to the Island under a program announced by International Trade Minister John Crosbie on April 13. All this week, two teams of investment officers are back in Canada touring the country.

"The investment officers' mandate is to locate new sources of investment, with emphasis on technologically advanced industries," says a press release from the minister's office. "Their goal is to identify partnership, joint venture and licensing opportunities that will link Canadian companies with foreign investors."

"These meetings will give our officers a chance to talk with local economic development authorities, representatives from financial institutions, Canadian companies and federal and provincial government departments," says the press release.

MEET NEEDS

"With their input the investment officers will be able to better meet Canadian sectoral and regional investment requirements."

The visit is co-sponsored by Industry, Science and Technology Canada. Officers from Netherlands, New York, Atlanta, Kuwait, London, and Paris came to P.E.I. yesterday.

Mr. ten Hoopen says Holland is a



Loopy ten Hoopen
...investment
officer

leader in food technology and agriculture, so there should be plenty of investment interest in Prince Edward Island.

He said few people realize Holland is the fourth largest investor in Canada after the United States, United Kingdom, and West Germany. It was the sixth largest export market for Canadian goods.

IDEAL LOCALE

He said that if a Dutch company was to open a small plant off-shore, it may as well do it in the nice clean environment of Prince Edward Island than in a congested city area.

It was that personal appreciation of the Island by the investment officers that the tour aimed to achieve.

It was also an opportunity for businesses here to become familiar with possible sources of investment capital.

Audrey Turper is vice-consul and assistant trade commissioner with the Canadian consulate General in Atlanta, Georgia.

"People are not aware of what is going on down there," she said. "The south-east is the leading growth area in the U.S."

She reeled off statistics as she warmed to the subject of investment with enthusiasm. Her discussion was punctuated with such business-related phrases as "informatics," "strategic partnership," "joint venture."

"The area specializes in medium-sized technology oriented industry," she said.

Ms. Turner said she realized that American high-tech investment in P.E.I. may be unpopular given the signal sent by the rejection Litton but she said her department does not push investment on anyone, it just brings together willing businesses people who are seeking investment deals.

The group visiting the Island spent the afternoon touring Island business, including the Island Bag Company in Summerside which benefits from British investment. Hugh Plant, executive director in P.E.I. for Industry Science and Technology Canada says any Island company interested in learning more about foreign investment in their company should contact his office at 568-7443.

Selling Canuck biz deals abroad like a dating game, experts say

By CHARLENE SAGLER
The Daily News

Selling international joint ventures is like running a dating club, except stakes are much higher and the salespeople are called consuls or counsellors.

Consuls or investment counsellors match needy companies with other needy companies with the logic they complement each other and grow more quickly.

Several consuls, on a cross-country tour, were in town yesterday to check out Nova Scotia's most attractive features — aerospace, marine and defence technology and food processing for the most part.

International joint ventures have become especially popular for two reasons — the Canada-U.S. free trade deal and the 1992 European Accord. These two events inspired the federal government to create investment promotion programs in 43 Canadian embassies around the world.

The bottom line is to increase long-term investment and jobs in Canada, said David Lenihan, Canadian consul and senior investment adviser in New York.

How consuls go about selling a joint venture is a different thing — attitudes must be tailored to the country where they're based.

For instance, in New England, a big drawing feature to locate in Nova Scotia is the availability of government grants.

"It's a hook. We bait people with the opportunity to invest money in Canada — tax credits, loan guarantees — using these inducements to take advantage of the package plus other things that make Nova Scotia an attractive place to live," said Lenihan.

With the Dutch, on the other hand, counsellors keep government incentives out of the sales pitch, said Loepy Ten Hoopen, investment counsellor for the Canadian embassy in the Netherlands.

"We don't use grants as a hook. But that's the first question the business people ask," said Ten Hoopen.

One of Canada's most attractive features is its next-door neighbor, the United States.

"Free trade is a great sales point," said Pierre Bejanger, Canadian consul in Paris. "Companies can come here and get into the U.S. market."

The Halifax Daily News

Friday, April 21, 1989

Albertans need more hustle to win in investment big league

By DAVID HOLEHOUSE
Journal Staff Writer

The free-trade deal and more aggressive promotion will help Alberta tap into a worldwide investment pool worth billions of dollars.

Investment counsellors from eight Canadian embassies visited Edmonton to tell Alberta companies and

municipalities how to attract some of the \$10 billion or more flowing to this country from overseas companies interested in equity positions and partnerships.

John Swanson, director-general of Ottawa's export development programs and services bureau, said Canadians cannot sustain prosperity by depending on their own domestic market; they have to market abroad, and foreign investment helps them do that.

"For every one-per-cent increase in the share of world markets we gain, we create 235,000 new jobs," he said.

Brian Wilkin, commercial secretary at Canada's embassy in Tokyo, said Japan has a gross domestic product of \$3 trillion, a trade surplus of \$95 billion and savings of \$5 trillion. Investment flowing out of the country amounted to \$40 million in 1988, with two per cent of that moving to Canada.

Mitsubishi's investment in the pulp and paper mill at Athabasca was big news in Japan, he said, spurring interest in this province by numerous other investors.

"People are knocking on my door," he said. "Because of that (investment) we are now looking at

food processing, information technologies, chemical investments, biotechnology. . . ."

The U.S. captures 44 per cent of Japan's investment funds, Wilkin said, but the free-trade deal should change that.

"Before Japan had a reluctance to look at us because of our 25 million market and threats of protectionism," he said. "Now, with the agreement, we are looking at a market of 270 million people."

George Phillips, Canada's trade commissioner in Chicago, said his area of the U.S. includes three states, 22 million people and a heavy concentration of Fortune 500 companies. Investment interests include joint venture.

"Traditionally they look to Ontario and Quebec," he said. "We have to do a major selling program to tell them there's a whole section of the country out here that has a lot to offer."

One of the West's biggest assets is a workforce of millwrights with skills that are superior to any used in the aerospace field, thanks to the oil and gas industry.

"There's a major advantage," he said. "We have to tell Chicago companies that we have these skills."

William Johnston from the Canadian High Commission in London said Edmonton's Terochem Laboratories is a good example of U.K.-Alberta partnerships.

There are 1,100 U.K. subsidiaries in Canada which take about \$700 million out of this country each year in profits, he said.

"But we are more than compensating for that because these profits drive them to make more investments in this country," he said.

The Edmonton Journal

Saturday, April 22, 1989

investment

WINNIPEG was the stop on External Affairs' dog and pony show last week and a bevy of senior provincial officials extolled the benefits of doing business in Manitoba to a group of 10 External Affairs investment counsellors from postings around the world.

The cross country tour is part of a federal government program started in 1985 after the Tories dismantled the Foreign Investment Review Agency. The intention of the program is to identify various forms of foreign investment including partnerships, joint ventures and licencing opportunities.

Clayton Manness, provincial minister of finance, Brian Ransom, chairman of Manitoba Hydro, Ian Blüq, a.d.m. of Industry, Trade and Tourism responsible for the health industry initiative, as well as a number of other provincial and city officials, gave the counsellors an exhaustive report on the advantages of doing business in Winnipeg.

Though External Affairs, and indeed the provincial departments involved in economic development, are wise to key on areas like biotechnology, information technologies and high technology manufacturing, the rest of the world is doing the same thing.

Brian Willdn, the first secretary for commercial activities at the Canadian embassy in Tokyo, is in competition with 35 U.S. states, not to mention dozens of other countries around the world, for Japanese investment.

He says one of the things they have to try to avoid doing is "boring them to tears."

The kind of strategic advantages that Manitoba has to offer, besides low cost energy especially for energy-intensive industries and its geographic location, become rather indistinguishable from many other jurisdictions throughout North America.

That's why the attraction of foreign investment here is most effective on an individual, project-to-project basis. George Phillips, the consul and trade commissioner for the Canadian Consulate General in Chicago, says information he ac-



Manness: advantages



Martin Cash

quired will allow him to go back to Chicago and sell the strength of Winnipeg's manufacturing sector, especially that part associated with the health industry.

□□□

Options are becoming increasingly limited for the Winnipeg investment community. Earlier this month The Equion Group, a Winnipeg investment company that made a name for itself by marketing Western Canadian real estate syndications, let go its entire Winnipeg sales department. Equion will no longer sell syndicated investments in Manitoba.

The company and its president, Michael Nairne, moved to Toronto in 1986. Since then its Toronto office has grown from a staff of 25 to close to 100 and the Winnipeg staff has declined from close to 50 to less than 10 today.

Two of Equion's ex-sales people have gone to work for Premier Canadian Securities. Equion had made inquiries about acquiring Premier more than a year ago, but subsequently Premier's Winnipeg business has improved and Equion's has declined.

Equion will still maintain a Winnipeg office involved in the search for real estate investment acquisitions and also manage its existing portfolio. Nairne says it's difficult to run an investment house in Winnipeg because of the lower concentration of higher income people,

Winnipeg Free Press,
Monday, April 24, 1989

"Bachman has a distinct and identifiable style that is not the same as ours," Laurence says. "It's the business people that I want to know me, not the general public."

a resistance to pay fees for financial planning services and the sustaining fall-out from the recession of the late '70s, early '80s.

But then again Nairne has been in Toronto since 1986 where a basic residential real estate investment could return something in the neighborhood of 30 per cent per annum on the investment and anything less than that is considered a loss.

□□□

Montréal.

Le Devoir

89-04-25

Des investissements en cours de \$ 15 milliards au Québec

 Claude Turcotte

SELON une liste divulguée hier par le ministre Pierre Macdonald, il y a présentement au Québec 92 grands projets en cours d'exécution ou nouvellement annoncés qui représentent des investissements de \$ 15 milliards.

Le ministre de l'Industrie, du Commerce et de la Technologie a présenté ce bilan dans le cadre d'une réunion avec des représentants du monde des affaires et des conseillers en investissement du gouvernement du Canada en poste à l'étranger présentement en tournée au Québec. Il y a eu en 1988 une hausse de 11.4 % des immobilisations. « Cet accroissement des investissements est un indice de la vitalité de notre économie et il contribue à rendre les entreprises québécoises compétitives dans un contexte de libre-échange avec les États-Unis. Aussi, cela nous indique que les investisseurs étrangers sont plus que jamais intéressés à s'implanter au Québec afin de desservir un marché élargi », a dit le ministre.

La liste des projets soigneusement préparée pourrait sans doute être utilisée aussi dans le cadre d'une campagne électorale. Elle présente tous ces projets, un par un, par région et par secteur d'activité. On y constate par exemple l'importance

des investissements dans les pâtes et papiers (\$ 2.2 milliards), le matériel de transport (\$ 1.2 milliard) et la transformation des métaux primaires (2.8 milliards). On ne voit pas cependant dans cette liste le projet d'aluminerie à Sept-Îles dont a parlé récemment le premier ministre Bourassa, mais qui n'a pas fait encore l'objet d'une annonce officielle de la part des investisseurs. La liste comprend les projets privés et les travaux publics, par exemple les projets d'Hydro Québec et les travaux d'assainissement de deux municipalités, Longueuil et Rimouski. Il faut noter par ailleurs que la réalisation de certains de ses projets peut s'étendre sur plusieurs années.

Pour la grande région de Montréal, incluant la Montérégie et les Laurentides, les projets totalisent \$ 5.4 milliards. La région de Québec présente une liste de \$ 1.7 milliard. Il y a des investissements prévus de \$ 1.9 milliard dans la Mauricie/Bois-Francs, de \$ 844 millions au Saguenay/Lac-Saint-Jean, de \$ 893 millions en Estrie, de \$ 1.4 milliard dans l'Outaouais et en Abitibi-Témiscamingue, de \$ 323 millions dans le Bas St-Laurent et en Gaspésie.

Le communiqué de M. Macdonald présente d'autres statistiques favorables. Ainsi, 1988 a été une sixième année consécutive de forte croissance pour le Québec. La croissance économique de 4.8 % du Québec a surpassé l'an passé celle du Canada et des principaux pays industrialisés, sauf le Japon. Le chômage a baissé de 11.8 % en 1985 à 9.4 % en 1988, alors que 83,000 nouveaux emplois ont été créés, dont 82 % à temps plein. Les exportations québécoises ont augmenté de 11.7 % l'an passé.

Mont.éal

La Presse 89-04-25

92 projets d'envergure

■ Dans le cadre d'une conférence traitant des investissements au Québec, le ministre de l'Industrie, du Commerce et de la Technologie, Pierre MacDonald, a fait le bilan des investissements en cours ou annoncés dans les secteurs manufacturier et de la construction.

Un recensement non exhaustif des grands projets en cours d'exécution ou prévus fait état de 92 projets d'envergure pour des investissements de plus de \$15 milliards.

Le ministre note un accroissement marqué dans l'industrie des pâtes et papiers (\$2,2 milliards), du matériel de transport (\$1,2 milliard) et de la transformation des métaux primaires (\$2,8 milliards).

Selon le ministre, cet accroisse-

ment des investissements est un signe de la vitalité de l'économie québécoise et contribue à rendre nos entreprises plus concurrentielles dans le cadre du libre-échange avec les États-Unis.

Dans son discours le ministre a attribué les succès du Québec aux atouts suivants: — un régime fiscal avantageux pour les entreprises; — des programmes d'aide à la recherche et au développement industriels; — présence de secteurs forts d'avenir, tels la biotechnologie, l'aérospatiale; — infrastructures d'accueil de qualité; — disponibilité de partenaires dans le secteur privé.

D'ailleurs, le ministère vient de mettre sur pied un Bureau d'accueil et de promotion des investissements, où 15 conseillers sont à l'oeuvre.

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PROGRAM: PRAIRIE PULSE TONIGHT
EMISSION:

DATE: APRIL 19, 1989
DATE:

NETWORK / STATION:
RESEAU / STATION: MTV-TV (WINNIPEG)

TIME:
HEURE: 17:30

INVESTMENT DEVELOPMENT PROGRAM

MTV: Well, according to recent government statistics
Canada is attracting more for investors. The government
says the increase is a direct result of the Investment Development
Program, a government initiative designed to encourage both foreign and
domestic investment.

Members of the IDP were in Winnipeg today to explain the
program to local business people. Since its implementation four years
ago the IDP has attracted new sources of investment from the Pacific Rim
countries and the Middle East. The members of the group say the
Canada/US free trade agreement has made our country even more attractive
to potential investors.

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PROGRAM: EMISSION:	EDMONTON AM	DATE: APRIL 21, 1989 DATE:
NETWORK / STATION: RESEAU / STATION:	CBC (EDMONTON)	TIME: HEURE: 08:30

FOREIGN INVESTMENT

CBC: A computer software company in Edmonton was one of many businesses at a seminar yesterday making a pitch for foreign investment. The meeting was set up to put business people in touch with federal investment officers. The officers work out of Canadian embassies in Japan, Germany, South Korea and the United States. Lydia Neufeld(?) reports.

REPORTER: Frank Flynn(?) and John Skelly(?) have had their own computer software company in Edmonton for the past year. They say they're ready to expand the three person operation and are looking for investors. Flynn says the software market is very competitive. He says that's why they're looking for foreign investment.

FLYNN: There's a lot of well known high tech industries around that perhaps aren't taking advantage of our particular niche yet. But once, you know, once we get rolling then all that competition starts to take a look at what you are doing. So that's

probably one of the reasons locally there's a limited number of places that you can go for that type of financing.

REPORTER: Pierre Boyer(?) is the federal government's investment officer in Seoul, South Korea. He says Koreans are very interested in high technology. Depending on what a company has to offer, Boyer says there are a number of opportunities.

BOYER: Let's say that the United States market has a good market for them, and we have Korean computer manufacturers that do sell computers in the United States. There could be an OEM agreement between the Korean hardware manufacturer and the Canadian software producer to have the Korean company help them sell their product into the United States.

REPORTER: Boyer says there hasn't been a lot of Korean investment in Alberta, but he says interest is growing, especially in the resource sector after several new pulp mills were announced for northern Alberta. Lydia Neufeld, CBC News, Edmonton.

CONCLUSIONS AND RECOMMENDATIONS

The overall concensus among those who participated in the Investment Officers' Cross Canada Tour was that the tour was very useful and should be held on an annual basis. In general, the objectives of the tour in supporting post investment development activities through working sessions and meetings with Canadian IDP clientele were successfully met. The investment officers have returned to their posts with a stronger understanding of the investment interests and priorities of the various regions in Canada. Feedback from the provincial governments and ISTC offices indicated that they felt the tour was useful in providing a better idea of post programs and of the techniques used by investment officers in trying to attract investors to Canada.

More specifically, the tour was successful in raising the profile of the IDP inside Canada among those involved in investment development. Favourable media coverage was received in all of the tour locations, with the highlight being a brief interview with two investment officers on the national television morning show "Canada AM".

The tour also provided the opportunity for the investment officers to further develop their Canadian networks which they can use to service investment inquiries. The network can also be used to gain support for and participation in post programs.

The following recommendations are based on suggestions made by the investment officers, TPE, ISTC and the provinces:

1. We recommend that the Investment Officers' Cross Canada Tour be held annually. In order to help with planning, the tour should take place at the same time every year, preferably in late April or early May. (Smaller posts who find it difficult to be away from the post for so long might want to participate in the tour every other year.)
2. We recommend that the number of public sector meetings (at all levels) be reduced with more emphasis on private sector industry meetings.
3. We recommend that in preparing programs that sufficient time is allotted for discussion during the government meetings. It was felt that too much time was spent on presentations both by the officers and the provincial and federal governments and not enough time was left for discussion.
4. We recommend that the ISTC regional offices

coordinate the individual provincial programs. Recognizing that an event such as the tour can be very taxing to the regional ISTC offices in terms of resources required, we would support ISTC Ottawa's recommendation that the funds be budgeted from Ottawa in order to provide the regions with additional funds in planning for the tour.

5. We recommend that as much information as possible on investment officer profiles and priorities, and provincial priorities and specific opportunities, be provided to those needing the information well in advance of the tour.
6. We recommend, that if possible, the investment officers have tailored programs to ensure that they receive maximum benefit from the tour and are kept busy as much as possible.
7. We recommend that the media relations aspect of the tour continue to be an important objective. We will consider the possibility of having the regional ISTC offices coordinate the local media coverage.
8. We recommend that the officers alternate participation in the western and eastern portions of the tour. In other words, those officers who were on the western portion this year will go east next year and vice versa.
9. We recommend that we explore further the possibility of combining the TDO tour with the Investment Officers' Cross Canada Tour.

Investment Officers' Cross Canada Tour

Follow-Up

The follow-up for the investment officers' tour which took place from April 17-28 this year included the following:

- 1) Letters of thanks and overall impressions of the tour were sent to provincial industry and trade DMs; REXDs; ISTC Ottawa and regional investment directors and managers; Investment Canada; private sector, municipalities, and associations that hosted social events and working lunches.
- 2) Preparation of a final report on the tour which includes copies of all programs; a summary record of each program; copies of presentations and lists of participants (where available), a media report, and, conclusions and recommendations.
- 3) Follow-up to be undertaken by the provinces and the investment officers in providing additional material. These requests are itemized below:

Charlottetown

- ISTC, PEI Development Agency, ACOA, and the Province were asked to develop a "best case scenario" for provincial assistance available to foreign investors (financial and others).
- Fraser Dickson requested that he investment officers circulate favourable interview reports from company visits to other posts involved in investment development.
- The officers requested profiles or material on specific opportunities available in PEI.

Fredericton

- Again, a request was made by the officers for a "best case scenario".
- The officers were asked to provide a brief overview of the program they operate abroad.

- Information on specific opportunities was requested by the officers.
- Province requested early notification when new investment officers are assigned to Canadian missions.

Halifax

- ACOA interested in participating in trade shows abroad with an investment component.

Montreal

- Following presentations on Quebec's energy sector, Marta Moszczenska requested that Daniel Mallette and Claude Blais coordinate assembly of energy project profiles.

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---INVESTMENT OFFICERS CROSS CANADA TOUR-APRIL 17-28,1989

SUMMARY

FIRST CROSS CDA TOUR OF INVESTMENT OFFICERS FROM POSTS WITH MAJOR
INVESTMENT PROGRAMS WAS HELD DURING PERIOD APRIL 17 TO 28. POSTS
INVOLVED WERE LDN,PARIS,BONN,HAGUE,MILAN,CNGNY,ATNTA,CHCGO,SCLAR,
LNGLS,SEOUL,TOKYO,HKONG,RYADH,KWAIT. SCHEDULE INCLUDED KICK-OFF IN
OTTAWA,WITH STOPS IN WPEG,SASKATOON,CALGARY,EDMONTON,VNCVR,
FREDERICTON,CHARLOTTETOWN,HALIFAX,ST.JOHN,S,MONTREAL,TORONTO-WITH A
SPLIT INTO EASTERN AND WESTERN GROUPS DURING WEEK OF APRIL 17 TO 21.
TOUR WAS ORGANIZED BY TPE WITH ASSISTANCE OF ISTC AND PROVINCIAL
GOVTS.

2.CONSENSUS OF ALL PARTICIPANTS,BOTH DEA AND DOMESTIC,WAS THAT TOUR

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PROVIDED EXCELLENT OPPORTUNITY TO BUILD NEW CONNECTIONS AND REINFORCE EXISTING CONNECTIONS BETWEEN POSTS AND DOMESTIC INTERLOCUTORS-BOTH TO ENSURE EFFECTIVE SERVICING OF POST-GENERATED INVESTMENT ENQUIRIES AND TO ENSURE THAT POST ACTIVITIES SUPPORT REGIONAL INVESTMENT DEVELOPMENT INTEREST. TOUR EMPHASIS ON ONE-ON-ONE MTGS WITH PRIVATE CORPORATIONS AND DEVELOPMENT AGENCIES RESULTED IN NUMBER OF SPECIFIC LEADS NOW BEING DEVELOPED BY PARTICIPATING OFFICERS.

REPORT:

3. DURING TWO WEEKS OF APRIL 17 TO 28, DEPARTMENT (TPE) ORGANIZED FIRST MAJOR CROSS-COUNTRY TOUR OF INVESTMENT OFFICERS FROM MAJOR INVESTMENT POSTS. TOUR INVOLVED STOPS IN ALL PROVINCES, WITH LOCAL PROGRAMS ORGANIZED WITH ASSISTANCE OF ISTC OFFICES AND PROVINCIAL GOVTS.

4. PURPOSE OF TOUR WAS TO SUPPORT POST INVESTMENT DEVELOPMENT ACTIVITIES THROUGH MTGS WITH EXISTING AND POTENTIAL CDN IDP CLIENTELE, AND THOSE INVOLVED IN INVESTMENT DEVELOPMENT WITHIN FEDERAL, PROVINCIAL AND MUNICIPAL GOVTS AND THE PRIVATE SECTOR. COROLLARY OBJECTIVES WERE: TO RAISE PROFILE OF ALL CDN IDP PROGRAMS INCLUDING ACTIVITIES OF FEDERAL, PROVINCIAL AND MUNICIPAL GOVTS, AND PRIVATE SECTOR INTERMEDIARIES AND INFLUENCERS, AND TO SUPPORT AND PROMOTE PROGRAM USE BY CURRENT CLIENTELE AND ACCESS ADDITIONAL CLIENTELE THROUGH SPECIFICALLY DEMONSTRATING BENEFITS WHICH CAN

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ACCRUE TO THEM, (THROUGH PARTNERING, JOINT VENTURING, TECHNOLOGY TRANSFER, CAPITAL INFUSION, ETC).

5. FIFTEEN POSTS PARTICIPATED WITH TWO REPS FROM LDN AND TWO REPS FROM TOKYO. SCHEDULE INVOLVED ALL PARTICIPANTS IN OTTAWA KICK-OFF ON APRIL 17 AND DIVISION INTO TWO GROUPS FOR EASTERN AND WESTERN TOURS APRIL 18-21 INCLUSIVE. WESTERN SWING INCLUDED RYADH, MILAN, BONN, LDN, CHCGO, SCLAR LNGLS, SEOUL, TOKYO, HKONG WITH STOPS IN WPEG (APRIL 18) SASKATOON (APRIL 19) CALGARY/EDMONTON (APRIL 20), AND VANCOUVER (APRIL 21). EASTERN SWING INCLUDED KWAIT, HAGUE, PARIS, ATNTA, CNGNY, WITH STOPS IN CHTWN (APRIL 18), FREDERICTON (APRIL 19), HALIFAX (APRIL 20) AND ST. JOHNS (APRIL 21). SECOND REP FROM TOKYO PARTICIPATED IN FREDERICTON, HALIFAX AND ST. JOHNS PROGRAMS. DURING WEEK OF APRIL 23 TO 28, WHOLE GROUP WAS INVOLVED IN PROGRAMS IN MONTREAL (APRIL 23-24) AND TORONTO (APRIL 25-28).

6. LOCAL PROGRAMS VARIED ACCORDING TO LOCAL CONDITIONS AND REQUIREMENTS, WITH PROVINCIAL/REGIONAL PRESENTATIONS FORMING SIGNIFICANT ELEMENT IN SOME INSTANCES. HOWEVER, REFLECTING TOUR OBJECTIVES, EMPHASIS IN LOCAL PROGRAMS WAS PUT ON ONE-ON-ONE MTGS, WITH PRIVATE SECTOR AND LOCAL INVESTMENT PROMOTION INTERMEDIARIES. TYPICAL PROGRAM ELEMENTS INCLUDED POST PRESENTATIONS ON POST IDP ACTIVITIES, PROVINCIAL/REGIONAL PRESENTATIONS ON LOCAL CONDITIONS/PRIORITIES, AND BREAK OUT INTO ONE-ON-ONE MTGS WITH LOCAL CORPORATIONS, INTERMEDIARIES, ECONOMIC DEVELOPMENT OFFICIALS, ETC.

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ECONOMIC DEVELOPMENT ELEMENT WAS FORMALIZED IN SOME INSTANCES, AS IN TORONTO PROGRAM WHERE ONE-ON-ONE MTGS WERE DEVELOPED THROUGH ONTARIO INDUSTRIAL DEVELOPMENT COUNCIL. MONTREAL ONE-ON-ONE PROGRAM WAS ORGANIZED IN COLLABORATION WITH CDN ADVANCED TECHNOLOGY ASSOCIATION, AS PART OF GROUPS PARTICIPATION IN CATA CONFERENCE ON STRATEGIC PARTNERING

7. IN TOTAL, TOUR EVENTS INVOLVED PARTICIPATION BY SOME 681 LOCAL ATTENDEES AND THE SEVENTEEN DEA OFFICERS CONDUCTED SOME 482 ONE-ON-ONE INTERVIEWS.

8. IN PURSUIT OF TOUR OBJECTIVE OF RAISING IDP PROFILE ACROSS CDA, EXTENSIVE EFFORTS WERE DEVOTED TO INVOLVING LOCAL AND NATIONAL MEDIA. THESE WERE SUCCESSFUL WITH PRINT MEDIA COVERAGE AT EIGHT STOPS, TELEVISION COVERAGE WITH INTERVIEWS AT THREE STOPS, RADIO INTERVIEWS AT THREE STOPS, AND NATIONAL COVERAGE ON BOTH NATIONAL NEWS RADIO AND CANADA AM.

9. CONCLUSION OF PARTICIPANTS AT TORONTO DE-BRIEFING WAS THAT TOUR WAS EXCELLENT MEANS OF IDENTIFYING LOCAL IDP PRIORITIES/REQUIREMENTS, EVALUATING CAPABILITIES OF LOCAL SERVICING SYSTEMS/PERSONNEL FOR ENQUIRY REFERRALS, IDENTIFYING INDIVIDUAL COMPANY REQUIREMENTS, ETC. TO BE REFLECTED IN SUBSEQUENT POST ACTIVITIES. INDIVIDUAL COMPANY INTERESTS WERE PARTICULARLY IMPORTANT ELEMENT OF PROGRAM WITH ALL OFFICERS RETURNING TO POSTS WITH SPECIFIC REQUIREMENTS TO PURSUE IN SEEKING FINANCING PARTICIPATION,

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JOINT-VENTURE/PARTNERING OPPORTUNITIES, ETC.

10. ISTC, PROVINCIAL, MUNICIPAL AND PRIVATE SECTOR PARTICIPANTS IN TOUR PROGRAMS FULLY SUPPORTED DEA EFFORTS UNDERTAKEN TO DEVELOP A COMPREHENSIVE TOUR AND IN PARTICULAR, THE OPPORTUNITY TO MEET WITH INVESTMENT OFFICERS FROM 15 DEA POSTS.

11. CONSENSUS OF BOTH DOMESTIC AND DEA PARTICIPANTS WAS THAT TOUR SHOULD BE HELD ON A REGULAR BASIS, WITH SUGGESTION FOR ANNUAL TOURS IN APRIL/MAY.

12. REPORT ON TOUR IS PRESENTLY BEING COMPILED—INCORPORATING PROGRAM DETAILS, ALL PARTICIPANTS, PRESENTATION TRANSCRIPTS, PRESS COVERAGE. THIS WILL BE CIRCULATED TO ALL POSTS ASAP.

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