



Minister for
International Trade

Ministre du
Commerce extérieur

STATEMENT DISCOURS

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Remarks by
the Honourable Pat Carney,
Minister for International Trade,
at a press conference announcing
increased funding for the
Technology Inflow Program

VANCOUVER

September 4, 1987.

Canada

INNOVATION

The Canadian Strategy
for Science
and Technology

La stratégie canadienne
en matière de sciences
et de technologie

Technology's vital role in fuelling this country's economic growth is more keenly recognized now than ever before.

So today, I am delighted to be home in British Columbia to announce a major boost for a federal program that is going to mean a lot to Canada as we move into the 1990s.

Between now and the end of the 1991 fiscal year, the Department of External Affairs is going to allocate an additional \$12.3 million to its Technology Inflow Program - "TIP" for short. This amounts to a tripling of the program's budget over the next four years.

Our decision to expand the program was taken as part of "InnovAction," a \$100 million initiative launched recently by the Minister of State for Science and Technology, Frank Oberle.

InnovAction's goal is to stimulate Canadian research, development and technological innovation. Just last week, Mr. Oberle was in Vancouver to announce another facet of InnovAction - a \$28 million increase in funding for the National Research Council's Industrial Research Assistance Program, which is closely related to TIP.

TIP began in January of last year, and immediately proved to be a big hit - especially with small and medium sized businesses across the country. It was set up to help business - as well as universities and government agencies - to go outside Canada to acquire advanced technology that they can't find at home.

The program is based on two key points:

One - this government's firm commitment to making Canadian products and services among the most competitive in the world, and,

Two - the self-evident fact that in our technological age, companies will only be competitive at home and abroad if their products include the latest technology and are manufactured by the most technologically advanced processes.

Ultimately, of course, we want to see Canadian firms having more home-grown technology to choose from. To that end, Mr. Oberle is hard at work through InnovAction.

Today, however, we must come to grips with the fact that while technological change is responsible for as much as two-thirds of recent economic growth in developed countries, Canada produces only about two percent of the world's scientific knowledge and technological innovation.

Even if we doubled our current science & technology expenditures, we still could not meet our total requirements in the near future.

As Prime Minister Mulroney said earlier this year in a major address on research and development at the University of Waterloo:

"The facile approach to our science and technology dilemma is simply to have the federal government spend more borrowed money. Yet ... such spending by itself is not the answer."

TIP fits neatly with that pragmatic approach. Many of the technological developments that we must have if we are to keep our economy running at full speed can be acquired from other countries at a tiny fraction of the time and money needed to "reinvent" them in Canada.

Simply put: In many cases we can't wait until Canada develops more of its own technology. TIP is a response to that urgent need.

Companies fighting for a toe-hold in highly competitive markets can't wait either ... and for those that lack the resources, knowledge and expertise to reach across our borders to acquire foreign technology, TIP is a vital bridge.

I'd like now to describe briefly how TIP works, and give you details of the results it has achieved over the past 20 months.

First, let me tell you what TIP isn't. It isn't bureaucrats in Ottawa telling Canadian business-people what kinds of technology they need.

Instead, businesses tell us what they're looking for, and we then get to work helping them find the technology, and ultimately, acquire it ... It's simple. It's effective.

The heart of the program is 22 TIP officers based at 17 of our diplomatic posts abroad. They are science & technology experts, highly knowledgeable of the local technology scene.

It's their job to put Canadians in touch with foreign sources of technology, and often they can do that within a week or two of receiving a request. TIP officers will also make themselves available to help negotiate technology transfers.

Once a year, a group of TIP officers come in from the posts and travel across Canada, holding seminars and personal interviews with potential TIP clients. This year's round of "TIP workshops," as they're called, will begin on October 13.

The other part of TIP is the TIP fund - a block of money set aside to assist business-people making working or exploratory visits abroad with the aim of acquiring technological know-how needed to upgrade their products or operations. Applications for funding are processed quickly -- usually within two to three weeks.

I would also like to point out that TIP, within Canada, works closely with the Industrial Research Assistance Program, which I mentioned earlier.

Since it began, TIP has received nearly 1,000 requests for information about foreign technology from businesses and others -- more than 150 organizations have received funding from the program -- and, even though the conversion of technological knowledge to a marketable product can be a slow process, we already know of at least 25 firms that are currently implementing a technology acquired with assistance from TIP.

By anybody's standard, that's an impressive record for a program that hasn't yet seen its second birthday.

TIP's annual budget is currently \$1.6 million. As a result of the funding we are announcing today, it will rise to \$2.85 million in the current fiscal year, to \$4.6 million in 1988/89, and to \$5.6 million in 1989/90 and 1990/91.

The new money will enable us to hire more TIP officers in Japan and in Europe, and to put more into the TIP fund, which means we'll be able to do even better at building a sound technological base for Canada's economic growth.

I am very pleased to introduce Michael Mertens, Marketing Director of Spectrum Signal Processing Inc. of Burnaby, B.C., and Larry Lorrenz, President of North American Styropack Inc. of Vancouver. They are both satisfied users of TIP, and I'm happy that they could join me here today. They will be able to talk to you about their experiences with the program.

Also with me is Brian Cox of the Department of External Affairs, He is the Manager of TIP.

Now, I will be happy to answer any questions you may have.