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NEW PROGRAM OF GOVERNMENT ASSISTANCE TO INDUSTRY

The Honourable Ed Lumley, Minister of State for Trade, announced today a program of government assistance to industry aimed at the facilitation of international trade.

The federal government, through a two year, \$1.6 million contribution from the Department of External Affairs, will support the research activities of the Canadian Organization for the Simplification of Trade Procedures (COSTPRO).

A key element of the program is the transfer of responsibility for COSTPRO from the federal government to the private sector, under the aegis of the Canadian Export Association. To achieve its goal of self-sufficiency, COSTPRO will expand marketing of consulting services related to standards for trade documentation and the automation of trade paperwork.

Mr. Lumley noted that the board of directors of COSTPRO had been restructured to guarantee a greater representation of trade and industry interests, and that the new liaison with the Canadian Export Association would ensure consistency of COSTPRO's work program with Canadian trade priorities. "An independent status for COSTPRO," said Mr. Lumley, "will offer several benefits. While compatible with the government's goals in trade facilitation, it meets the request of the COSTPRO board of directors for greater autonomy and at the same time ensures effective industry direction with minimal administrative costs."

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The proposed administrative arrangement to house COSTPRO under the umbrella of a major trade association exists for other groups. The Canadian Export Association already has such a relationship in effect with the Canadian Shippers' Council. As well, the Canadian Manufacturers' Association provides similar arrangements for a number of specialized industry sector associations.

"Since its inception in 1972," said Mr. Lumley, "COSTPRO has done much to simplify trade procedures and in the process save millions of dollars for both industry and government. In particular, small and medium size businesses have benefitted by the activities of COSTPRO because it has helped them demystify export documentation and save up to 50% of their preparation costs."

"Now that COSTPRO has proven its effectiveness and become a valued ally of Canadian exporters, I think it is time for the federal government to end its involvement in the administration of COSTPRO and return it to the private sector where it belongs."

Established in 1972 as a focus for public and private sector cooperation in removing the impediments of information and procedural requirements in trade and transport, COSTPRO showed that document preparation costs Canadians millions of dollars every year; unnecessary delays were occurring on 10 to 15 per cent of all shipments; and reduction of one day total transaction time could produce savings of \$10 million per annum on invested capital. To help alleviate these problems, in January 1975 the government agreed to provide and to administer a secretariat and research funds for COSTPRO. Later that year, COSTPRO became a not-for-profit corporation of federal and provincial governments, associations and private companies, with a voluntary board of directors and executive committee.

Since that time, COSTPRO's achievements have included: a standardized "one-write" export documentation system which saves companies up to 50 per cent in document preparation costs; trade message protocols for electronic data exchange; user performance specifications for computer/communications devices; and communications network specifications. Through collaboration with potential users, COSTPRO also researched and developed the hardware and software technology for a low-cost computer/communications device to enable the automated creation, filling, communication, and printing of trade forms and data. Users have indicated savings of 30 per cent in addition to those savings received from implementing COSTPRO's standardized forms.

New direction for COSTPRO's affairs will come from the expertise of Dr. A.R. Elliott who was recently chosen by the Board of Directors as COSTPRO's full-time president. Formerly director of computer services with the Department of Communications and an active participant in COSTPRO's affairs since 1975, Dr. Elliott will be assisted by a new board of directors of leading members of the Canadian business community which will be elected today at COSTPRO's annual business meeting.