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

Minister for International Trade Roy MacLaren, Secretary of State (Science, Research and Development) Jon Gerrard on behalf of Industry Minister John Manley, and Manitoba Deputy Premier and Minister of Industry, Trade and Tourism James Erwin Downey will sign today a memorandum of understanding (MOU) on co-operation in international business development. The MOU will be signed during a luncheon in Winnipeg attended by leading Manitoba business representatives.

The agreement commits both governments to work together, in consultation with the Manitoba business community, in the planning and delivery of international business development programs and services. It provides for greater collaboration in planning, information sharing, trade development, exporter education and training, investment promotion, and industry and technology development.

"Last year, Manitoba exported nearly \$5 billion worth of goods and services, representing almost 20 per cent of our gross domestic product," Mr. Downey said. "Clearly, export growth is essential to the prosperity of this province, and we recognize the important role of both levels of government in helping Manitoba business achieve its trade potential. Our aim in the MOU is to make sure Manitoba businesses get maximum value out of the trade development resources offered by both governments."

"International business is key to creating jobs and sustained economic growth," Mr. MacLaren said. "This agreement will help us achieve greater success in international markets by reducing duplication and improving the effectiveness of services and programs to businesses. It puts us squarely on the path towards a true 'Trade Team Canada' approach to global markets."



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Manitoba



"Government has a role to play in promoting an economic climate which helps business grow and create jobs," said Dr. Gerrard. "Partnerships, whether in trade, technology or creating a better business climate, are increasingly important to Canada's success in the global economy."

The MOU creates a framework for developing joint strategies and action plans to help Manitoba businesses take advantage of opportunities in the international marketplace. The MOU acknowledges Manitoba's regional strengths and priorities as well as the benefits to be achieved through a collaborative approach by Canadian businesses in particular markets.

This MOU represents an important milestone in the bilateral Action Plan between the federal and Manitoba 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 Gary Filmon in the summer of 1994.

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A copy of the MOU is attached.

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MEMORANDUM OF UNDERSTANDING
ON
CANADA-MANITOBA COOPERATION IN
INTERNATIONAL BUSINESS ACTIVITY

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

Industry Canada (IC),

Manitoba Industry, Trade and Tourism (MITT), and

The Manitoba Trading Corporation (MTC), hereafter referred to as the "Parties"

RECOGNIZING THAT:

Manitoba, with a small domestic market, must rely on increased exports to generate wealth to maintain quality of life. Investment, both from within the province and external sources, is essential to support economic growth. International technology ties are also increasingly important, to maintain industry competitiveness and enhance trade.

While Manitoba has long been a trading region, the basis of trade has been commodities. To expand its economy, Manitoba must increase exports of value added goods and services. This requires a greater international orientation by both government and business. Improved international awareness, marketing skills and the application of new technologies are essential for Manitoba business to succeed in the global market.

The needs of companies can vary from region to region and the specific needs of Manitoba business may require different program strategies and implementation from those of other regions.

The business community is responsible for generating exports and investments. However, government has an important role in lowering barriers, securing an open trade environment, assisting companies to access international markets and assisting companies to remain competitive through access to new technologies. Significant effort in Manitoba is needed to increase the number of export ready firms, and to expand and diversify markets for Manitoba products 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.

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 also causing governments at all levels to streamline and coordinate programs and services for increased effectiveness.

There are many opportunities for effective collaboration in international business activities amongst the four western provinces. The efforts of the western provinces to develop cooperative strategies and programs must be supported and strengthened for the benefit of Manitoba, 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 believe that Manitoba businesses in partnership with government can achieve the following targets for trade and investment by the year 2000.
 - a) Exports of merchandise trade should increase 60% to reach a total of \$5.65 billion, from a 1993 level of \$3.53 billion.
 - b) Total non-U.S. exports of merchandise trade should increase by 75% to reach a total of \$1.85 billion from a 1993 level of \$1.05 billion. While the U.S. will continue to be Manitoba's most important market, Manitoba will have increased the diversification of its markets and will have lessened its dependence on the U.S.
 - c) The number of exporters should increase from a 1993 base of 972 to 1,200 (from a potential business population of 2,400 firms).
 - d) There should be a significant improvement in the exports of services.
 - e) There should be a significant increase in investment in Manitoba industry.
2. To achieve these goals, the Parties will work together, and in collaboration with the business community, to:
 - a) Strengthen cooperation in the planning and delivery of international business development programs and activities.
 - b) Improve the linkages between business and government on trade, technology, and investment promotion activities.
 - c) Ensure the timely and effective dissemination of trade, investment and technology information, intelligence and opportunities to the business community.
 - d) Improve the export readiness of Manitoba companies through education and training and awareness.

- e) Improve the competitiveness of Manitoba companies through the knowledge and diffusion of technology development, changing practices, and market information and intelligence.
- f) Reduce duplication and increase effectiveness through integration, streamlining and coordination of programs and resources.
- g) Create the focal point around which all trade and investment programs in Manitoba can be coordinated.
- h) Support improved market access through the reduction of international trade barriers and by assisting Manitoba companies to resolve market access disputes and concerns.

II. PRINCIPLES

The Parties will be guided by the following principles in implementing this Memorandum of Understanding:

- a) Government strategies, programs and services should focus on meeting the needs of the private sector. A key role of Governments is to provide the business community with accurate and timely information.
- b) Governments should provide coordinated services to clients, both in Canada and abroad. Services should be accessible to clients, coordinated in delivery, and communicated effectively.
- c) Partnerships between Governments and with the private sector should build on existing strengths and collaborative efforts.

III. SPECIFIC AREAS OF CONSULTATION AND COOPERATION

1. STRATEGIES AND PLANNING

The Parties, in consultation with the Manitoba business community, will cooperate in the development of strategies and business plans for international business development, including the establishment of sector priorities and target markets, and the allocation of resources.

- a) **CANADA'S INTERNATIONAL BUSINESS STRATEGY**
 - i. The Parties will use Canada's International Business Strategy (CIBS) as the principal planning vehicle to coordinate international business development efforts.
 - ii. The federal government will provide for timely and full participation by Manitoba in the development of the CIBS.
 - iii. The CIBS will reflect, as fully as possible, Manitoba priorities in international business development activities.

- iv. IC, in concert with other partners including MITT, will provide strategies for industry sectors and DFAIT will provide the international framework within which such needs can be assessed and addressed.
- v. MITT on behalf of Manitoba, will support, participate in and provide timely input into the CIBS development and review process, including sectoral strategies and provincial priorities in international business development activities.
- vi. The Parties will exchange sector strategies and initial listings of proposed activities related to the CIBS early in the planning process. Updated activity lists will be exchanged each quarter.
- vii. Recognizing the importance of investment and the development and acquisition of technology to international business development efforts, the Parties will examine ways of reflecting these activities more fully in the CIBS.
- viii. Copies of the CIBS will be made available to the business community early in the first quarter of the year.

b) MANITOBA INTERNATIONAL BUSINESS PLAN

- i. The Parties will coordinate the Manitoba International Business Plan (MIBP) and the Canada's International Business Strategy.

c) WESTERN CANADA TRADE OFFICIALS (WCTO)

The Parties will participate in and support the Western Canada Trade Officials (WCTO, a group of western provincial trade officials and invited federal representatives) in its efforts to develop coordinated market development strategies amongst the four western provinces. Efforts will be made to make the western strategy complementary to the CIBS and MIBP.

2. INFORMATION SHARING

Recognizing that timely information and market intelligence are essential to business development, the Parties will collaborate in collecting, synthesizing, assessing and disseminating business, market and sector information and intelligence on a timely basis. The Parties will work towards greater information sharing in the following manner:

a) DATABASES, INFORMATION SYSTEMS AND DIRECTORIES

- i. The Parties will share and exchange information on the following databases and information systems, and assist in updating information including non-confidential firm specific information, sectoral information, current international business capabilities, trade, technology and investment activities and interests:
 - World Information Network (WIN), DFAIT;
 - Fax Link, DFAIT;
 - Manitoba Business Capabilities Database (MITT); and
 - Other federal and provincial databases.

- ii. The Parties will look for ways to improve the exchange of information and databases. Subject to technical and financial feasibility, the Parties will examine ways to improve the compatibility and integration of their existing and future information systems, which support international business development.

b) MARKET INTELLIGENCE AND INFORMATION

The Parties will work together to identify the information requirements of the business community for foreign markets intelligence, assessments and studies.

DFAIT will provide to the Parties, on a timely and consistent basis, market intelligence trade show reports, business opportunities and sourcing requests from Canadian posts abroad.

c) COMMUNICATION LINKS

The Parties will establish internal work practices to encourage increased and timely communication and exchange of information between the various parts of their organizations.

The Parties will establish direct telecommunications between Canadian posts abroad and federal and Manitoba offices, subject to technical and financial feasibility.

3. INTERNATIONAL TRADE DEVELOPMENT

The Parties recognize the need to encourage firms to expand and diversify their international business activities and on the need for governments and the private sector to develop effective business development and market penetration strategies.

The Parties further recognize the benefits of a coordinated team approach essential to eliminate duplication and improve the delivery of trade development services and programs to business and therefore commit to:

- Strengthen existing collaboration arrangements between their respective organizations;
- Maximize the integration of federal and provincial planning, resources, and program delivery; and
- Delineate their respective roles and responsibilities in the design and delivery of international trade development programs and activities which best serve client needs and enhance export performance of Manitoba firms.

a) TRADE DEVELOPMENT PROGRAMS AND SERVICES

The Parties will:

- i. Cooperate in sharing information, including market and sector studies and consult where possible on terms of reference and priorities for market research.

- ii. Develop criteria for the measurement of export services; and investment from domestic and foreign sources. Establish base-line measurements and develop targets for improved performance in the export of services; and investment from domestic and foreign sources.
- iii. Share information on trade enquiries and look at developing better mechanisms for the handling of trade enquiries from Manitoba companies, and handling enquiries received at trade shows and trade centres.
- iv. Consult on the design, development and delivery of trade development programs, including New Exporters to Border States (NEBS) and The Program for Export Market Development (PEMD) taking into account the specific needs and interests of Manitoba businesses.
- v. Cooperate in the exchange of information including program results for PEMD and Manitoba export assistance programs.
- vi. Examine the implications and feasibility of Manitoba delivering PEMD.
- vii. Make joint efforts at home and abroad to assist Manitoba companies to be better positioned to bid on projects funded by international financing institutions.

b) MISSIONS AND TRADE SHOWS

The Parties will:

- i. Coordinate planning for and participation in missions and trade shows and with incoming buyers and delegations.
- ii. Support jointly agreed-to Manitoba-based events for trade and investment, within existing resources, recognizing that hosting events within the province can be a cost-effective way to develop trade and provides many spinoff benefits.
- iii. Develop criteria for the recruitment, qualification, and preparation of participating firms in export related events.
- iv. Develop criteria and methodology for reporting the value of export related events.

c) EDUCATION AND TRAINING

Recognizing small and medium sized enterprises (SME's) are the largest group of clients and that education and training are the most effective means to increase the number of export-ready companies, the Parties will cooperate in streamlining their activities in:

- i. Developing, promoting and delivering export education and training programs in conjunction with the private sector.
- ii. Supporting academic institutions and initiatives by other groups in better meeting the needs of Manitoba businesses.

- iii. Developing and encouraging joint staff training programs, including the use of staff secondment for training.

d) DELIVERY OF PROGRAMS AND SERVICES

- i. The Parties will examine options for improved coordinated domestic delivery of trade and investment promotion programs and services.
- ii. The Parties will also seek to coordinate international activities to provide efficient, effective support to Manitoba companies working abroad.
- iii. DFAIT will provide support, within existing resources, at Canadian posts abroad for companies participating in missions and trade shows sponsored by Manitoba as identified and agreed to in the CIBS and related post plans.
- iv. DFAIT through its Canadian posts abroad will, where possible and appropriate, provide liaison services for communications, marketing and media relations activities to Manitoba and will display and distribute promotional materials. Posts will provide non-classified intelligence on political and economic activities to the Parties on a regular basis. Posts will provide Manitoba with mailing lists of contacts in their respective territories or recommend mailing houses.
- v. DFAIT will arrange for regular visits by staff from Canadian posts abroad to Manitoba.
- vi. Opportunities for secondment of staff between the Parties will be examined.

4. INVESTMENT PROMOTION

The Parties will cooperate to maximize the effectiveness of international investment promotion and prospecting programs and to ensure that Manitoba's investment strengths and opportunities are brought to the attention of potential investors. To achieve this, the Parties will:

- a) Coordinate planning to address strategies for international investment development and retention programs.
- b) Look for shared solutions and partnerships to strengthen investment promotion resources in selected Canadian posts.
- c) Develop procedures and criteria to share information related to potential foreign investments in Canada.
- d) Support each other in soliciting, qualifying and responding to investment enquiries.
- e) Jointly develop, fund and deliver cooperative programs for investment promotion, including activities such as investment prospecting kits and materials, and related studies and research.
- f) Exchange information on investment trends and priorities, review planned activities and identify programs where participation will be required from Canadian posts abroad.

5. INDUSTRY AND TECHNOLOGY DEVELOPMENT

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 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 and consultations, 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.
- e) Cooperate in promoting technology transfer initiatives.

6. COORDINATION

- a) The Parties recognize the need for coordination of international business activities among the various government and non-government agencies and will explore ways to expand federal/provincial coordination of international business activities.
- b) The Parties recognize that the Manitoba Trading Corporation will serve as Manitoba's focal point for the coordination of international business activities.

IV. IMPLEMENTATION AND MONITORING

1. MANAGEMENT COMMITTEE

- a) 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. Each of the Parties will designate a representative to this committee.
- b) Other officials and private sector groups with an interest in the implementation of this Memorandum of Understanding may be invited to participate from time to time as required.
- c) The Committee will meet annually and additionally as required.

- d) The Management Committee will develop an action plan for the implementation of this Memorandum of Understanding. An overall progress report will be submitted annually to Ministers who are party to this agreement.

2. WORKING GROUPS

Working groups may be established by the Management Committee to develop and implement elements of the action plan. Initially the following working groups are planned:

- a) **Strategic Planning Working Group.** To coordinate planning for the CIBS, the MIBP and other strategies.
- b) **Information Systems and Market Intelligence Working Group.** To review databases and communications systems and look for ways to improve and integrate systems, and offer improved services to the private sector and government. To review current market intelligence systems and develop an integrated system to include intelligence from federal and provincial sources.
- c) **Trade and Investment Working Group.** To coordinate the planning, development and delivery of programs and services related to: export promotion, awareness and education of Manitoba firms, and investment attraction for Manitoba.
- d) **Industry and Technology Working Group.** To coordinate the planning, development and delivery of industry and technology programs and services as they relate to international trade and investment.

V. OTHER PROVISIONS

- a) 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.
- b) Amendments to this Memorandum of Understanding require the written consent of the Parties.
- c) This Memorandum of Understanding may be terminated by any of the Parties upon three months advance notice in writing to the other Parties.
- d) This Memorandum of Understanding will terminate on April 1, 2000, unless the Parties agree to an extension.