

TEAM CANADA INC • ANNUAL REPORT 2002



Team Canada Inc • Équipe Canada inc

Canada

TEAM CANADA INC
Your Source for Export Services

OUR VISION

To help Canadian businesses succeed in global markets by offering comprehensive, high quality, fully integrated export information and services.

OUR ROLE

Team Canada Inc (TCI) is a network of 22 federal government departments and agencies working with the provinces, territories and other partners to help Canadian businesses take on the world and win.

**OUR CONTRIBUTION TO
CANADIAN BUSINESS**

TCI offers a single point of access to export information, counselling, market intelligence, financial assistance and on-the-ground support available from federal, provincial and territorial governments, and the private sector. The result is an unprecedented effort by government and its partners to deliver the right kinds of services, quickly and efficiently, to those who can benefit most.

exportsource.ca
1 888 811-1119

OUR MEMBERS

TCI's membership includes 22 federal departments and agencies working to help Canadian businesses succeed in world markets:

Agriculture and Agri-Food Canada; Atlantic Canada Opportunities Agency; Business Development Bank of Canada; Canada Customs and Revenue Agency; Canada Economic Development Agency for Quebec Regions; Canada Mortgage and Housing Corporation; Canadian Commercial Corporation; Canadian International Development Agency; Department of Canadian Heritage; Department of Foreign Affairs and International Trade; Environment Canada; Export Development Canada; Fisheries and Oceans Canada; Indian and Northern Affairs Canada; Industry Canada; National Farm Products Council; National Research Council Canada; Natural Resources Canada; Public Works and Government Services Canada; Statistics Canada; Transport Canada; Western Economic Diversification.

MEMBER SERVICES

TCI members serve Canadian businesses through offices located across the country and around the world, including:

12 INTERNATIONAL TRADE CENTRES (ITCS)

Located in every province, ITCs provide export counselling and market entry support to Canadian businesses preparing to export their products or services. ITC Trade Commissioners provide one-on-one export counselling, market information and intelligence, market development financing, and trade fair and mission information.

INTERNATIONAL BUSINESS OPPORTUNITIES CENTRE (IBOC)

IBOC matches business opportunities abroad with capable Canadian firms, particularly smaller businesses. Opportunities are handled on a case-by-case basis, spanning all markets and all sectors. The Centre uses electronic databases and a broad range of contacts in government and industry to identify potential Canadian suppliers of products and services.

CANADIAN TRADE COMMISSIONER SERVICE (TCS)

A network of 500 officers in 140 Canadian embassies and consulates abroad serves Canadian exporters by providing market information, intelligence and advice, and by identifying key foreign buyers, distributors and other contacts. Trade officers offer in-market assistance to export-ready Canadian businesses of all sizes across all sectors.

OUR EXTENDED NETWORK

Across Canada, TCI partners deliver trade services to Canadian businesses through an extensive and ever expanding network that includes:

11 REGIONAL TRADE NETWORKS (RTNS)

The RTNs include federal, provincial, territorial and regional governments, and industry associations working together to help smaller Canadian businesses capitalize on available export services.

13 CANADA BUSINESS SERVICE CENTRES (CBCSCS)

Located in every province and territory, and working with over 300 regional access partners across Canada, CBCSCs operate TCI's toll-free Export Information Service and deliver a wide range of information on business services, programs and regulations. CBCSC staff can answer questions about starting a new business or improving an existing one. Services are available by telephone, fax, mail, e-mail, and via the Internet. Many of the CBCSC locations also provide a walk-in service.

13 TRADE TEAM CANADA SECTORS (TTCS)

The TTCS bring government and industry together to coordinate national trade development planning and activities in 13 key industries: aerospace and defence; agriculture and agri-food; automotive; bio-industries; cultural goods and services; electric power equipment and services; environment; health industries; information and communications technologies; oil and gas equipment and services; plastics; services; and wood products and other building materials. The TTCS open doors and showcase Canadian capabilities abroad through trade missions, trade fairs and matchmaking events. They also offer information about target markets and business opportunities.

PROVINCIAL, TERRITORIAL AND MUNICIPAL GOVERNMENTS

At each of these levels of government, businesses can access valuable export programs and services through local departments, agencies and economic development offices.

ASSOCIATIONS, EDUCATIONAL INSTITUTIONS AND PRIVATE INDUSTRY

Associations, educational institutions and private industry also play key roles in Canada's export development efforts. Rural community organizations, economic development corporations, trade and business associations provide export advice to companies in specific locations or sectors. Educational organizations such as the Forum for International Trade Training (FITT) frequently offer international trade training, including *Going Global* workshops. Many private companies also offer export services such as banking, freight forwarding, market research and legal assistance.

OUR SERVICES

TCI members and partners deliver a wide range of services tailored to help Canadian businesses prepare for exporting and maximize their export success.

THE EXPORT SERVICES CONTINUUM

General Information	Skills Development	Export Counselling	Market Entry Support	Export Financing	In-market Assistance
Export Information Service 1 888 811-1119 Online Export Information Exportsources.ca	Export Preparation Guides Export Skills Training Preparation for U.S. Preparation for Other Markets	Export-Readiness Assessment Export Plan Development Export Plan Implementation	Market/Sector Information and Intelligence Missions, Fairs and Trade Related Events Market/Sector-Specific Advice and Guidance Market Development Funding	Needs Assessment and Counselling Provision of Working Capital Foreign Risk Mitigation Medium/Long Term Foreign Buyer Financing	Market Prospect Key Contacts Search Visit Information Face-to-Face Briefing Local Company Information Troubleshooting

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The Annual Report of Team Canada Inc for the year ending March 31, 2002 is published in accordance with TCI's Governance Framework. Unless otherwise stated, all reporting is for Fiscal Year 2001-02. Last year's report was for calendar year 2001 and hence somewhat overlaps this current report.

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MESSAGE FROM THE TCI MANAGEMENT BOARD

The goal of the government is nothing less than making Canada a land of ever-widening opportunity. Ensuring that the benefits of the new economy touch every community and lift every family and every Canadian.

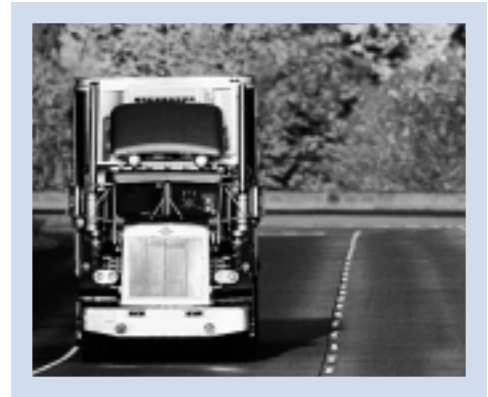
Speech from the Throne 2002

For Team Canada Inc (TCI) and the Canadian business community it serves, 2001-02 proved to be a challenging year.

Amidst a global economic slowdown and facing profound new levels of global uncertainty emerging in the wake of 9/11, the number of new exporters did not grow and Canadian exports declined 2.1 percent in 2001– the first drop in absolute numbers in years. The decline proved to be less dramatic than elsewhere, however, as Canada posted a relatively strong overall economic performance of 1.5 percent GDP growth, similar to OECD-Europe’s 1.3 percent growth.

Canada’s 4.3 percent share of world exports was unchanged in 2001. However, Canada’s ranking among the world’s top exporters slipped from 6th to 7th place.

Not surprisingly, concerns about Canada-U.S. border security dominated our trade agenda in the aftermath of 9/11. Finding the right balance between public security and the free movement of goods and people across the Canada-U.S. border was, and continues to be, a top priority. The stakes are high. At risk is \$1.86 billion in daily two-way trade, as well as our ability to attract foreign investment on the merits of our proximity and preferred access to U.S. markets. Workable solutions require cooperation with international partners, across federal departments and agencies, with the provinces and territories, and with Canadian business.



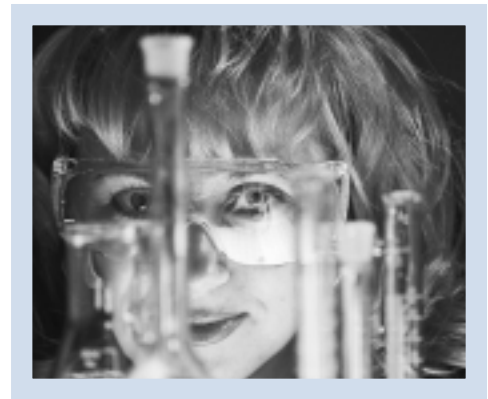
TCI is certainly no stranger to the merits of coordinated action. Since its launch five years ago, TCI has sought to improve trade services by building a strong, integrated network of stakeholders committed to helping Canadian businesses succeed in global markets. In doing so, TCI has unleashed previously untapped synergies between its members and partners, and yielded encouraging results. Focusing efforts where most needed – on Canada’s knowledge-based, value added, job-rich sectors that offer the most for continuing prosperity – TCI has helped thousands of Canadian businesses recognize the benefits of going global, and equipped thousands more with the skills and tools they need to succeed. By helping Canadian companies take full advantage of international business opportunities, even in the face of heightened security concerns, TCI contributed to Canada’s strong export performance throughout 2001-02.

The Government of Canada has set the goal of branding Canada as the most innovative country in the world. To achieve this ambitious objective, we are making decisions – and crucial investments – to build a culture of innovation in Canada.

Minister for International Trade

This Annual Report looks at TCI's programs and activities. It documents how TCI members and partners, working individually and collectively, contributed to Canadian businesses' export capability and preparedness, and to positioning Canada internationally as a reliable source of high quality, innovative goods and services.

In this regard, the **Brand Canada** program got off to a successful launch, supporting the enhanced representation of TCI partners and exporters at 27 key international trade shows around the globe. At many of these events, there was evidence demonstrating the inextricable link between Canada's trade program and investment activities. The **Trade Routes** program launched in November 2001 will continue to gather momentum on behalf of Canada's cultural goods and services exporters. As well, starting in 2002-03, a new **Agricultural Policy Framework** will radically transform how we position Canadian agriculture, agri-food, and seafood industries as world-leading suppliers of safe and innovative products, produced in an environmentally responsible manner. The same will be true for exporters of wood and



other building products, as **Canada's Wood Export Program** and other forestry-related initiatives unfold.

The Annual Report also looks ahead to the key trade development challenges facing Canada and how TCI is directly and indirectly involved in broader Government of Canada efforts to address those challenges. In terms of protecting Canada's all-important trade relationship with the U.S., for example, many TCI members are key contributors to the **Smart Borders Initiative**. As well, TCI members as a group are examining new approaches to achieving Canada's trade development objectives in the all-important U.S. market.

Canada Export Awards

Each fall, Canadian companies that successfully export their products and services to markets around the world are recognized and celebrated through the Canada Export Awards. Export Award finalists and winners are justifiably acclaimed for increasing their export sales, for introducing new products and/or services abroad or for penetrating new markets. In doing so, they contribute significantly to Canada's economic growth. A panel of prominent business people from across Canada selects the winners from among the hundreds of nominations received each year. Throughout the pages of this Annual Report, 2002 Export Award winners are presented in success stories. TCI congratulates their efforts and success.

We can be a world leader in innovation and learning, a magnet for talent and investment.

Speech from the Throne 2002

In terms of positioning Canada as a supplier of world-class goods and services, Canada's **Innovation Strategy** will have far reaching impacts on TCI's work. As it increases R&D support, builds a more competitive skilled workforce and fosters the right business and regulatory environment, TCI members will have an even more compelling case for positioning Canada as a competitive source of supply and a preferred location for investment.

In line with broader Government of Canada efforts to improve service to Canadians through **Government Online**, TCI will continue to improve trade-related services to Canadian businesses by identifying and adopting appropriate e-business service solutions. For example, a new automated bid matching service called **SourceCAN** was launched in June 2001. With the November 2002 launch of a new **Virtual Trade Commissioner**, Trade Commissioner clients have access to a free Internet-based portal to information and services tailored to their individual needs. Plans are also well underway to establish an integrated **electronic Client Relationship Management (eCRM)** system that will facilitate better client service delivery and improved tracking of client service history and results.

As TCI members individually and collectively contribute to these priorities, the entire network will continue to focus on forwarding TCI's strategic direction: by identifying and filling remaining gaps in trade services; by strengthening the TCI network's ability to function efficiently; and by effectively promoting an integrated trade agenda across the Government of Canada. TCI will also be focussing on extending its reach through new partners. In this regard, TCI is launching a new partnership initiative to forge stronger connections with community-based business service centres, economic development offices, Community Futures offices and Aboriginal business service centres across Canada. Other work will concentrate on strengthening TCI's collaboration with the RTNs and on working with FedNor to reach out to businesses in Northern Ontario.

In a world where prosperity, social program sustainability, and our very way of life depend greatly on how well Canadian businesses perform in international markets, TCI's continuing work is more important than ever.



**Marie-Lucie Morin, Chair
TCI Management Board**

FIVE YEARS OF ACHIEVEMENT

TCI was created to help ensure that Canadian businesses receive the export assistance they need. TCI members remain strongly committed to working together to meet this objective.

In 2001-02, Team Canada Inc (TCI) marked its fifth year of successful operations. A look back over the past five years reveals TCI's successful strategy of building on past successes to create truly integrated trade development services that have helped thousands of Canadian businesses succeed in global markets.



Vision

Although many Canadian exports occur with limited help from government, many businesses still require significant support to go global. Small and medium sized enterprises (SMEs) are often lean in human and financial resources and require help (e.g., information, guidance, skills training and capacity-building) to prepare for competition in dramatically different markets. For smaller businesses in Canada's regions and rural communities, as well as those lead by women, youth and Aboriginal entrepreneurs, government support can be critical. Governments and partners can also play a significant and valuable role in "branding" Canada as a knowledge-based economy and world-class producer of value-added products and services.

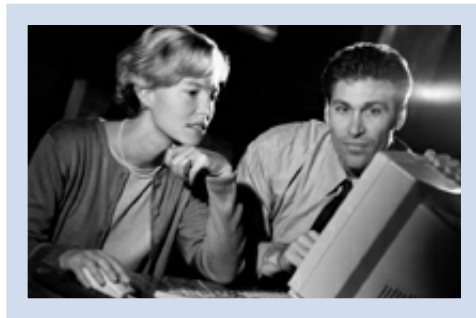
In 1997, the Government of Canada recognized the need for better coordination of its own trade development activities with those of other levels of government and the private sector. It sought to build on the partnership approach that had already made Team Canada trade missions a resounding success. Called Team Canada Inc to reflect TCI's focus on working with and for Canadian businesses, TCI was envisioned as a focal point for greater collaboration between trade promotion stakeholders across all levels of government and the private sector. Such cooperation was considered essential for Canada to realize its international business development goals.

2 0 0 2 E X P O R T A W A R D W I N N E R

DECODE Entertainment

Toronto, Ontario

DECODE Entertainment is among the world's most innovative and successful production companies in entertainment for children and youth. Home to some of Canada's top talent, DECODE develops, produces and distributes internationally recognizable television series such as *Angela Anaconda* and *The Zack Files*, as well as interactive Web projects. The company's award-winning offerings are currently seen in more than 40 countries worldwide. www.decode.tv



These goals remain as important today as they were five years ago:

- ▶ Improve market access.
- ▶ Increase the number of exporters.
- ▶ Diversify Canada’s export base.
- ▶ Expand beyond U.S. markets.
- ▶ Improve Canada’s share of global investment.
- ▶ Exploit the full potential of Team Canada missions.

In 1997-98, TCI members and partners agreed on a national framework of five broad service areas: General Information, Skills Development, Export Counselling, Market Entry Services and Trade Financing. Building on this, an **Export Services Continuum** was introduced in 1998-99, providing a conceptual framework for TCI’s work (see inside cover). By clearly delineating “export-ready” exporters from those requiring export preparedness training and basic information, the framework paved the way for more efficient streaming of clients to the services that could most help them and freed TCI members to deliver better, more

targeted services. While acknowledging the interconnections between TCI’s work and the Government of Canada’s market access and investment promotion efforts, TCI’s focus was further refined in 2000-01 to concentrate more exclusively on export capability and preparedness and international market development. Promoting an integrated Government of Canada trade agenda remains a key TCI priority.

Expanding Network

Initially, TCI comprised three federal government departments – Agriculture and Agri-Food Canada, the Department of Foreign Affairs and International Trade and Industry Canada. Almost immediately, TCI started reaching out to other departments and agencies engaged in trade promotion. Today, 22 federal departments and agencies are TCI members. (They are listed on the inside cover of this report.)

TCI’s network of service delivery providers has also expanded significantly over the past five years and now includes 140 embassies and missions abroad, 11 Regional Trade Networks, 12 International Trade Centres, 13 Canada Business Service Centres, 13 Trade Team Canada Sectors, and about 40 Forum for International Trade Training and *Going Global* workshop providers. There are also over 350 other TCI service providers, as well as a large number of trade associations and educational institutions that use TCI tools to assist their members and students.

Filling Gaps

Over the past five years, TCI has continuously sought to identify gaps and overlaps in the **Export Services Continuum**, by pooling resources and expertise. The Continuum has proven to be an effective tool for identifying products needed to address remaining gaps in services and for eliminating overlaps in current product offerings.

An early example of gap filling was TCI's 1998-99 introduction of *Going Global* workshops in conjunction with the Forum for International Trade Training. Today, thousands of smaller businesses have access to basic training on international trade issues through five workshops offered across Canada.

Prior to 1998-99, a number of federal departments and agencies produced their own guides to exporting. Their best efforts were amalgamated into TCI's *Step-by-Step Guide to Exporting*, more than 92,000 hard copies of which have now been distributed to Canadian entrepreneurs and businesses. In 1999-2000, TCI launched the *Roadmap to Exporting*, which identifies the various products and services available to assist exporters. To date, close to 29,000 hard copies have been distributed, along with another 19,000 CD-ROM versions of the Roadmap. Other guides have also been

developed, including: *Successful International Trade Show Marketing*, *Speaking Globally: Guide to Effective International Presentations*, and *Planning a Business Trip Abroad*. Today, all these products and many more are available online.

Priority Sectors and Client Groups

In 1997-98, TCI members agreed to focus efforts on key knowledge-based, value-added industries that offer the most for Canada's continuing prosperity. Today, TCI's industrial priorities include:

- aerospace and defence;
- agriculture and agri-food;
- automotive;
- bio-industries;
- cultural goods and services;
- environment;
- health industries;
- information and communications technologies;
- natural resources technologies and services (including electric power, mining equipment, and oil and gas equipment and services sub-sectors);
- plastics;
- services; and
- wood products and other building materials.

2 0 0 2 E X P O R T A W A R D W I N N E R

General Motors Defense

London, Ontario

General Motors (GM) Defense is one of the world's leading light-armoured vehicle manufacturers, serving some of the most demanding military customers in the world. With \$4 billion in export contracts in 2001 and a landmark deal with the U.S. Army, GM Defense has emerged as an exporting powerhouse. The new \$6-billion joint venture to produce armoured vehicles made in Canada for the U.S. army is the largest in company history. www.gm-defense.com

Positioning ourselves for future success is so important for Canada because we are a trading nation. Indeed, with almost fifty percent of our economy dependent on the export of goods and services, we are one of the greatest trading nations on earth.

Minister of Industry

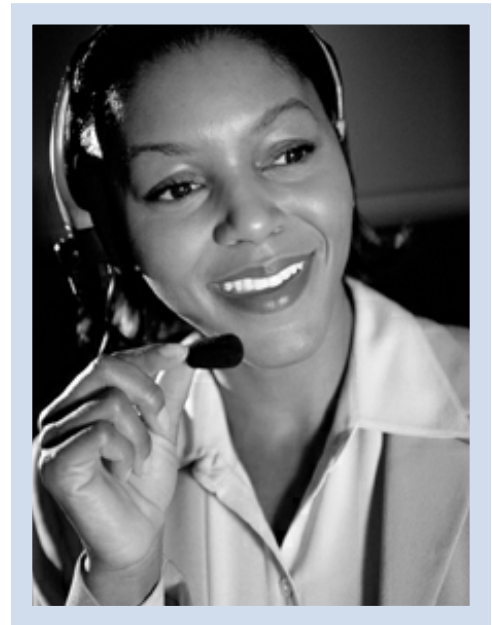
Growing demand and critical acclaim

Growth in the use of TCI core services tells a compelling story about the value of TCI services. For example, calls to TCI's 1-888 **Export Information Service** have grown almost 65 percent over the past five years. Visits to TCI's website **ExportSource.ca** have also grown over 60 percent.

Another mark of TCI's pursuit of service excellence came in the form of awards and accolades: **ExportSource.ca** won a Gold Distinction Award at the 1997 *Technology in Government Week* and was again a finalist in 2000. In 1998, TCI received a Head of the Public Service Award for Excellence in Service Delivery. In 1999, TCI client-service was cited as a best practice following a government-wide survey conducted by Treasury Board Secretariat. In 2001, TCI received international acclaim when the International Trade Centre¹ recognized it as a "benchmark in the provision of support to exporters". Most recently, TCI received a Public Service Quality Fair Award for the way in which client feedback was incorporated in the development of one new product.

Results

As the TCI membership grew, the need for management infrastructure to ensure effective spending, operations and performance measurement was evident. While the benefit



of pooling resources to eliminate overlaps and leverage results is understood and accepted at a conceptual level, demonstrating that TCI is greater than the sum of its parts has been an enduring challenge.

In 2000-01, a new governance framework was developed to ensure TCI continued to have the senior management commitment, resources and operating practices necessary to achieve maximum results. A new performance measurement framework was planned for introduction early in 2002-03 to bring greater consistency to results reporting across the TCI membership, and ultimately permitting better tracking of TCI contributions over time.

¹The Geneva-based International Trade Centre is a joint initiative of the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD).

GLOBAL CONTEXT

The global economy slowed significantly throughout 2001, but proved to be resilient to a barrage of shocks, including the bursting of the technology bubble, the 9/11 terrorist attacks and a growing number of high-profile U.S. corporate scandals.

Far from succumbing to negative global forces, Canada posted a surprisingly strong economic performance in 2001 with GDP growth of 1.5 percent. The year marked the 10th consecutive year of economic growth in Canada – the longest and most stable expansion of the post-war era – and saw Canada outperform the U.S. during a global economic downturn for the first time in almost 30 years.

Following real growth of 2.9 percent in the fourth quarter of 2001, our economy grew at a robust annual rate of six percent in the first quarter of 2002. During the first five months of 2002, Canada also posted the strongest employment gains in almost a decade. Canada's current account balance remained strong, helping reduce Canada's foreign indebtedness to the lowest level in 50 years.

By mid-2002, the Conference Board of Canada reported that consumer confidence had reached a 12-year high and that business confidence had climbed sharply. Around the same time, forecasts by the IMF and the OECD² predicted that Canada would lead

the G-7 countries in economic growth in 2002 and 2003. Well-timed tax cuts, lower interest rates and consumer confidence are the widely cited reasons for Canada's stellar performance.

Canada's exports of goods and services also proved to be resilient in 2001, declining only 2.1 percent on the heels of an exceptional 14.6 percent increase in 2000. Total trade in 2001 surpassed \$880 billion, nearly \$468 billion in exports and \$413 billion in imports. Canada attracted \$42.5 billion of new foreign direct investment in 2001, a record high that brought the stock of foreign direct investment in Canadian wealth-creating enterprises to \$320.9 billion. Canadians also invested a near record high in new direct investment abroad of \$54.9 billion, reflecting the dynamism and optimism of Canadian investors in a difficult world economic environment.

At the close of 2001-02, most experts agreed that continuing risks to global economic performance included the strength of the U.S. economy, performance of the still-floundering global equity markets and political uncertainty in the Middle East and South Asia. In the midst of projected world economic growth of 2.6 percent for 2002 and 3.1 percent for 2003, the Canadian economy is expected to grow 3 percent in 2002 and 3.2 percent in 2003.

More detailed economic information is available in the Department of Foreign Affairs and International Trade's *State of Trade 2002*, a report card on the major aspects of the Canadian economy, as well as in Export Development Canada's *Global Export Forecast*, a semi-annual report examining Canada's export potential, trading partners and opportunities in each major sector. The *State of Trade* can be found at www.dfait-maeci.gc.ca, while the *Global Export Forecast* can be found at www.edc.ca.

² International Monetary Fund and Organisation for Economic Cooperation and Development



SELECTED ACHIEVEMENTS FOR 2001-02

Together, TCI members and partners:

- ▶ Handled almost 16,000 enquiries to the **1-888 Export Information Service**, boosting the five-year total over 76,000.
- ▶ Registered more than 308,000 visits to **ExportSource.ca**, the second consecutive increase of 25 percent or more.
- ▶ Delivered over 1,000 workshops, seminars and other outreach activities to more than 27,000 participants across Canada.
- ▶ Published 179 market reports and market briefs for the 15,000 clients registered to receive them online. Another 166 country sector profiles were also published online.
- ▶ Organized over 500 missions, trade fairs and other related events, bringing together some 6,000 Canadian companies with thousands of potential buyers around the world.
- ▶ Launched **SourceCAN**, an automated bid service that helped facilitate \$100 million in export sales for Canadian companies in its first 11 months of operation.
- ▶ Handled almost 45,000 requests at Canada's 140 posts abroad by providing over 20,000 market prospect and company reports, over 9,200 key contact searches, almost 8,500 face-to-face briefings and by handling over 1,900 troubleshooting cases.
- ▶ Provided more than \$51 billion in trade financing and risk management services to over 7,000 Canadian businesses selling and investing abroad in 2002.
- ▶ Started implementing a three-year, \$9-million **Brand Canada** initiative to raise Canada's profile at key global and regional trade shows in TCI priority sectors.
- ▶ Began implementating **Trade Routes**, the first program specifically designed to facilitate the international business development needs of Canada's arts and cultural exporters.

For further information on TCI achievements in 2001-02, see the final section entitled Detailed Achievements and Plans for the Future.

KEY TRADE CHALLENGES

Canada relies more heavily on trade for prosperity than almost any other industrialized country. Our small domestic economy dictates that we take advantage of global trade and investment opportunities to realize our full potential. Recognizing this, the Government of Canada has pursued domestic policies and an International Business Development Strategy designed to:

- ▶ Make Canada the world's best trading nation.
- ▶ Create jobs and economic growth by boosting exports.
- ▶ Exercise leadership in global trade liberalization.
- ▶ Make Canada the location of choice for investment in North America.

Over the past five years, Canada has made remarkable progress on this front. The Canadian economy is strong today because Canada has been getting the fundamentals of global competitiveness right. The deficit was eliminated. The public debt was paid down. Taxes were reduced. Canada's increasingly diversified, knowledge-based industries are competing successfully in world markets, and creating jobs and economic activity in



every reach of our country.

Although at the forefront of the global economy, Canadians cannot afford to be complacent about the future. We face new levels of global uncertainty. World markets continue to show nervousness in the wake of the Enron collapse and other corporate accounting scandals, as well as the financial crisis in Latin America. Geopolitical instability, particularly in the Middle East, remains a dominant concern. For Canada in particular, continuing concerns about market access, terrorism and border security, the strength and pace of recovery in the U.S., and our enduring innovation deficit will continue to exert strong influences on our trade outlook.

Moving forward, TCI will continue to work with its partners to address the key challenges to Canada's continuing trade strength.

2 0 0 2 E X P O R T A W A R D W I N N E R

SMART Technologies Inc.

Calgary, Alberta

SMART Technologies is an international market leader in developing products that help people meet, teach, train and present, whether they are in the same room or in remote locations. This innovative technology company introduced its first interactive whiteboard, the SMART Board, in 1991. Strategic alliances and R&D investments have enabled SMART to sell its products to companies, governments and educators spanning the globe.
www.smarttech.com

Market Access

A predictable and open trading environment is imperative if existing and new Canadian exporters are to be competitive in today’s global marketplace. Despite remarkable trade and investment liberalization over the past decade, there remain tariff and non-tariff barriers to trade, as well as the need to enhance international discipline in such areas as services, investment, customs procedures, intellectual property, government procurement, standards, competition policy, labour, environment, subsidies and trade remedies.

Canada-U.S. border security is one issue that took on particular importance in the aftermath of 9/11. The easy flow of goods and services – worth \$1.86 billion each day in 2001 – across the world’s largest border is critical to Canada’s trade success. The efficiency of border relations is also important when it comes to attracting foreign investment to Canada on the merits of our proximity and preferred access to lucrative U.S. markets. Canada-U.S. border relations underscore the importance of cooperation



between domestic and international stakeholders to ensure we do not lose the gains made through trade liberalization efforts going back more than a decade. Modern and efficient border management is also of vital interest to the U.S., as Canada is the top export market for some 38 U.S. states.

The Government of Canada remains committed to bringing down barriers in key markets, ensuring continued efficient access to existing markets, and modernizing shared borders. It continues to forward Canada’s trade policy objectives through multilateral and regional fora, bilaterally with key trading partners, and through the negotiation of new free trade agreements.³

2 0 0 2 E X P O R T A W A R D W I N N E R

NSI Global Inc.

Pointe-Claire, Quebec

In business since 1990, NSI Global is an established name in the broadband telecommunications business. NSI Global is now gaining ground in the rapidly expanding remote asset management sector. This technology enables companies to monitor industrial facilities and equipment, such as oil wellheads and trucks. NSI Global has won major clients, such as China’s Ministry of Railways and PetroChina, and it experienced dramatic sales growth of 200 percent in export revenues in 2001. www.nsiglobalinc.com

³ Further details about the Government’s continuing trade policy agenda are offered in *Opening Doors to the World: Canada’s International Market Access Priorities, 2002* available online at www.dfait-maeci.gc.ca/tna-nac/cimap-e.asp.

Trade opportunities multiply the potential benefits for exporters on a global rather than on a domestic scale.

Trade increases the incentive to innovate, and innovation ultimately leads to increased prosperity.

Chief Economist, EDC

Clearly, achievements on this front will leverage TCI and partner efforts to boost Canadian trade and investment.

Positioning Canada Abroad

Innovation, or the ability to acquire, adapt, and advance knowledge, is one of the most powerful sources of competitive advantage in modern economies. It fuels productivity growth, which determines how well our businesses compete in the global arena, how attractive Canada is for both domestic and foreign investment and, hence quality of life for all Canadians. Unfortunately, Canada’s investment in research and development (R&D) has lagged behind the U.S. and other major competitors, while our productivity and income levels are also significantly below U.S. levels. As a result, we are at risk of losing the talent and capital we need to fuel innovation and competitiveness. To address these issues, the Government of Canada has launched a new **Innovation Strategy** that includes plans for making Canada more globally competitive by increasing R&D support, building a more competitive skilled workforce and fostering the right business and regulatory environment.



In June 2002, the Government of Canada also unveiled a new **Agricultural Policy Framework** (APF) designed to move Canadian agriculture beyond crisis management to a more profitable future. The APF seeks to position Canada as a world centre of excellence for food safety, innovation and environmentally responsible agriculture and agri-food production in the 21st century. The international component of the APF has been designed to maximize international opportunities arising from progress on the domestic front. This will further enhance Canada’s reputation in international markets and support the Canadian agri-food and seafood industries in gaining recognition in

2 0 0 2 E X P O R T A W A R D W I N N E R

Spielo

Moncton, New Brunswick

In only 12 years, gaming product manufacturer Spielo has grown from a small Maritime company to an industry leader in the competitive, high-stakes gaming industry. Spielo designs, manufactures and operates high-technology gaming products that are setting the standard for innovation. Spielo’s award-winning line of video lottery terminals is capturing major contracts worldwide, most recently in the Netherlands and the U.S. www.spielo.ca

Canada enjoys a great reputation around the world for the safety and high quality of its agriculture and agri-food products ... But to continue to be a world leader, and to meet the increasing demands of the world marketplace, Canada needs a broad and integrated policy framework that addresses the issues facing the sector.

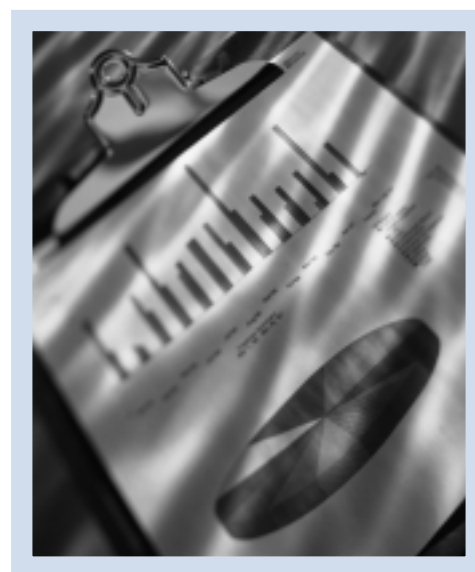
Minister of Agriculture and Agri-Food

international markets through an integrated approach to market development, branding, trade policy, trade advocacy, technical trade issues, and international development.

Again, achievements on these fronts will strengthen TCI and partner efforts to position Canada as a preferred source of goods and services and as the investment location of choice.

Exporter Preparedness

For many businesses, the prospect of going global is a daunting one. Smaller businesses, in particular, often lack the knowledge and skills to do so and hence may miss out on opportunities to expand their operations through exporting. Other businesses may lack the tools and resources to anticipate, recognize and react swiftly to emerging market opportunities. Timely, complete and relevant information and market intelligence are crucial to business success, as are establishing appropriate contacts, participating in networking



opportunities, and adopting innovative approaches to enhance each business' profile with foreign buyers.

By equipping potential exporters with the knowledge, skills and market information they need to succeed in the global marketplace, TCI continues to boost Canada's overall trade development efforts.

2 0 0 2 E X P O R T A W A R D W I N N E R

H. Fontaine Ltd.

Magog, Quebec

With offices around the globe, H. Fontaine has emerged as a leader in effective water management. This family-run company designs and manufactures water control gates used by hydroelectric power and waste water treatment plants. World-class environmental know-how and innovation have fuelled H. Fontaine's strong international showing. From the Arabian Peninsula to Latin America, exports to foreign markets account for 80 percent of the company's total sales. www.hfontaine.com

PRIORITIES FOR 2002-03 AND BEYOND

The Canada-US Smart Border Declaration contributes to both our national security and the free flow of people, goods and commerce across our shared border. The government will build on this work and increase its consular presence to expand fair and secure trade and commerce, to brand Canada in the United States.

Speech from the Throne 2002

Ensuring that Canada is a nation of ever-widening opportunity is a fundamental Government of Canada objective that was articulated in the 2002 Speech from the Throne. Helping Canadians achieve this requires coordinated and integrated effort on behalf of Canadian stakeholders, both within and outside the federal public service. For TCI, this necessitates a continued focus on expanding the TCI network and service offerings, as well as a heightened focus on integrating its trade development work with efforts to attract international investment to Canada and foster Canadian innovation.

Strategic Directions

In the years ahead, TCI will continue to make it easier for thousands of Canadian businesses of all sizes to realize their aspirations for global competitiveness by:

- ▶ Offering seamless, practical access to fully integrated export services;
- ▶ Continuously identifying and filling gaps in export service offerings;



- ▶ Expanding the network of service delivery partners and strengthening communications and operations between existing partners; and
- ▶ Promoting an integrated trade agenda within the Government of Canada.

Delivering TCI strategic trade development initiatives

Positioning Canada as a source of innovative, high-quality goods and services and a preferred location for investment continue to be major Government of Canada priorities. In the aftermath of 9/11, protecting Canada's trade relationship with the U.S. has also emerged as a top priority.

2 0 0 2 E X P O R T A W A R D W I N N E R

Zenon Environmental Inc.

Oakville, Ontario

ZENON Environmental Inc. is winning over environmentalists and investors alike with its advanced membrane products that improve the safety and quality of water. Zenon specializes in a chemical-free water treatment method known as membrane filtration. In the last three years, ZENON has penetrated emerging markets in Asia, Australia and Eastern Europe, establishing thousands of installations in over 30 countries, while helping to safeguard the world's water supply. www.zenonenv.com

With the right trade tools, our cultural entrepreneurs will succeed internationally and help 'brand' Canada as a diverse and very innovative country.

Minister of Canadian Heritage

In the years ahead, TCI will continue to support these priorities by working even more closely with such partners as Investment Partnerships Canada to better integrate trade, investment and innovation policy actions. In particular, TCI will actively support such initiatives as:

- ▶ **The Canada-U.S. Smart Border Initiative.** Key actions regarding market access, trade development and investment promotion will be coordinated to further Canada's position.
- ▶ **The Brand Canada Program.** International events such as major trade shows are recognized as excellent opportunities for showcasing Canada as a competitive source of supply and as a preferred location for international investment.
- ▶ **Trade Routes.** This program is facilitating the promotion of Canadian cultural goods and services exports worldwide. Cultural goods and services will be formally established and actively promoted as the newest Trade Team Canada Sector.
- ▶ **The new Agricultural Policy Framework.** This initiative will support the industry in becoming the world leader in food safety and quality and environmentally-responsible production, leading to diversification, value-added growth, new investments and employment.
- ▶ **Canada Wood Export Program.** This five-year \$35 million program seeks to strengthen Canada's international market presence in wood products.



2 0 0 2 E X P O R T A W A R D W I N N E R

Lotek Wireless Inc

St. John's, Newfoundland and Labrador

Lotek Wireless is a leading innovator in the design and manufacture of fish and wildlife monitoring systems. Whether it's tracking elephants in Africa or penguins in Antarctica, this pioneering technology company has made its mark exporting monitoring systems that use state-of-the-art electronics designed to operate under challenging conditions. A combination of technical competency and R&D spending have resulted in strong sales in 38 countries worldwide. www.lotek.com

Canadian natural resources companies and allied industries... contribute significantly to Canada's new knowledge-based economy. They have learned that it is possible to fulfil our social and environmental objectives while developing new business and trade opportunities.

Minister for Natural Resources

Client Service

Having forged strong partnership links and built a large client base, TCI members will continue to work to expand TCI's reach and quality of services. Specific priorities over the next three years include:

► **Establishing new partnerships.**

To extend TCI's reach, particularly to those "harder-to-reach" smaller businesses, TCI plans to launch a new partnership initiative in 2002-03 to forge stronger connections with community-based business service centres, economic development offices, Community Futures offices and Aboriginal business service centres across Canada. To increase access at the regional level, TCI will work with FedNor to create a network of community-based export and trade service delivery organizations across Northern Ontario.

► **Expanding existing partnerships.**

TCI will host a national meeting of Regional Trade Network (RTN) co-chairs to identify challenges and opportunities in the regions and to bring forward recommendations on concrete measures to enhance the



effectiveness of the RTNs. An ongoing RTN relationship at the national level will be explored. As well, some RTNs' cooperative actions to improve trade client services and reduce overlaps at the provincial level have expanded to include the other international business development components of investment, science and technology, as well as innovation.

► **Expanding TCI tools.**

TCI's offering of export-readiness tools, market information and intelligence, and business development activities will be expanded as needed.

2 0 0 2 E X P O R T A W A R D W I N N E R

Lacent Technologies Inc.

Edmonton, Alberta

Lacent Technologies is an advanced manufacturing company on the cutting edge. This enterprising company develops and manufactures sophisticated high-speed laser cutting systems for textiles and other materials used in the automotive and industrial textile industries. In six short years, Lacent has grown from a small technology start-up to a global exporter, with customers that include suppliers to Honda and Levi Strauss. www.lacent.com/Lacent_Main.htm

► **Identifying innovative ways to reach out to more Canadian businesses.**

With a particular focus on smaller businesses in the key priority sectors, TCI will continue to emphasize online service delivery options, responding to small businesses' increasing preference for obtaining information and guidance in this way. As well, a newly-appointed SME Advisory Board will act as a voice for smaller business and will serve as a forum for commenting on new programs and services.

► **Further enhancing TCI management and administration practices.**

To ensure the network is operating for optimal efficiency and effectiveness, TCI is proposing the development of a highly integrated **electronic Client Relationship Management (eCRM)** system to enhance coordination of TCI services delivery. The eCRM aims to build on the **Virtual Trade Commissioner**, a free Internet-based portal launched in November 2002, which provides registered Canadian companies with personalized information and services.



► **Continue marketing TCI services across the country.**

TCI's web portal **ExportSource.ca** and toll-free **Export Information Service** will continue to provide businesses in every reach of the country with access to the full range of trade services, including those available from other levels of government and the private sector.

2 0 0 2 E X P O R T A W A R D W I N N E R

Fincentric Corporation

Richmond, British Columbia

Fincentric Corporation is a global provider of banking and wealth management technology. Established in 1984, this pioneering company recognized the importance of wealth management to the financial industry early on and is now a leader, providing Web-enabled software solutions to approximately 300 customers in financial institutions worldwide. The company's strategic alliances have helped it to penetrate markets in the U.S., South Africa and Asia. www.fincentric.com

Trade Routes

With almost \$5 billion in annual exports, Canada's arts and cultural producers are responding to diverse international appetites and generating income for reinvestment in Canada's dynamic and creative cultural sector. The new Trade Routes program – designed specifically to help cultural sector entrepreneurs take full advantage of international business opportunities – is helping businesses and non-profit organizations to strategically increase their export capacity and encouraging Aboriginal people, women and young cultural entrepreneurs to become exporters. Support is available across all cultural sectors, including publishing; film/video; broadcasting/television; music and sound recording; new media; performing arts; visual arts; design; crafts; heritage restoration and preservation.

Agricultural Policy Framework

In cooperation with provincial and territorial governments and the agriculture and agri-food industry, the Government of Canada has developed a comprehensive Agricultural Policy Framework (APF) aimed at increasing the profitability of the agri-food sector. The APF will provide the tools and the choices for producers to strengthen their businesses, allowing them to meet the demands of consumers in Canada and around the world, while responding to increased global competition and rapid technological change. Federal, provincial and territorial Agriculture ministers signed the APF agreement in June 2002. Following program design, implementation will begin in April 2003. In addition to building the infrastructure to make Canada the world leader in food safety and food

quality, environmentally responsible production and innovation, the APF will entail efforts to gain greater recognition for Canada as a world leader in food production.

Brand Canada

In late 2001, TCI began developing a Brand Canada campaign for key international trade fairs around the world. The goal of the campaign is enhance Canada's image as an innovative, high-tech economy, and hence a superior source of supply for foreign buyers. The program is being implemented in such a way as to maximize linkages with Investment Partnerships Canada's efforts to attract foreign direct investment. TCI is targeting approximately 30 major sector-specific trade fairs in Europe, Asia, North America and Latin America. Canadian pavilions are to be expanded and re-designed to accommodate innovative marketing approaches that encompass multimedia presentations and web-based materials, networking and matchmaking events, improved media relations and advertising programs. A new graphic identifier and tag line will be used for funded trade shows.






DETAILED ACHIEVEMENTS AND PLANS FOR THE FUTURE

Export Capability & Preparedness

Strategic Goal: Increase the number of active exporters in Canada

Strategic Priority	Results in 2001-02
<p>Facilitate access to fully integrated Government of Canada trade services</p>	<p>Through continued expansion of the TCI network and marketing of TCI as <i>Your Source for Export Services</i>, TCI extended its reach to thousands more Canadian businesses across Canada. TCI's ExportSource.ca, Canada's most comprehensive online source for export information, recorded 308,482 visits, up 25 percent for the second consecutive year. Many TCI members reported increased volumes for their own websites. Notable increases were reported by Agriculture and Agri-Food Canada (714,487 visits) and Export Development Canada (573,355 visits). TCI's toll-free 1-888 Export Information Service handled 15,932 enquiries, pushing the five-year total above 76,000. Although user satisfaction with the service remained a strong 85 percent, this was the second consecutive drop in the number of calls to the service, perhaps reflecting a broader trend towards increased use of the Internet.</p> <p>TCI's network of service delivery partners topped 550 service delivery partners, including 350 Canada Business Service Centre partners, 140 embassies and missions abroad, 12 International Trade Centres, 13 Regional Trade Networks, 13 Trade Team Canada Sectors and about 40 FITT and <i>Going Global</i> workshop providers. This figure does not include the many trade associations and educational institutions that use TCI tools to assist their members and students.</p> <p>Several TCI members signed a Memorandum of Understanding with the Northwest Territories' Department of Resources, Wildlife and Economic Development. Setting NWT international business development goals to 2005, the MOU seeks to broaden the base of non-traditional exports, increase the number of exporters, improve the export capabilities of NWT businesses and attract foreign investment.</p> <p>Under the auspices of Canadian Heritage's Trade Routes program, skilled service support for arts and cultural organizations was strengthened with the co-location of two cultural trade experts in International Trade Centres (ITCs) in Winnipeg and Montreal.</p>
	

Plans for 2002-03 to 2004-05

TCI will continue to actively market TCI services to Canadian businesses across the country and to identify innovative new ways to reach out to smaller Canadian businesses. In terms of specific targets, TCI is working to increase the number of visits to **ExportSource.ca** (i.e., to 320,000 in 2002-03, to 350,000 in 2003-04 and to 400,000 in 2004-05) and the number of calls to the **Export Information Service** (i.e., to 16,000 in 2002-03, to 16,500 in 2003-04 and 17,000 for 2004-05). TCI will also continue to enhance the online delivery of market information and business opportunities as well as other trade services. New products will be introduced and existing ones enhanced. For example, a new **Talk to Us!** service feature was planned for **ExportSource.ca** in 2002-03. **Talk to Us!** is an innovative, voice-web service designed to guide clients to the export resources they need on the Web.

TCI will continue to pursue new partnerships to extend its reach to those “harder-to-reach” smaller businesses lead by youth, Aboriginal and women entrepreneurs, and those based in rural communities across Canada. Through a new partnership initiative, TCI seeks to further strengthen partner knowledge of the full range of available TCI products and services. The campaign will particularly focus on economic development offices, business service centres, industry associations and educational institutions.

A Memorandum of Understanding between Canada and Nunavut on International Business Development cooperation is expected to be signed in 2002-03, while a Nunavut Regional Trade Network is expected to be in place in 2003-04.

In 2002-03, cultural trade officers will be placed in ITCs in Vancouver, Toronto, Halifax and St. John’s. A number of **Trade Routes** promotional tools will also be developed, including application guidelines, a fact booklet and a promotional brochure.

Export Capability & Preparedness (continued)

Strategic Goal: Increase the number of active exporters in Canada

Strategic Priority	Results in 2001-02
<p>Produce relevant, useful information about exporting for Canadian businesses</p>	<p>All TCI information products and tools are available online at ExportSource.ca. The most frequently viewed publications include the <i>Step-by-Step Guide to Exporting</i> (24,000 visits), <i>Roadmap to Exporting</i> (13,000 visits) and the many available country reports.</p> <p>TCI also distributes hard copies of export information products to Canadian businesses through its members and partners, and via an online order form. Since 1998, some 92,315 <i>Step-by-Step Guides to Exporting</i> have been distributed. Since 2000, Canadians have ordered 28,633 <i>Roadmaps to Exporting</i>, while another 19,200 have been distributed in electronic CD-ROM format.</p> <p>The export-readiness tool <i>Take a World View</i> was expanded and updated to include even more information about world markets, exporting tips, available assistance and useful contacts.</p> <p>A new online guide called <i>Successful International Trade Show Marketing</i> was introduced to help smaller exporters identify the right trade shows, then take the steps needed to maximize the benefits of their trade show participation.</p> <p>A new <i>Guide to Federal Programs and Services for Arts and Cultural Entrepreneurs</i> was launched, offering the first-ever comprehensive resource for cultural industries. The Guide will be updated regularly and distributed at all relevant events and conferences.</p> <p>A <i>Profile of Canadian Exporters, 1993-1999</i> was released in July 2001. A product of Statistics Canada's expanded Exporter Registry, the publication offers valuable insight into the exporter community.</p> <p>A new CD-ROM toolkit on letters of credit was also introduced and received a Public Service Quality Fair Award for the way in which client feedback was incorporated in the development process.</p>



Plans for 2002-03 to 2004-05

TCI will continue to monitor the various tools and requests for information for purposes of identifying new products and titles that can be added to the current selection.

Through continued promotional activities and efforts to further extend the TCI network, TCI seeks to increase usage of its products by at least 10 percent in each of the next three years.

New online guides on transportation and export financing are planned, as are updates for the *Roadmap to Exporting* and the *Step-by-Step Guide to Exporting*.

TCI will further strengthen its online delivery of general statistics on Canada's trade performance through the Monthly Trade Bulletin and the Trade and Investment Monitor.

Statistics Canada will further enhance the Exporter Registry database both in terms of its coverage and depth of information. As well, special research projects on such topics as exporter contributions to productivity growth, export intensity and productivity and Canada's "new economy" exporters will enhance our understanding of the export community.

Export Capability & Preparedness (continued)

Strategic Goal: Increase the number of active exporters in Canada

Strategic Priority	Results in 2001-02
<p>Help prepare smaller Canadian businesses for the challenges of exporting</p>	<p>Each year, TCI members individually and collectively offer hundreds of seminars, workshops and other training events to Canadians exporters considering or preparing to export.</p> <p>International Trade Centres across Canada delivered 1,000 seminars, workshops and other events that helped more than 27,000 participants prepare for the export challenge.</p> <p>In Atlantic Canada, the Atlantic Canada Opportunities Agency identified 510 potential new exporters, helped 79 businesses complete their first export transactions, delivered export skills and knowledge to 113 businesses and served 40 existing exporters. In New Brunswick, 46 one-on-one trade diagnostic consultations and six trade awareness sessions attracted over 170 potential exporters. Trade information seminars were held in five regions of Newfoundland and Labrador and attracted over 60 participants. In Nova Scotia, an information session entitled <i>Doing Business in the North-East United States</i> targeted information technology firms. Throughout the four western provinces, Western Economic Diversification delivered 56 seminars to more than 1,600 potential exporters on topics ranging from international market research, international financial and market entry options, while another 276 clients benefited from individual export diagnostic consultations.</p> <p>Throughout the four western provinces, Western Economic Diversification delivered 56 seminars to more than 1,600 potential exporters on topics ranging from international market research, international financial and market entry options, while another 276 clients benefited from individual export diagnostic consultations.</p> <p>More than 1,100 entrepreneurs across Canada benefited from the <i>Going Global</i> workshop training offered by TCI in conjunction with the Forum for International Trade Training.</p>



Plans for 2002-03 to 2004-05

Through a more active marketing campaign, TCI members expect to increase demand for the various seminars and workshops now available. TCI members and partners will also continue to monitor client feedback to identify potential new topics and improvements to existing ones.

TCI and its partners seek to increase the number of *Going Global* workshop participants to 1,200 in 2002-03, 1,400 in 2003-04 and 1,750 in 2004-05.

International Market Development

Strategic Goal: Enhance Canadian competitiveness in specific sectors and markets around the world

Strategic Priority	Results in 2001-02
<p>Help Canadian companies identify and pursue foreign market opportunities</p>	<p>Each year, TCI members provide thousands of Canadian exporters with foreign market and export opportunity information, networking opportunities, as well as troubleshooting advice and guidance on innovative approaches to developing international business. Various TCI members also identify sales leads for Canadian companies, many of which translate into export sales, potential deals, new partners, new suppliers and even new products.</p> <p>Canada's 140 posts abroad handled almost 45,000 client transactions, delivering 20,802 market prospect and local company reports, conducting 9,213 key contact searches and handling 8,457 face-to-face briefings and 1,916 troubleshooting cases.</p> <p>Some 105 new market reports and 74 new market briefs were produced for the 15,000 clients registered to receive them from DFAIT's Market Research Centre. An additional 166 country sector profiles were published online.</p> <p>The Trade Team Canada Sectors disseminated sector-specific foreign market information and business opportunities to their private sector participants. For example, over 1,100 plastics producers, 350 electrical power equipment and services providers, 500 environmental industry players and close to 150 health industry companies received hundreds of market updates throughout the year. As well, new reports on cultural goods and services markets in France, the U.K., Germany, Italy and India were developed through the Department of Canadian Heritage's Trade Routes program.</p> <p>TCI members continued to strengthen sector expertise in key markets by placing sector-specific trade officers in key posts abroad. In 2002, for example, EDC opened an office in Poland and expanded its presence in Mexico. As well, a Climate Change Technology Promotion Officer, funded by Natural Resources Canada, was put in place in Mexico City as part of a pilot program, ending March 2006, to help Canadian industry market its climate change technologies and expertise.</p> <p>A new online database of Canadian company capabilities was launched. Called SourceCAN, this automated bid service facilitated more than \$100 million in export sales for Canadian companies in its first 11 months of operation.</p> <p>The International Business Opportunities Centre contacted over 16,000 Canadian companies about 5,300 leads, yielding \$8 million in export sales and another \$5 million in potential sales.</p>



Plans for 2002-03 to 2004-05

A new **electronic Client Relationship Management (eCRM)** system will be implemented over the next three years to help TCI members address the rising demand for more complex in-market services. By streamlining current processes and making better use of the latest in information and communications technologies, eCRM will ensure Canadian exporters are always able to receive appropriate services on a timely basis.

TCI's selection of market information and intelligence will continue to be expanded to address identified client needs. Specifically, TCI members will expand the number of country sector profiles to cover the top five priority sectors for each trade post abroad. This effort will increase the offering of country sector profiles from the current level of 166 to 700. In Canada, regular updates about key markets and business opportunities will continue to be offered to Canadian industry. Further research to outline the challenges and opportunities relating to Canada's relationship with Mexico will also be undertaken.


TCI members will continue to strengthen sector expertise in key markets by placing sector-specific trade officers in key posts abroad. For 2002-03, for example NRCan plans to place climate change technology experts in New Delhi, India and Warsaw, Poland; Canadian Heritage plans to place cultural trade experts in posts in Los Angeles, New York, London, Paris, and Singapore; and EDC is considering further expansion of its presence to additional foreign markets.

Through active promotion of **SourceCAN**, TCI members are seeking to further expand the total number of registered companies to 25,000 in 2002-2003, 50,000 in 2003-2004 and 75,000 in 2005-2006.

IBOC expects to handle more than 6,000 leads in 2003-04.

International Market Development (continued)

Strategic Goal: Enhance Canadian competitiveness in specific sectors and markets around the world

Strategic Priority	Results in 2001-02
<p><i>(continued)</i></p> <p>Help Canadian companies identify and pursue foreign market opportunities</p> 	<p>In support of the Industrial Regional Benefits program, Western Economic Diversification funded the production of the <i>2002 Western Canada Aerospace Capabilities Guide</i>, a tool to showcases western Canada aerospace capabilities to international buyers of aerospace products and services. Over 1,000 of the Guides were sent to foreign government offices, embassies, consulates, trade offices and multinational prime contractors.</p> <p>The Canadian Initiative for International Technology Transfer (CIITT), a \$2 million program led by Natural Resources Canada, was created to provide cost-shared support to Canadian businesses and non-government organizations for studies of the viability of exporting climate-change mitigating technology projects.</p>
<p>Help Canadian exporters promote their goods and services abroad through high profile foreign missions</p>	<p>In 2001-02, there were over 500 trade missions abroad involving over 6,000 participants. Among them were:</p> <ul style="list-style-type: none"> • A highly successful Team Canada Mission to Germany and Russia resulted in 133 new business deals worth \$583.6 million. • A Team Canada West mission to Dallas and Los Angeles resulted in 19 agreements valued at \$92.8 million. • A Team Canada Atlantic mission to Atlanta, Georgia attracted 67 participants and resulted in anticipated sales of over \$33.5 million over the next two years.

Plans for 2002-03 to 2004-05

The CIIT program will continue until March 2006.

TCI members will continue to support the Prime Minister-lead Team Canada Missions. For example, the Prime Minister will lead a Team Canada Mission to the Netherlands, the U.K. and Italy in Spring 2003. The mission will focus on promoting investment and trade in such areas as aerospace, agri-food, construction and building products, culture, education, environment, health, information and communications technologies, life sciences and sustainable energy.

Various TCI members will also continue to lead and/or participate in other Team Canada Trade Missions representing specific regions, trade sectors and client groups. In February 2003, for example, there will be a TCI Digital Media Mission of Women Entrepreneurs to France and Germany. FedNor-led Northern Trade Missions to Detroit and Atlanta are also planned.

International Market Development (continued)

Strategic Goal: Enhance Canadian competitiveness in specific sectors and markets around the world

Strategic Priority	Results in 2001-02
<p>Help Canadian exporters in key priority sectors by supporting their participation in trade fairs and trade-related events around the world</p>	<p>In 2001-02, a significant accomplishment for TCI was the creation of the Branding Canada through Global Trade Shows program. With additional funds directed to priority global trade shows, TCI members are partnering with their private sector clients to deliver a high-quality image of Canada, giving Canada the competitive edge with buyers. In 2001-02, trade shows such as Anuga (Germany), Foodex (Japan), Globe (Vancouver), and SAE (Detroit) featured upgraded and expanded Canadian pavilions that gained substantial exposure on television, radio and in print media. Exhibitors and visitors at all events were impressed by the changes made to showcase Canada as an advanced high-tech, sophisticated business partner.</p> <p>Through Trade Team Canada Sector teams, TCI supported Canadian business participation in missions and trade fairs abroad and hosted foreign buyer missions to Canada. Specific accomplishments of these teams include:</p> <ul style="list-style-type: none"> • TTC Aerospace and Defence supported 77 Canadian firms attending key international air and defence shows, including the 2002 Farnborough Air Show in the U.K., the Paris Air Show (France), Heli Expo (Anaheim) and MRO (Dallas). • TTC Automotive supported 70 Canadian companies as they participated in such international trade fairs as the Tokyo Motor Show (Japan), RUJAC (Mexico), SAE Congress (Detroit), and Industry Week 2001 (Las Vegas). There were also automotive trade missions to the Honda and Toyota headquarters in the U.S., as well as exploratory missions to Mexico and France. • TTC Bio-Technology supported the participation of 85 Canadian bio-tech companies and more than 500 Canadian individuals in BIO 2001, putting on an impressive show of Canadian bio-technology expertise for world buyers. • The Cultural Trade Advisory Board (CTAB) has actively promoted TCI products and services through its 46 private sector members representing broadcasting, music and sound recording, film and video, publishing, innovation and new media, visual arts, high-end crafts, design, performing arts, museums and Aboriginal businesses. Export development action plans and international marketing strategies were also developed for crafts, design, film/television, music and sound recording, new media, performing arts, publishing and visual arts.



Plans for 2002-03 to 2004-05

TTC Aerospace and Defence has identified the U.S., France, U.K., Germany and Italy as geographic priorities for the planning period.

TTC Automotive has identified the U.S., Mexico, Japan and Europe (especially Germany) as key geographic priorities for the planning period.


TTC Bio-Technology has identified the U.S., U.K. and Australia as key geographic priorities for the planning period. Canada plans to take advantage of the Toronto location of BIO 2002, the world's biggest biotech convention, to brand Canadian trade, investment and innovation.

The highly successful CTAB will be formalized as a Trade Team Canada Sector and will redesign the CTAB website. An annual review of CTAB/TTC Cultural Goods and Services will be undertaken to ensure that all sub-sectors have a voice. Marketing strategies will be developed to ensure smaller arts and culture entrepreneurs are able to fully tap international opportunities in the tourism, education and investment arenas.

Current plans call for the development of a Virtual Trade Show to showcase the diversity of Canada's arts and cultural sector at international venues.

International Market Development (continued)

Strategic Goal: Enhance Canadian competitiveness in specific sectors and markets around the world

Strategic Priority	Results in 2001-02
<p><i>(continued)</i> Help Canadian exporters in key priority sectors by supporting their participation in trade fairs and trade-related events around the world</p>	<ul style="list-style-type: none"> • With the support of the new Trade Routes program, Canadian companies also participated in such international trade events as Conference of Canadian Arts Presenters (Ottawa), Banff Television Film Festival (Banff), Hot Docs (Toronto); Canadian International Documentary Festival (Toronto), the 13th Asian International Communications and Information Technology Exhibition and Conference (Singapore), Association of Performing Arts Presenters Annual Conference 2002 (New York), Performing Arts Trade Show (Japan), MILIA 2002 (France) and MIDEM 2002 (France). • TTC Wood Products and Other Building Materials supported Canadian participation in such international trade events as the 2001 Interzum (Germany), the Miacon Trade Show (Miami), Construct Canada (Toronto), and On Board (floating trade show). • TTC Electric Power Equipment and Services supported Canadian participation in such international trade events as T&D World Expo 2001 (Mexico), Elecrama 2001 (India), and PowerGen International (Florida). • TTC Environmental Industries supported dozens of Canadian participants in international trade shows and fairs, including Envex 2001 (Korea), Environment 2001 (Japan) and Pollutec 2001 (France). The team also supported Globe 2002 missions to Europe, Egypt, the U.S., Japan and Korea, Mexico and Costa Rica. Other outgoing missions included a mining sector environmental mission to Peru and Chile, climate change missions to Brazil and Mexico City, and a suppliers' mission related to the Rio Almendares Rehab Project (Brazil). • TTC Health Industries supported over 850 participants in such major international trade shows as BIO 2001, Medtrade 2001 and Medica 2001, exposing Canadian suppliers to potential buyers from a dozen countries. • TTC Information and Communications Technologies supported over 65 incoming and outgoing missions, visits and trade fairs, as well as some 1,400 company events. • A TTC for Oil and Gas Equipment and Services was set up in April 2002.
	<ul style="list-style-type: none"> • TTC Plastics supported 45 companies participating in an outgoing mission to Mexico and such international events as the K Show (Germany), Plast-Ex 2001 (Toronto) and Chinaplas 2001 (China). After the K Show, Canadian companies reported on-site sales of \$650,000, projected one-year sales of \$2.6 million, receiving 845 other serious enquiries, and appointing almost a dozen distributors and agents.

Plans for 2002-03 to 2004-05

TTC Wood Products and Other Building Materials has identified priority markets as U.S., Japan (and North Asia), Germany (and Western Europe).

TTC Electric Power Equipment and Services has identified the U.S., Brazil, Mexico, India, Egypt, Chile, China, Russia, Saudi Arabia and France as key geographic priorities for Canada's electric power industry suppliers.

TTC Environmental Industries will continue to promote Canadian environmental technology solutions to foreign buyers, particularly in such markets as the U.S., Mexico, Japan, Korea, China, Taiwan, Chile, Brazil, Argentina, Peru, Costa Rica, Cuba and Europe.

TTC Health Industries has identified its geographic priorities as the U.S., Japan, the European Union (especially Germany and the U.K.) and Latin America (especially Brazil and Argentina).

TTC Information and Communications Technologies has identified the U.S., Brazil, Mexico, Argentina, Chile, China/Hong Kong, India, Taiwan, Japan, Singapore, the U.K., France, Germany, Italy, South Africa and Israel as key geographic priorities for the planning period.

TTC Oil and Gas Equipment and Services has identified Mexico, Venezuela, Argentina, China, Brazil, United Arab Emirates, Russia, Kazakhstan, Saudi Arabia, Iran, Algeria and Libya as key priorities for Canada's oil and gas industry suppliers.

TTC Plastics has identified Argentina, Brazil, Chile, Mexico, U.S., U.K., France, Germany, China and India as geographic priorities for the planning period.

International Market Development (continued)

Strategic Goal: Enhance Canadian competitiveness in specific sectors and markets around the world

Strategic Priority	Results in 2001-02
<p><i>(continued)</i> Help Canadian exporters in key priority sectors by supporting their participation in trade fairs and trade-related events around the world</p> 	<ul style="list-style-type: none"> • TTC Services provided support to Canadian companies participating in such international events as Smart Communities 2001 (Poland), House and Construction 2002 (Poland) and World Education Market 2002 (Portugal), a trade mission to Hungary, a consulting engineers mission to Mexico, and an infrastructure services mission to Chile. As well, close to 350 Canadian firms, NGOs and government organizations participated in the Sustainable Cities Initiative, which has identified \$3 billion in potential projects that could be implemented over seven years, \$2 billion of which are already being pursued. Projects range from full-scale sustainable waste management systems, to storm water/sewage master plans/expansions, tourism initiatives, telecommunications, energy management and urban transportation. • Support was provided to over 230 Canadian businesses, participating in food events happening around the world. These efforts generated over 12,000 business leads. • Natural Resources Canada launched the Canada-China Wood Products Initiative (CCWPI) to promote Canadian wood products and services exports to China.
<p>Help Canadian youth, Aboriginal and women entrepreneurs promote their goods and services abroad by supporting their participation in trade fairs and trade-related events around the world</p>	<p>The Minister for International Trade's SME Task Force completed its three-year mandate in September 2001. The Task Force has helped maintain an ongoing dialogue with smaller businesses for purposes of identifying specific ways to ensure that Canadian smaller businesses are in the best position to take advantage of global opportunities.</p> <p>An Aboriginal Pavilion at the ANUGA Trade Show and Aboriginal participation in SIAL Food Show in Montreal helped brand the uniqueness of Canadian Aboriginal products at these important international trade events.</p> <p>Some 24 Canadian businesswomen, representing information technologies, services and consumer products companies, participated in a Woman Crossing Borders mission to London and Ireland.</p>

Plans for 2002-03 to 2004-05

TTC Services has identified Argentina, Brazil, Chile, China, Costa Rica, Hungary, Mexico and Poland as key geographic priorities for the planning period. The team plans to introduce a *How-to Roadmap* for the services sector, as well as an interactive, online *Sources of Financing* tool.

The Sustainable Cities Initiative will be further expanded to develop integrated solutions to complex problems caused by rapid urbanization in emerging and developing economies. Coverage will expand to cover 17 cities on four continents to contribute awareness of Canadian technological capabilities in sustainable development, increase Canadian exports of products and services, and ultimately help Canada and lesser-developed countries meet Kyoto Protocol objectives. The feasibility of building alliances in pilot markets to enhance market entry strategies for smaller Canadian services providers is also being studied.

Key geographic priority markets for Canadian agriculture, agri-food, and seafood industries include the U.S., Japan, EU, China and Mexico.

In 2003, the Government of Canada will implement the new **Agricultural Policy Framework**, which will undertake domestic and international actions to make Canada a global name synonymous with excellence in agriculture and agri-food safety, innovation and environmental practices.

The **Canada Wood Export program**, incorporating CCWPI will be launched in 2002-03. This five-year, \$35 million program will provide contributions to industry associations to undertake cost-shared projects to expand export opportunities for Canadian wood products.

In 2002-03, a new SME Advisory Board will be appointed to continue the important work of the SME Task Force for another three years. The Board will act as a voice for small and medium sized enterprises and will serve as a forum for testing new programs and services available to them. It will also advise the Minister on ways to assist them in exporting their products and services.

TCI's new partnership initiative will also reach out to these key targets. TCI will conduct outreach and engage partners through an active campaign aimed at Aboriginal business service centres and business or trade associations targeting youth and women. The objective is to work with community-based partners to deliver TCI's full range of export services and tools.

A TCI Digital Media Mission of Women Entrepreneurs to France and Germany is planned for February 2003.

As part of the **Trade Routes** program, the Department of Canadian Heritage will develop an Aboriginal export development action plan to help existing and potential Aboriginal arts and cultural exporters to compete successfully in international markets. Working in conjunction with Indian and Northern Affairs Canada and the Aboriginal International Business Development Committee, Canadian Heritage will also develop a Virtual Aboriginal Marketplace.

International Market Development (continued)

Strategic Goal: Enhance Canadian competitiveness in specific sectors and markets around the world

Strategic Priority	Results in 2001-02
<p>Provide market development funding</p> 	<p>More than 500 Canadian companies received \$4.7 million in financial assistance through the Program for Export Market Development (PEMD). As well, 25 trade associations, representing hundreds of Canadian companies, received \$1.6 million in financial assistance. Total repayments from recipients of PEMD financial assistance reached \$4 million.</p> <p>Through the Agri-Food Trade Program, \$2.5 million in support was provided to help agri-food associations enhance their capacity to prepare marketing strategies and to conduct larger market development activities in support of their members.</p> <p>In the first four months after the implementation of the Trade Routes program, close to 50 requests for market development funding were approved for applicants in sound recording, crafts, performing arts, and film and television.</p> <p>Under Western Economic Development's International Trade Personnel program, over \$2.8 million in financial support was provided to 66 small and medium-sized western Canadian businesses. This program allowed these companies to cost-share with WED in the hiring of 82 recent graduates to work on 2-3 year international market development projects.</p>
<p>Deliver world-class risk management, trade finance and contracting solutions.</p> 	<p>Export Development Canada (EDC) offers Canadian exporters trade financing, insurance and bonding services as well as foreign market expertise that help them compete in world markets. In 2002, EDC extended more than \$51 billion in trade finance and risk management services to finance or insure Canadian exports and investments in approximately 180 markets on behalf of over 7,000 Canadian businesses. To improve customer service, EDC has also introduced a number of new trade finance e-business tools, including: online Economic Reports, EXPORT <i>Protect</i> (a self service tool that allows an exporter to insure a single transaction of up to US\$50,000 against non-payment by foreign buyers) and EXPORT <i>Check</i> (a tool to assess a buyer's credit worthiness and insurability).</p> <p>Canada's export contracting agency, the Canadian Commercial Corporation (CCC) offers Canadian exporters pre- and post-contract services that can often mean the difference in establishing the buyer confidence necessary to secure contracts. In 2001-02, more than 2,000 Canadian companies sold more than \$1.2 billion in goods and services supported by CCC.</p>

Plans for 2002-03 to 2004-05

TCI members will continue to support Canadian exporters through various market development funding programs.

EDC has set a target of serving 10,000 customers by 2004 by reaching out to new exporters in new ways, supporting existing customers as they strive to increase their exports, and attracting new investors and stakeholders. Over the next three years, for example, EDC will be phasing in *Globex*, an innovative computer application that promises to radically streamline existing underwriting processes, enhance the security of online transactions and accommodate continued growth in e-business.

Having received an increase in its annual appropriation to support ongoing operations, an equity contribution to strengthen the Corporate balance sheet and legislative changes that permit commercial borrowing and service changes, CCC is poised to expand its reach to even more Canadian exporters.

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Husky Injection Molding Systems, page 10, 36.

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