



No. 083

April 24, 1990.

INVESTTECH '90 PROMOTES INTERNATIONAL TRADE

IN TECHNOLOGY AND INVESTMENT

International Trade Minister John Crosbie today announced that working sessions will be held across the country with Canadian businessmen and women in order to outline the benefits of attracting technology and investment from other countries. InvestTech '90, as the series of sessions is called, will help Canadian businesses meet the competitive challenges of the new world economy.

"The increasingly competitive international economy is forcing business all over the world to look beyond traditional national boundaries. Canadian businesses, especially those without research and development capability, will prosper if they join in the international search for existing technologies and sources of investment," Mr. Crosbie said.

During InvestTech '90, experts from Canadian embassies abroad will be visiting 12 Canadian cities between April 30-May 10, 1990, to host working sessions for small and medium-sized businesses wanting to acquire technology and investment from other countries.

InvestTech '90 is part of the Government's Going Global initiative aimed at improving Canada's trading culture.

InvestTech '90 will demonstrate the benefits of the Investment Development Program (IDP), which is designed to encourage foreign investment to Canada in order to stimulate economic growth, attract new technologies, provide venture equity capital, and create new jobs.

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To assist business in acquiring existing technologies from abroad, the federal government also offers identification services and funding assistance under the Technology Inflow Program (TIP). New technologies provide a catalyst for the development of new and improved products and processes with resulting benefits to the economy, including the creation of jobs.

The InvestTech '90 tour will make 12 stops across Canada as outlined in the attached schedule.

For further information, media may contact:

Media Relations Office
External Affairs and International Trade Canada
(613) 995-1874

InvestTech '90

April 30-May 10, 1990

1. April 30 -- Ottawa, Ontario
2. May 1 -- Halifax, Nova Scotia
3. May 1 -- Charlottetown, Prince Edward Island
4. May 2 -- St. John's, Newfoundland
5. May 2 -- Moncton, New Brunswick
6. May 3 -- Montreal, Quebec
7. May 7 -- Toronto, Ontario
8. May 8 -- Winnipeg, Manitoba
9. May 8 -- Saskatoon, Saskatchewan
10. May 9 -- Calgary, Alberta
11. May 9 -- Edmonton, Alberta
12. May 10 -- Vancouver, British Columbia

INVESTTECH '90: HELPING CANADIAN FIRMS COMPETE GLOBALLY

At one time, all a country needed to be economically competitive were a few reliable trading partners and an abundance of natural resources.

This has changed. In today's global economy, a country can no longer rely only on its traditional trading associates -- it must also aggressively seek new markets for its products. Companies must also adapt to this new competitive environment. Companies which use state-of-the-art technologies, or carry out advanced research, are miles ahead of the competition.

The Canadian government is rising to meet the challenges of this new economy. It has established a number of programs which encourage Canadian firms to actively pursue foreign investment and technology that will help them to become, and remain, internationally competitive.

These programs are implemented across the country, from Newfoundland to British Columbia. They are also delivered by over 40 Canadian embassies and consulates around the world.

InvestTech '90 -- Reaching Out To Canadian Businesses

A major federal government initiative aimed at enhancing Canadian competitiveness is InvestTech '90. This undertaking is sponsored by External Affairs and International Trade Canada, in cooperation with Industry, Science and Technology Canada, and the National Research Council Canada.

InvestTech '90 offers Canadian companies valuable information on the benefits of attracting foreign sources of technology, capital and expertise, as well as new forms of international partnering. From April 30 to May 10, over 40 technology and investment officers from Canadian embassies and consulates around the world will travel across the country to meet with invited small and medium-sized businesses interested in honing their competitive edge. The officers will help these companies identify potential business partners as well as new sources of technology.

The officers will meet with business people in Ottawa, Halifax, St. John's, Charlottetown, Moncton, Montreal, Toronto, Winnipeg, Saskatoon, Edmonton, Calgary and Vancouver. It is estimated that the officers will have conducted more than 4,000 interviews with businesses by the end of their tour.

Two specific federal government programs provide the catalyst for InvestTech '90: The Technology Inflow Program and the Investment Development Program.

The Quest For New Technology

The Technology Inflow Program (TIP) was developed by External Affairs and International Trade Canada (EAITC) in 1986. TIP is designed to help Canadian companies to gain access to leading edge technology from abroad to improve their competitiveness at home and in export markets.

TIP helps Canadian businesses in two ways. First, it offers information and advice on foreign sources of technology through its specialized advisory services. Secondly, it provides financial assistance to qualifying companies to help defray the costs of travelling abroad to obtain these technologies.

Last year, TIP financially assisted more than 600 Canadian companies in establishing technology inflow projects. Most of these companies were small businesses. In most cases, the necessary funds (less than \$10,000) were quickly authorized by the National Research Council Canada's (NRCC) Industrial Research Assistance Program, delegated by EAITC to deliver TIP regionally. Funding for larger projects is approved by an interdepartmental committee in Ottawa.

One company which received TIP assistance is Neptune Leather Canada Ltd. of Shelburne County in Nova Scotia. Thanks to TIP, Neptune Leather's president, Robin Fulton, was able to travel to Australia to observe first-hand how to process fish skins into a pliable "leather". Today, the company is one of only six in the world manufacturing this product.

Neptune's fish leather is making waves among high-fashion designers and couturiers in Canada, the U.S., and Europe. One major U.S. design house has offered to buy half of Neptune's production to make a line of fashion belts retailing at several hundred dollars each.

TIP enabled Superior Millwork Ltd. of Saskatoon to negotiate a joint venture with Granberg Industries of Sweden. The joint venture company, Granberg Superior Systems Inc., manufactures special kitchen cabinets and counters of adjustable height. These have been adapted especially for disabled people and senior citizens. Early this year, the new company delivered 120 units to a Saskatoon senior citizens' apartment complex -- its first major order.

The IDP -- Stressing The Importance of Investment

Like TIP, the Investment Development Program (IDP) is designed to help Canadian firms effectively compete at home and abroad. The IDP encourages both foreign and domestic investments in Canada -- especially those which create new jobs and introduce leading edge technologies. Launched in 1985, the IDP is a cooperative program combining the efforts of External Affairs and International Trade Canada, Industry, Science and Technology Canada (ISTC), and Investment Canada.

The IDP tries to help Canadian companies which are searching for foreign sources of investment and technology. It also assists foreign investors interested in serving the lucrative North American market. The IDP actively promotes cooperative efforts, such as joint ventures and strategic partnerships, between Canadian and foreign companies.

Since the program was established, Canada has attracted record foreign investment inflows. In 1985, the total of gross inflow of foreign direct investment in this country was \$3.9 billion dollars. In 1988, the gross inflow totalled a high of \$8.1 billion -- with a resultant net foreign direct investment inflow of \$4.9 billion.

Although the United States and the United Kingdom have traditionally been the largest source of foreign direct investment in Canada, the greatest growth is now coming from new, non-traditional sources in Europe and the Pacific Rim.

Companies from central and eastern Europe are now investing in Canada. Last year, a consortium of Hungarian and Russian medical instrumentation companies and banks formed a joint venture company, Alliance Medical, with IDEE R&D of Montreal. IDEE R&D took advantage of both the IDP and TIP programs to make this deal a reality. This agreement is believed to be the first major investment by East European companies in a Canadian firm.

Alliance Medical specializes in manufacturing hi-tech medical instruments. Building upon an existing Hungarian patent, the joint venture company is now manufacturing and marketing a portable, battery-operated ultrasonic scanner which lets breeders of large farm animals confirm pregnancy within 17 days of insemination.

For the giant Kao Corporation of Japan, the opportunity to invest in Didak Ltd., a floppy diskette manufacturer based in Arnprior, Ontario, was not to be passed by. In 1987, Kao Corporation bought an 80 per cent interest in Didak Ltd. At the same time, Kao infused \$40 million into the newly named Kao-Didak Ltd. to build a state-of-the-art plant. Today, Kao-Didak is one of the world's largest suppliers of 3.5 and 5.25 inch computer diskettes. Over 165 people are employed at its Ottawa Valley plant, many of whom are life-long Arnprior residents.

Three government departments work closely with each other in administering the IDP. External Affairs and International Trade Canada is responsible for international investment promotion activities. A total of 43 diplomatic missions are charged with delivering the IDP abroad. Industry, Science and Technology Canada, with its network of regional offices, has responsibility for sectoral and regional investment activities in Canada and abroad. Investment Canada coordinates the federal government's investment activities and provides investment-related services which complement the activities of the other departments.

Canada -- A World Player

The IDP and TIP programs have one goal in common -- to make Canadian companies major contenders in the world market. Far more than the simple infusion of funds, investment into Canada brings with it new technology, new capacities in research, increased job opportunities, and stronger technical and managerial capabilities. By continuing to welcome foreign investment, and by procuring new technologies, Canadian businesses will sharpen the skills they need to better compete in today's aggressive global economy.

For more information on the Technology Inflow Program, contact the following External Affairs and International Trade officials:

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For more information on the Investment Development Program, contact the following External Affairs and International Trade officials:

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INVESTMENT DEVELOPMENT PROGRAM (IDP) -- FACT SHEET

- * The Investment Development Program (IDP) was established in 1985. The IDP's goal is to attract foreign and domestic investment which will make Canada more innovative and internationally competitive.
- * The IDP actively promotes investments that take the form of new plants and equipment, joint ventures, and strategic partnerships. The Program is especially interested in attracting investment that introduces new technology to Canada.
- * The IDP is a cooperative program which combines the efforts of External Affairs and International Trade Canada (EAITC); Industry, Science and Technology Canada (ISTC); and Investment Canada.
- * EAITC is responsible for Canada's international investment promotion activities. ISTC, with its network of regional offices, has responsibility for sectoral and regional investment activities in Canada and abroad. Investment Canada coordinates the federal government's investment activities, and provides investment-related services which complement the activities of the other departments.
- * Diplomatic staff in 43 of Canada's missions abroad actively promote investment in Canada, and respond to the inquiries of both foreign investors and Canadian companies.

Canada as an Investment Destination

- * Since the IDP was established, Canada has attracted a record inflow of foreign direct investment. In 1985, the total gross inflows of foreign direct investment in this country was \$3.9 billion. In 1988, the gross inflow totalled a high of \$8.1 billion -- with a resultant net foreign direct investment inflow of \$4.9 billion.

- * The United States is the principal source of foreign direct investment in Canada. It accounted for approximately 75 per cent of foreign direct investment in this country. The United Kingdom is the second largest source, with nine per cent of the total. Other major sources are Germany with three per cent, the Netherlands with 2.4 per cent, Japan with 2.1 per cent, France with 1.7 per cent, and Switzerland with 1.6 per cent.
- * The greatest growth of foreign direct investment now comes from non-traditional sources in Europe and the Pacific Rim.
- * Foreign direct investment signals more than the movement of capital into a country. It also represents the arrival in Canada of new technology, new research capabilities, new technological and managerial expertise, and new jobs.
- * The Canada-U.S. Free Trade Agreement (FTA) is an attractive incentive for foreign investors. The Agreement ensured that they will have access to a market of 275 million consumers. The Department of Finance has forecast that by 1993, business investments in plants and equipment will increase by more than 4 per cent beyond that expected without the FTA. This growth will come as firms rationalize and upgrade their productive capacity to take advantage of improved access to the North American market.

For further information on the Investment Development Program, please contact:

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TECHNOLOGY INFLOW PROGRAM (TIP) -- FACT SHEET

- * The Technology Inflow Program (TIP) was established in 1986 by External Affairs and International Trade Canada (EAITC). TIP is designed to help small and medium-sized Canadian businesses stay competitive by acquiring leading world technologies.
- * TIP accomplishes this goal by first identifying these technologies abroad, and giving Canadian companies information about them. TIP also provides financial assistance to qualifying companies to help defray the cost of travelling abroad to obtain the technology.
- * Forty-three Technology Development Officers in 34 Canadian missions abroad deliver TIP internationally.
- * The National Research Council's (NRC) Industrial Research Assistance Program (IRAP) is TIP's "lead" agency in delivering the program across Canada. This includes delegated authority to approve certain types of funding applications. There are 220 NRC officers who counsel Canadian firms on how to access TIP. Industry, Science and Technology Canada (ISTC) is involved in supportive and promotional roles, as are other science-based departments of the federal and provincial governments.
- * In 1989, Canadian missions abroad received and responded to over 3,000 inquiries regarding TIP from Canadian companies.
- * Since TIP was first implemented in 1986, 1,100 projects have been funded: roughly 40 in the first year; 100 in 1987; 300 in 1988, and 600 in 1989 -- more than a 100 per cent increase in demand year after year.
- * Companies in Ontario and Quebec, followed by Alberta and British Columbia, submit the most inquiries and funding applications. However, on a per capita basis, requests and submissions are fairly equal across the country, with the Maritimes leading by a small margin.

- * In 1986, TIP focused mainly on accessing strategic technologies (i.e. information technologies, advanced industrial materials, and the biotechnologies) for research and development oriented companies. While this trend continues, recent growth in TIP fund use has come mainly from companies in traditional industries without their own R&D. This tendency will probably continue, as TIP has proven to be one of the government's best programs to help mainstream Canadian companies take advantage of the opportunities provided by the Free Trade Agreement, and the new global marketplace.

- * In 1989, and this year, all 10 provincial regions of the National Research Council's IRAP program have highlighted greater activity and use of TIP as one of their priorities.

For further information on the Technology Inflow Program (TIP), please contact:

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For local assistance, please contact the Industrial Research Assistance Program representative in your area. They are listed under "Technology" in the yellow pages of the telephone book.