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SASKATCHEWAN AND THE FEDERAL GOVERNMENT SIGN AGREEMENT ON INTERNATIONAL BUSINESS DEVELOPMENT CO-OPERATION

International Trade Minister Roy MacLaren and Saskatchewan Economic Development Minister Dwain Lingenfelter today led the signing of a memorandum of understanding (MOU) on international business development co-operation.

The agreement was also signed by Agriculture and Agri-Food Minister Ralph Goodale, Saskatchewan Agriculture and Food Minister Andy Renaud, and Jon Gerrard, Secretary of State (Science, Research and Development).

The purpose of the agreement is to provide better services for Saskatchewan exporters by improving co-operation between the federal government and Saskatchewan. The agreement calls for greater collaboration in planning, information sharing, trade fairs and trade missions, education and training, representation abroad, investment promotion, and industry and technology development.

"The agreement that we are signing today points the way to coordinated and streamlined service to exporters," Mr. MacLaren said. "It helps us build a 'Trade Team Canada' approach to trade while moving toward more fiscally responsible government."

The agreement seeks to build Saskatchewan's exports by broadening the access of companies to international markets, making them better prepared for export, strengthening their performance in foreign markets and ensuring the effective promotion of Canada and Saskatchewan for investment and business opportunities. The agreement also establishes a process for business and government to work together to achieve their international business development objectives.

"Trade is of vital importance to Saskatchewan's economy, so we must provide the best possible services to our exporters to help them compete globally," Mr. Lingenfelter said. "The Saskatchewan



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du Canada



Saskatchewan

government has been very active in working with business to expand external markets in order to create jobs here at home. Greater co-operation and collaboration between our government and the federal government will enhance our ability to do that."

This MOU represents an important milestone in the bilateral Action Plan between the federal and Saskatchewan governments aimed at improving the efficiency of the federation. First Ministers launched this initiative at their meeting in December 1993. The formal Action Plan was signed by Prime Minister Jean Chrétien and Premier Roy Romanow in July 1994.

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A copy of the MOU is attached.

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MEMORANDUM OF UNDERSTANDING
CANADA-SASKATCHEWAN COOPERATION
INTERNATIONAL BUSINESS DEVELOPMENT

The Department of Foreign Affairs and International Trade (DFAIT);

Industry Canada (IC);

Agriculture and Agri-Food Canada (AAFC);

Saskatchewan Economic Development (SED); and,

Saskatchewan Agriculture and Food (SAF);

hereinafter referred to as the "Parties";

RECOGNIZING that:

- ◆ Saskatchewan, with a small domestic market, must rely on increased exports to generate wealth and create jobs.
- ◆ Investment, both from within the province and external sources, is essential to support economic growth.
- ◆ International technology linkages are increasingly important, to maintain industry competitiveness and to enhance trade.
- ◆ While resource and commodity exports will continue to be important for Saskatchewan, the Province must increase exports of value added goods and services in order to expand economic growth. This requires a greater international orientation by both government and business.
- ◆ Improved international awareness, marketing skills and the application of new technologies are essential in order for Saskatchewan business to succeed in the global market.
- ◆ Significant efforts are needed to increase the number of export ready companies as well as to improve export performance and to expand and diversify markets for Saskatchewan companies.
- ◆ The business community is responsible for generating exports and investments. Government also has an important role in international business development through lowering trade barriers, securing an open trade environment, assisting companies to access international markets and assisting companies to remain competitive through acquisition and use of new technologies.

- ◆ The Parties will continue to review their international business development programs and services, recognizing that technology and global awareness have changed the role that government plays in assisting business in the global marketplace, and that fiscal pressures are causing governments to streamline and coordinate programs and services.
- ◆ International business activities are important functions of a number of federal and provincial departments and agencies. Improved coordination of all international business activities is essential to efficiently expanding Canada's exports and increasing investment inflow.
- ◆ There are many opportunities for effective collaboration in international business activities amongst the Parties and the other western provinces in western Canada. The efforts to develop cooperative strategies and programs must be supported and strengthened by the Parties for the benefit of Saskatchewan, the western provinces and Canada.

ACKNOWLEDGING a need to develop and communicate effective strategies and initiatives for international business development, in consultation with the business community and focused on the needs of business,

THE PARTIES HAVE REACHED THE FOLLOWING UNDERSTANDING

I. GOALS

1. The Parties have determined the need to focus on the following Saskatchewan goals for international business development to the year 2000:
 - a) to increase the value of non-traditional exports;
 - b) to increase the number of "export ready" companies; and,
 - c) to expand job creation by increasing the number of foreign companies considering Saskatchewan as a location for investment. Priority will be given to identifying and encouraging manufacturing and processing firms and service providers that export a significant percentage of their planned output.
2. To achieve these goals, the Parties will work together, and with the business community, to:
 - a) improve the competitiveness and international business performance of Saskatchewan companies;
 - b) integrate the planning and delivery of international business development activities undertaken by the Parties and the business community;
 - c) improve the linkages between business and government on trade, technology, and investment promotion activities;
 - d) ensure the timely and effective dissemination of trade, investment and technology information, intelligence and opportunities to the business community;

- e) improve the export preparedness of Saskatchewan business;
- f) reduce duplication through integration, streamlining and coordination of programs and resources; and,
- g) support improved market access through reduction of international trade barriers and by assisting Saskatchewan companies to resolve market access disputes and concerns.

II. PRINCIPLES

3. The Parties will be guided by the following principles in implementing this Memorandum of Understanding:
 - a) A fundamental requirement to maximize the effectiveness and efficiency of government international business development services to meet the needs of the private sector client. Government resources and services for international business development should be focused on areas with greatest potential for improved export performance, job creation, and development of competitive, export-oriented industries;
 - b) The Saskatchewan business community will be an active participant in the development of governments' international business planning and delivery mechanisms;
 - c) The implementation of this Memorandum of Understanding should lead to the provision of an integrated international business development service to clients. All federal and provincial agencies that have a significant role in international business development are encouraged to participate in this Memorandum of Understanding; and,
 - d) Within the parameters of this Memorandum of Understanding, the Parties are prepared to accommodate and work with any new mechanism or organizational structure (such as a public/private partnership) that may be developed by one or more of the Parties.

III. SPECIFIC AREAS OF CONSULTATION AND COOPERATION

INTERNATIONAL TRADE DEVELOPMENT

4. Within the context of Canada's International Business Strategy (CIBS), the Parties, in consultation with Saskatchewan business, will develop an international trade strategy for Saskatchewan. The strategy will provide the basis for the planning processes of the Parties, the identification of the roles and responsibilities of the Parties and the targeting of resources.
5. To ensure that the processes developed under the auspices of this Memorandum of Understanding meet the requirements of the business community, the Parties, through the management committee, will establish a Saskatchewan Trade Advisory Group to provide advice and guidance on the development of the strategy and the planning and delivery of international business development services.

6. The strategy will provide the basis for the development of plans, programs and services provided to the business community and for Saskatchewan's participation in Canada's International Business Strategy, the Federal/Provincial Market Development Council, the Western Canada Trade Officials Committee and other initiatives that may be developed from time to time by the Parties or other organizations.

Delivery of Programs and Services

7. For the purposes of ensuring the effective development and delivery of the strategy, the Parties will:
- a) develop options for improved integration for domestic delivery of trade and investment programs and services, including:
 - i) the sharing and exchanging of information on data bases and information systems, and the updating of information including non-confidential, firm specific, information;
 - ii) the establishment of internal work practices to encourage increased and timely communication and exchange of information between the various parts of their organizations;
 - iii) the establishment of direct telecommunications and electronic links between Canadian posts abroad and federal and Saskatchewan offices, subject to technical and financial feasibility; and,
 - iv) develop such other methods of improving the integration of trade programs and services between the Parties.
 - b) seek to coordinate international activities to provide efficient, effective support to Saskatchewan companies working abroad. Collocation of foreign offices will be considered, subject to available resources and an examination of the benefits to both Canada and Saskatchewan;
 - c) coordinate the development and delivery of trade development programs such as New Exporters to Border States (NEBS), New Exporters to Mexico (NEWMEX), the Program for Export Market Development (PEMD) and other programs as appropriate;
 - d) exchange information on marketing assistance programs including client lists, evaluation results and project results. PEMD and Saskatchewan Product and Market Develop Fund are examples of the programs for which information would be shared;
 - e) examine the implications and feasibility of the delivery of PEMD by Saskatchewan;
 - f) make joint efforts at home and abroad to assist Saskatchewan companies to be better positioned to bid on projects funded by international financial institutions;

- g) work to resolve international trade access issues. The Parties will ensure that the interests of Saskatchewan exporters are considered in the development of Canadian positions in the negotiation of bilateral and multilateral agreements; and,
 - h) examine the potential to link the Saskatchewan strategy and initiatives with activities from the other western provinces as a basis for western Canadian projects.
8. DFAIT will provide support, within existing resources, at Canadian posts abroad for companies participating in events sponsored by Saskatchewan, which are identified in the CIBS, related post plans or other initiatives determined by the Parties.
 9. DFAIT through its Canadian posts abroad will, where possible and appropriate, provide liaison services for communications, marketing and media relations activities of interest to Saskatchewan and will display and distribute promotional materials. Canadian posts abroad, upon request, will provide to the Parties non-classified intelligence on political and economic activities relevant to Saskatchewan on a regular basis. Canadian posts abroad will provide Saskatchewan with mailing lists of relevant contacts in their respective territories or recommend mailing houses.
 10. DFAIT will arrange for regular visits by staff from Canadian posts abroad to Saskatchewan.
 11. The Parties will ensure that Saskatchewan international business development priorities and initiatives, developed as components of the trade strategy, are provided to Canadian posts abroad and to the other parties in sufficient time for incorporation into the Post Work Plans and, ultimately, the CIBS.
 12. Opportunities for secondment of staff between the Parties will be examined.

Market Intelligence/Information

13. Recognizing that information and market intelligence are essential to international business development, the Parties will collaborate in collecting and disseminating business, market and sectoral information and intelligence on a timely basis. The Parties will:
 - a) work together to identify the information requirements of the business community for foreign market intelligence;
 - b) cooperate in sharing information, including market and sector studies and information relating to existing or emerging barriers to trade, and consult on terms of reference and priorities for market research;
 - c) share information on trade enquiries and look at developing better mechanisms for the handling of trade enquiries from Saskatchewan companies, and handling enquiries received at trade shows and trade centres;

- d) DFAIT, in consultation with AAFC, will provide to the Parties market intelligence, trade show reports, business opportunities and sourcing requests from Canadian posts abroad on a timely basis; and
- e) IC and AAFC will provide strategic sector intelligence to assist industry in assessing export market opportunities.

Missions and Trade Shows

14. The Parties will:

- a) cooperate in the planning for and participation in outgoing missions and foreign trade shows, and incoming buyers and delegations, provided for in the CIBS;
- b) support jointly agreed-to Saskatchewan-based events for trade and investment within existing resources; and,
- c) develop criteria for the recruitment, qualification, and preparation of participants in export related events.

Education and Training

15. Recognizing that small and medium enterprises (SMEs) are the largest group of clients and that export education and training is crucial if there is to be an increase in the number of export-ready companies, the Parties will cooperate and streamline their activities in:

- a) developing, promoting and delivering export education and training programs in consultation with the business community;
- b) supporting academic institutions and initiatives by other groups to better meet the needs of Saskatchewan businesses; and,
- c) developing and encouraging joint staff training programs.

INVESTMENT PROMOTION

- 16. The parties will cooperate to maximize the combined effectiveness of investment promotion efforts. Canadian posts abroad will, where possible, provide assistance to Saskatchewan officials, on request, to identify targeted firms, to provide intelligence on said firms, and to help arrange meetings with selected firms in their respective areas.
- 17. Saskatchewan officials will cooperate with Canadian posts abroad by providing to all Parties intelligence on industry sectors and investment opportunities in Saskatchewan.

INDUSTRY AND TECHNOLOGY DEVELOPMENT

18. The Parties recognize that a competitive marketplace is a precondition to strong international performance and that linkages between international and domestic policy agendas are increasing. Encouraging innovation, upgrading skills, increasing technological capacity, developing linkages and networks, and building international capabilities are the key elements that drive economic renewal and create jobs. To achieve this, the Parties will:
- a) examine ways of developing collaborative activities and framework policies to strengthen industrial competitiveness, focusing on strengthening and working with industry associations;
 - b) exchange views on and examine ways to improve investment, technology and strategic alliance opportunities;
 - c) share results of technology assessments, consultations and research and development initiatives; and review proposed strategies and jointly plan their implementation to maximize the effective use of resources;
 - d) identify priorities with respect to research and development initiatives and possible areas of cooperation; and,
 - e) cooperate in promoting technology transfer and acquisition initiatives.

IV. IMPLEMENTATION AND MONITORING

Management Committee

19. The Parties will establish a Management Committee to implement this Memorandum of Understanding, to undertake private sector consultation as appropriate, to review the operation of the Memorandum of Understanding and to assess progress made in achieving its objectives. This committee will include representatives of the Parties.
20. Other officials and private sector groups with an interest in the implementation of the Memorandum of Understanding may be invited to participate from time to time as required.
21. The Management Committee will meet at least annually and as required.
22. The Management Committee will develop an action plan for the implementation of the Memorandum of Understanding. An overall progress report will be submitted annually to Ministers who are Parties to this Memorandum of Understanding.
23. Working groups may be established by the Management Committee to develop and implement elements of the action plan.

V. OTHER PROVISIONS

24. This Memorandum of Understanding does not create any contractual or other legal obligation to perform between the Parties; nor will the Parties be subject to any legal liability resulting from non-performance of any provisions of this Memorandum of Understanding.
25. Amendments to this Memorandum of Understanding require the written consent of the Parties.
26. This Memorandum of Understanding may be terminated by any of the Parties upon three month advance notice in writing to the other Parties.
27. This Memorandum of Understanding will terminate on April 1, 2000, unless Parties agree to an extension.