



Industry Canada



For the
period ending
March 31, 1997



Improved Reporting to Parliament —
Pilot Document

Canada

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Foreword

On April 24, 1997, the House of Commons passed a motion dividing what was known as the *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*. It also required 78 departments and agencies to table these reports on a pilot basis.

This decision grew out of work by Treasury Board Secretariat and 16 pilot departments to fulfil the government's commitments to improve the expenditure management information provided to Parliament and to modernize the preparation of this information. These undertakings, aimed at sharpening the focus on results and increasing the transparency of information provided to Parliament, are part of a broader initiative known as "Getting Government Right".

This *Departmental Performance Report* responds to the government's commitments and reflects the goals set by Parliament to improve accountability for results. It covers the period ending March 31, 1997 and reports performance against the plans presented in the department's *Part III of the Main Estimates* for 1996-97.

Accounting and managing for results will involve sustained work across government. Fulfilling the various requirements of results-based management – specifying expected program outcomes, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and report on achievements – is a building block process. Government programs operate in continually changing environments. With the increase in partnering, third party delivery of services and other alliances, challenges of attribution in reporting results will have to be addressed. The performance reports and their preparation must be monitored to make sure that they remain credible and useful.

This report represents one more step in this continuing process. The government intends to refine and develop both managing for results and the reporting of the results. The refinement will come from the experience acquired over the next few years and as users make their information needs more precisely known. For example, the capacity to report results against costs is limited at this time; but doing this remains a goal.

This report is accessible electronically from the Treasury Board Secretariat Internet site:
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Industry Canada

Performance Report

**For the
period ending
March 31, 1997**

John Manley
Minister of Industry

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Section I: Message from the Minister

The Industry Portfolio brings together under the Minister of Industry 13 departments and agencies (see box) with responsibilities for science and technology (S&T), regional development, marketplace services and micro-economic policy. With many of the micro-economic levers available to government, as well as 41% of the S&T funding in the federal government, the Industry Portfolio offers a versatile tool kit for meeting the challenges of the knowledge-based economy as Canada moves into the 21st century.

The Industry Portfolio is . . .

Atlantic Canada Opportunities Agency
 Business Development Bank of Canada*
 Canadian Space Agency
 Competition Tribunal
 Copyright Board Canada
 Federal Office of Regional Development – Québec
 Industry Canada
 National Research Council Canada
 Natural Sciences and Engineering Research
 Council of Canada
 Social Sciences and Humanities Research Council
 of Canada
 Standards Council of Canada*
 Statistics Canada
 Western Economic Diversification Canada

** Not required to submit Performance Reports*

The establishment of the Portfolio has also created a new capacity for partnership and innovation, both among its members and with stakeholders in the private and public sectors. This capacity can be exploited in every region of the country, since the Industry Portfolio provides programs and services to businesses and consumers with about 15,000 staff, over 500 points of service in every province and territory, and numerous sites in cyberspace.

As Minister responsible for the Industry Portfolio, I have directed the Portfolio members to actively seek opportunities to exploit the synergies available to them as members of a team of organizations with similar objectives and complementary programs. This continuing emphasis on improving collaboration and partnership has helped to ensure that limited resources are focused more effectively on the priority areas identified for the Portfolio: promoting S&T, encouraging trade and investment,

and helping small and medium-sized enterprises (SMEs) to grow. Working in partnership in these areas has enabled the Portfolio to make a significant contribution to meeting government objectives.

Of the 13 members of the Portfolio, all except the two crown corporations (the Business Development Bank of Canada and the Standards Council of Canada) are required to provide annual Performance Reports. Reporting on performance is an important element of program management in the Portfolio. Identifying concrete objectives for programs and services, and measuring and reporting on progress over time, provides an accountability framework that enables Portfolio members to assess their effectiveness. As the 11 individual Performance Reports demonstrate, the Portfolio members have solid results to report for 1996–97.

Taken together, these reports provide a comprehensive picture of the Industry Portfolio's performance. I would particularly like to highlight the following key Portfolio achievements:

- ▶ the 29 very successful SME Conferences and InfoFairs held across the country, attended by almost 51,000 Canadians;
- ▶ the publication of *Your Guide to Government of Canada Services and Support for Small Business 1996–1997*, a compendium of all the services and support available to small businesses from the federal government (over 250,000 copies in circulation);
- ▶ the strengthening of the Regional Trade Networks and Regional Trade Plans, which bring federal and provincial governments and the private sector together at the regional level to generate new international opportunities for local businesses;
- ▶ the coordinated approach to S&T across the Portfolio as reflected in the Portfolio S&T Action Plan—the Portfolio members have taken action on 45 of its 49 initiatives;
- ▶ the S&T Forum, which brought together, for the first time, the members of all the boards and councils providing expert advice to the Portfolio departments and agencies; and
- ▶ innovative approaches to service delivery building heavily on partnerships, such as the Canada Business Service Centres.

Industry Canada's Performance Report illustrates how our programs contributed to economic growth, job creation and the transition to a knowledge-based economy. Examples include: the launch of *Strategis*, Canada's largest business information Web site (responds to clients' needs, receives 3,400 visits per day); Investment Partnerships Canada, created with the Department of Foreign Affairs and International Trade (attracts new foreign direct investment, retains existing investment); the implementation of Technology Partnerships Canada (investments are expected to create/maintain 10,000 direct and indirect, high-quality, knowledge-based jobs); and quality service initiatives, such as the Canadian Intellectual Property Office (simplified procedures for clients, saved time and money, raised client satisfaction with the trademark process to 84.3% in April 1997).

Over the coming year, the Industry Portfolio will continue to build on its synergies and to improve the services and support provided to its wide array of clients.

The Honourable John Manley

Section II: Departmental Overview

Industry Canada Mission

Fostering a growing, competitive, knowledge-based Canadian economy that

- *provides more and better-paying jobs for Canadians*
- *supports stronger, sustainable business growth*
- *gives consumers, businesses and investors confidence that the marketplace is fair and efficient.*

Since its creation in 1993, Industry Canada has endeavoured to help Canadians build an economy founded on growth, job creation and higher incomes. Government on its own cannot achieve this goal; it is the private sector that generates growth and creates jobs. Government can, however, help create an environment that encourages private sector innovation, growth and job creation.

Clients

Industry Canada serves a diverse client base. Clients range from firms in such sectors as telecommunications, aerospace, forestry and manufacturing to small businesses in all sectors of the economy, and also include the science and academic communities, consumer organizations and professional groups. All of these groups are linked by the important role that investment, innovation, trade and a fair and efficient marketplace play in determining their future economic prospects.

Industry Canada is committed to serving the needs of our clients and is developing new ways of working to get greater value from diminishing resources. A number of our initiatives aim to modernize programs and respond to the needs of our clients, today and in the future.

- Using information technology, we are able to provide more accessible, relevant and responsive information products and services to clients at less cost. *Strategis* (<http://strategis.ic.gc.ca>) is Industry

Canada's flagship vehicle for providing service to clients more efficiently and effectively 24 hours a day, seven days a week.

- We use novel and innovative means of enhancing service to our clients in many of our programs. For example, along with our Industry Portfolio partners, we coordinate business information from 25 federal departments and ensure that it is disseminated across Canada through a network of 12 Canada Business Service Centres (CBSCs) that serve as a single point of contact for both federal and provincial/territorial information on government programs and services for the business community.
- We work in partnership with the private sector and other governments, nationally and internationally, to help achieve common goals. Leading-edge partnerships developed through Trade Team Canada (e.g. National Sector Teams), Investment Partnerships Canada, Technology Partnerships Canada, the CBSCs, the Canadian Network for the Advancement of Research, Industry and Education, the Communications Research Centre (CRC) and the Canadian Tourism Commission (CTC) are examples of the department's new approach to responding to the needs of our clients.
- Quality-service initiatives help us to improve our understanding of client needs and expectations, permit us to set client-service standards, help us increase employee training and enable client feedback. Initiatives such as these have had a direct impact on client satisfaction. For example, within the Canadian Intellectual Property Office (CIPO), client satisfaction with the trademark process grew from 68 per cent in July 1994 to 84.3 per cent in April 1997 as a result of quality-service initiatives.

The department serves its clients in all regions of Canada from its headquarters in the National Capital Region and from five main regional offices located in Halifax (Atlantic Region), Montreal (Quebec Region), Toronto (Ontario Region), Edmonton (Prairies and

FIGURE 1

Industry Canada Regional Offices: Serving Clients across Canada



+ Pacific and Yukon Region

- Kelowna
- Penticton
- Prince George
- Vancouver
- Victoria
- Whitehorse

▲ Prairies and Northwest Territories Region

- Brandon
- Calgary
- Edmonton
- Grande Prairie
- Lethbridge
- Regina
- Saskatoon
- Winnipeg
- Yellowknife

• Ontario Region

- Belleville
- Burlington
- Don Mills
- Hamilton
- Kitchener
- London
- Mississauga
- North Bay
- North York
- Ottawa
- Sault. Ste. Marie
- Stoney Creek
- Sudbury
- Thunder Bay
- Toronto

◆ Quebec Region

- Chicoutimi
- Montréal
- Rosemère
- Saint-Bruno
- Sainte-Foy
- Sherbrooke

*** Atlantic Region**

- Bathurst
- Charlottetown
- Dartmouth
- Fredericton
- Halifax
- Moncton
- Saint John
- St. John's

Note: All locations provide "walk-in" service.

Northwest Territories Region), and Vancouver (Pacific and Yukon Region). In addition, we have subsidiary service points in 39 other communities across the country (See Figure 1, page 4).

Strategic Objectives

Recent economic performance indicates that the Canadian economy is on the right track. Still there needs to be continued focus on improving investment, innovation and trade development, supported by modern, effective marketplace rules and services, to strengthen growth. With partners and stakeholders, Industry Canada will continue to help improve the climate for economic growth and job creation in Canada by focussing on four key strategic objectives.

Improving conditions for investment, both foreign and domestic, contributes strongly to economic growth. Investment in research and development is required to create the new products and processes that will increase productivity and make Canada more competitive internationally. Foreign direct investment brings not only immediate jobs and growth, but also access to global technology pools and management expertise. The amount of investment flowing in from abroad is also a hallmark of international confidence in Canada's economy.

Improving Canada's innovation performance and the transition to the knowledge-based economy drives productivity increases. Without innovation, real income growth will not meet Canadians' expectations. Innovation activities include research carried out in public laboratories (e.g. the CRC), development of a skilled scientific and technical work force, research and development (R&D) conducted by large and small firms to develop new products, application of leading-edge technologies in the workplace, and building of the Canadian information and communications infrastructure.

Increasing Canada's share of global trade is a direct outcome of investment and innovation. Companies that succeed internationally generally do so because they have invested in leading-edge, high-quality and competitively

priced products and services that are marketed globally. Great potential for creating long-lasting, high-quality jobs results from increasing the number of exporting firms (especially small and medium-sized enterprises — SMEs) in all sectors and diversifying the markets to which they export. And, succeeding globally usually means a firm is more competitive at home.

Building a fair, efficient and competitive marketplace is the foundation for investment, innovation and trade. It provides the efficiency required to conduct business while maintaining confidence in the products, services and transactions of the marketplace.

Organization by Line of Business

To deliver on these strategic objectives, Industry Canada is organized around three principal lines of business.

Micro-economic Policy develops the policies, strategies and frameworks needed to improve Canada's productivity growth and to help Canadians take advantage of the knowledge-based economy. Policy activities focus on research, analysis and development of policy and legislative frameworks that encourage increased investment, innovation, the transition to a knowledge-based economy, development of a world-leading information highway, stronger and more diversified trade and a healthy marketplace climate.

Industry Sector Development helps strengthen the competitiveness of Canadian businesses by working with them to improve the climate for growth, to identify and overcome barriers to growth and to take advantage of emerging opportunities. Strategic approaches to trade development, investment, technology and sustainable development include such initiatives as Technology Partnerships Canada and Investment Partnerships Canada. In this overall context, the department also has several specific activities directed toward small businesses, such as the Small Business Loans Administration, the CRC, the information highway and new ways of delivering strategic information through analytical reports and *Strategis*, economic development in Northern Ontario (the Federal Economic Development

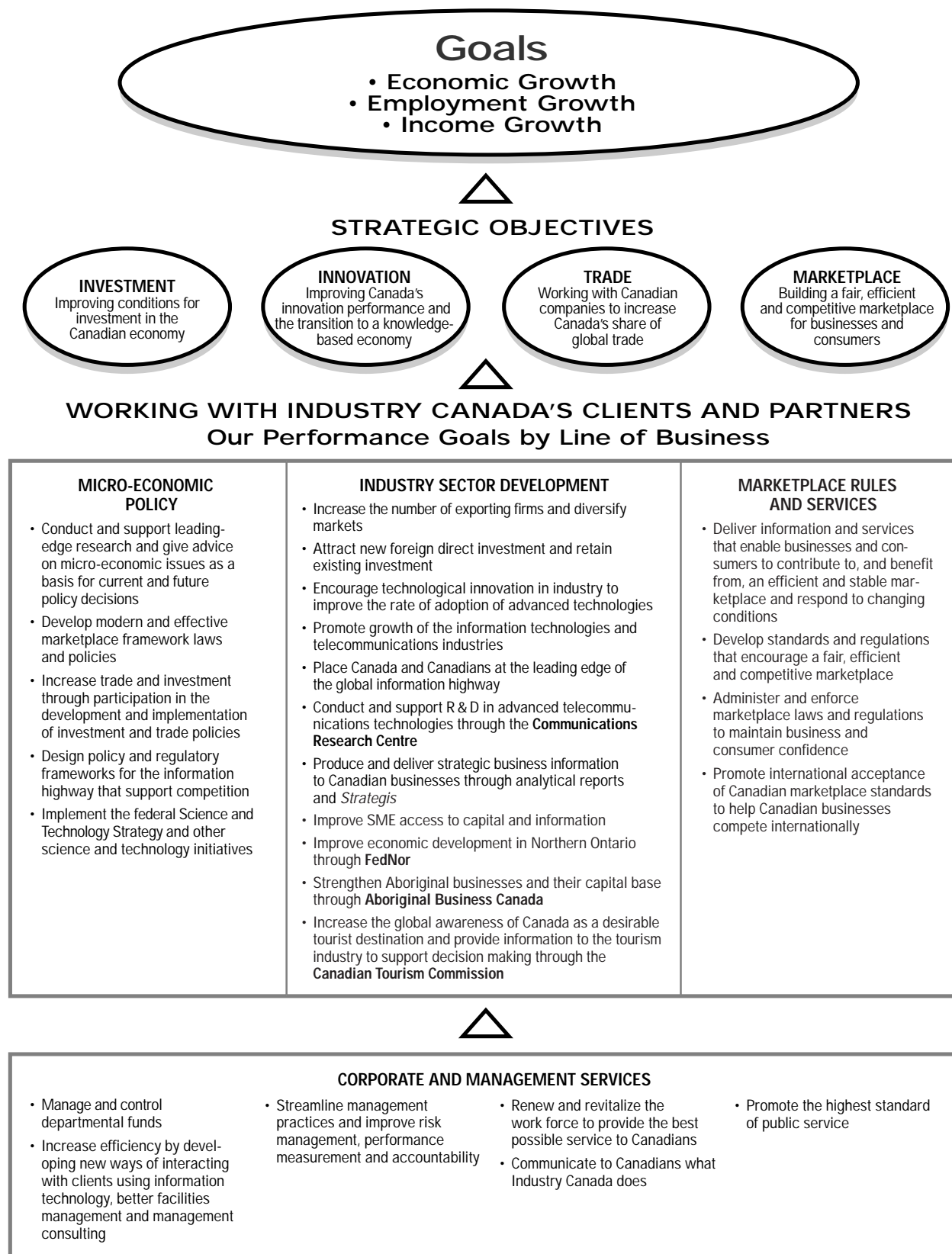
Initiative for Northern Ontario — FedNor), Aboriginal economic development (Aboriginal Business Canada) and tourism marketing and promotion (CTC).

Marketplace Rules and Services promotes a fair, efficient and competitive marketplace for business and consumers and promotes Canadian marketplace standards internationally. Confidence in the marketplace expands investment and innovation, leading to improved trade performance. By providing information and services, and developing and administering marketplace standards and regulations, this line of business enables businesses and consumers to contribute to and benefit fully from an efficient marketplace. Components of this line of business include bankruptcy and insolvency supervision, incorporations and corporate governance, measurement regulation, intellectual property protection and dissemination, consumer information and marketplace analysis, consumer labelling and advertising regulation, competition law enforcement and spectrum management.

These lines of business are supported by **Corporate and Management Services**, which provides the infrastructure and support required to deliver the best possible service to Canadians by increasing efficiency. It does this by developing new ways of interacting with clients using information technology, streamlining management practices, renewing and revitalizing the department's work force, communicating what Industry Canada does, and encouraging the highest standard of public service.

Figure 2 on page 7 is a visualization and summary of the above, illustrating the links between Industry Canada's goals and strategic objectives and its performance goals by lines of business. Further information is also available in the Industry Canada Main Estimates, Part III.

FIGURE 2



Section III: Departmental Performance

A Performance Expectations

Planned versus Actual Spending Tables

FIGURE 3
**Comparison of Total Planned Spending
to Actual Expenditures, 1996-97, by Line of Business**

(millions of dollars)

Lines of Business	FTEs	Operating	Voted Grants and Contri- butions	Subtotal: Gross Voted Expen- ditures	Statutory Grants and Contri- butions*	Total Gross Expen- ditures	Less: Revenue Credited to the Vote	Total Net Expen- ditures
Micro-economic Policy	—	48.6	27.4	76.0	—	76.0	—	76.0
	—	66.9	24.1	91.0	—	91.0	—	91.0
Marketplace Rules and Services	—	174.6	1.0	175.6	—	175.6	(52.2)	123.4
	—	203.1	1.0	204.1	—	204.1	(71.0)	133.1
Industry Sector Development	—	146.0	418.0	564.0	54.8**	618.8	(8.4)	610.4
	—	178.9	455.9	634.8	43.9	678.8	(8.4)	670.3
Tourism***	—	54.4	—	54.4	—	54.4	—	54.4
	—	55.6	—	55.6	—	55.6	—	55.6
Corporate and Management Services	—	103.5	—	103.5	—	103.5	—	103.5
	—	97.6	—	97.6	—	97.6	—	97.6
Totals	4831.0	527.1	446.4	973.5	54.8	1028.3	(60.6)	967.7
	4776.0	602.1	481.0	1,083.1	43.9	1127.0	(79.4)	1047.6
Other Revenues and Expenditures								
Revenue Credited to the Consolidated Revenue Fund								(243.0)
								(291.2)
Estimated Cost of Services Provided by Other Departments								48.0
								48.0
Net Cost of the Program								772.7
								804.4

Note: Shaded numbers denote actual expenditures/revenues in 1996-97 and include Supplementary Estimates.

* Does not include contributions to employee benefit plans and other, which are allocated in the operating expenditures.

** Includes \$800,000 of non-budgetary loans, investments and advances.

*** Tourism performance information is included with that of Industry Sector Development.

FIGURE 4
Departmental Planned versus Actual Spending by Line of Business

(millions of dollars)

	Actual 1995-96	Main Estimates 1996-97	Actual 1996-97*
Lines of Business/Activities**			
Micro-economic Policy	94.1	76.0	91.0
Marketplace Rules and Services	146.9	123.4	133.2
Industry Sector Development	974.0	610.4	670.3
Tourism***	72.7	54.4	55.6
Corporate and Management Services	96.4	103.5	97.5
Total	1,384.1	967.7	1,047.6

* Includes Supplementary Estimates.

** Figures are shown using the current Planning, Reporting and Accountability Structure for purposes of comparison.

*** Tourism performance information is included with that of Industry Sector Development.

Summary of Performance Expectations

Industry Canada is accountable, to our clients and to the taxpayer, for the results and impacts of our programs, as well as for the cost of delivering them. This accountability to our clients is an obligation that each and every employee of Industry Canada understands.

Getting our performance measures right is a key priority for the department. We are taking steps to strengthen our management processes by making explicit statements of the results we expect to achieve, improving the way we track progress toward the expected results and making better use of performance information to improve client service. For fiscal year 1996-97, we are reporting our accomplishments against our Performance Goals by Line of Business, as enunciated in Figure 2 (page 7). Performance indicators have been developed for each of these performance goals, as illustrated in the table "Comprehensive Performance Expectations," which is located in Section IV: Supplementary Information (page 40). The department will continue to develop performance measures that provide better information on our progress toward achieving our performance goals.

B Performance Accomplishments

The following section sets out our accomplishments for 1996-97 by line of business, as measured against the performance goals identified in the previous section.

Micro-economic Policy

Our policy activities focus on research, analysis and the development of policy and legislative frameworks that encourage increased investment, innovation, the transition to a knowledge-based economy, the development of a world-leading information highway, stronger trade and a healthy marketplace.

The following section articulates the accomplishments achieved by this line of business in 1996-97, as measured against the performance goals set out in our strategic framework (See Figure 2, page 7).

- ***Conduct and support leading-edge research and give advice on micro-economic issues as a basis for current and future policy decisions***

Industry Canada supported and strengthened the strategic objectives of government policy outlined in *Building a More Innovative Economy* (BMIE) and the micro-economic framework of the *Jobs and Growth Agenda*, which focusses on marketplace climate, trade, infrastructure and technology for business and consumers.

We provided micro-economic analysis and research to support the policy process at Industry Canada, and provided government and business with strategic information on market and competitive intelligence:

- published conference volumes: *The Asia–Pacific Region in the Global Economy: A Canadian Perspective* and *Capital Market Issues*
- held a government-industry policy round table on capital market issues
- published *Monthly Economic Indicators*
- published a new quarterly publication, *The Micro-economic Monitor*, that gives the Canadian public a quick and easy-to-read update on Canada’s economic performance. The *Monitor*, which is widely distributed in Canada and abroad, is also available electronically on *Strategis*.
- published research papers on trade, investment, infrastructure, technology, human resources and taxation and their relationship to the competitiveness of the Canadian economy
- published and widely distributed *MICRO*, a quarterly publication highlighting new research findings
- through Industry Canada regional offices, we produced regular reports on provincial economic indicators.

Industry Canada also worked with other departments to identify medium-term pressure points in the Canadian economy and research gaps that need to be filled.

We began implementing a strategy to promote a consultative culture at all levels in the department to help shift the focus toward building relationships with key clients and stakeholders. National and sectoral industry associations were targeted during the first year of the strategy (See box, above right).

We have a focussed research program on SME issues: factors impeding SME growth, human resources requirements for SMEs, and key future SME issues.

As part of this research effort, we entered into a partnership with the Alliance of Manufacturers and Exporters Canada (AMEC) to conduct a needs assessment of 5000 SMEs across Canada. We used the results of the survey to develop SME policy within both Industry Canada and AMEC.

Promoting a consultative culture

- implemented weekly visits by senior officials to key clients
- identified and appointed departmental “champions” to manage relationships with 20 associations
- organized bilateral consultations between national and sectoral associations and the “champions”
- held meetings between associations and senior departmental officials to develop joint work plans
- piloted client profile databases for six associations using Lotus Notes

We began a research project to evaluate the unincorporated micro-business sector and to identify the process of business growth and job creation in that sector.

- ***Develop modern and effective marketplace framework laws and policies***

This has been a very active period for legislative reforms:

- amendments to the *Competition Act* were tabled
- amendments to the *Bankruptcy and Insolvency Act* and the *Companies’ Creditors Arrangement Act* were passed. The amendments will strengthen the reorganization provisions of the existing legislation and should help financially troubled businesses, particularly SMEs, recover from insolvency. The vast majority of amendments reflect the recommendations of the Bankruptcy and Insolvency Advisory Committee.
- amendments to the *Standards Council of Canada Act* were passed. Initiatives to strengthen Canada’s

National Standards System were implemented beginning in April 1996.

- amendments to the *Copyright Act*, tabled with the Department of Canadian Heritage, were adopted by the House of Commons in March 1997. The objective of this reform is to help strengthen cultural industries while providing users with access at reasonable cost.
- trademark changes regarding appellation of origin were implemented
- analysis of extensive consultations on possible amendments to the *Canada Business Corporations Act* was completed
- the Business Impact Test to assess the impact of regulations on business was improved in cooperation with the Treasury Board Secretariat and the private sector. It is expected that the changes will reduce regulatory costs for business, and improve analytical and consultative capabilities in federal regulatory departments.
- sectoral regulatory reviews were completed, as part of BMIE, for the forest products and automotive sectors, and opportunities for lowering the cost of regulations were identified
- the proposed *Canada Cooperatives Act* was tabled in March 1997 to replace the current *Canada Cooperatives Association Act*. The proposed Act will modernize the law by strengthening and clarifying the corporate governance rules relating to cooperatives and by providing them with the ability to take advantage of financing vehicles available to other business entities. (The proposed Act was re-introduced in September 1997.)
- ***Increase trade and investment through participation in the development and implementation of investment and trade policies***

Industry Canada, in partnership with the Department of Foreign Affairs and International Trade (DFAIT) and Agriculture and Agri-Food Canada, plays a leading role in the new Team Canada International Business Development (IBD) Strategy launched in June 1995.

IBD has four elements: Canada's International Business Strategy (CIBS), National Sector Teams (NSTs), Regional Trade Plans and the International Business Opportunities Centre (IBOC). A central focus of IBD is building a domestic Team Canada approach to strengthening international business development efforts through partnerships with the provinces and the private sector. (Implementation of planned activities is discussed under the Industry Sector Development line of business — see page 14.)

Together with DFAIT, we further developed Team Canada and signed a Memorandum of Understanding with nine provinces establishing cooperative arrangements for the delivery of international business development services to the private sector, minimizing federal-provincial duplication and overlap.

Industry Canada participated in the successful negotiation of the Information Technologies Agreement on information technology products and was involved in the negotiation of a number of trade and investment arrangements to supplement the liberalization achieved by the North American Free Trade Agreement (NAFTA) and the World Trade Organization. Industry Canada participated in the negotiation of a free trade agreement with Chile and the development of a new international investment strategy. Industry Canada participated in ongoing negotiations in the World Trade Organization (General Agreement on Trade in Services — Professional Services), the Organization for Economic Cooperation and Development (OECD: Multilateral Agreement on Investment), and the Asia-Pacific Economic Cooperation forum to secure access to markets and business opportunities for Canadians and Canadian firms.

Industry Canada carried on with our coordinating role for overall federal participation in the Agreement on Internal Trade (AIT), monitoring sectoral activities for which other federal departments are directly responsible. Implementing legislation for matters under federal jurisdiction passed through Parliament and came into force. We worked closely with the intergovernmental Internal Trade Secretariat in Winnipeg to press parties to implement their commitments to the AIT.

Progress was achieved under the AIT, fulfilling specific obligations (or completing negotiations) in areas such as consumer-related measures on cost-of-credit disclosure, as well as on stuffed toys and upholstered articles, extra-provincial corporate registration and reporting requirements, investment residency requirements, labour mobility issues, technical barriers in agricultural products and some trucking regulatory requirements. Progress has not yet been achieved in intergovernmental negotiations to reduce the number of entities excluded from the government procurement provisions, on extending those obligations to the MASH sector (municipalities, academic institutions, and social service and health agencies) and on an energy chapter.

To provide greater understanding of the benefits of free trade, Industry Canada has completed or begun several studies aimed at developing a more solid factual and analytical base for possible future work under the AIT. These were focussed, variously, on the size of the total public procurement market in Canada, on the history of the negotiations that produced the AIT, on the experience of other economic unions and on standards-related barriers or impediments to internal trade.

- ***Design policy and regulatory frameworks for the information highway that support competition***

Along with 68 other countries, we concluded the General Agreement on Trade in Services on basic telecommunications. This agreement will result in the substantial liberalization of telecommunications markets worldwide; Canada agreed to liberalize its last two restricted telecommunications markets — international services (including the end of Teleglobe Canada's monopoly) and fixed and mobile satellite services.

During 1996–97, Industry Canada:

- obtained Cabinet agreement for legislation to modernize the administration of the Canadian numbering plan in view of the implementation of local competition policy (The Canadian numbering plan refers to telephone numbering, the system of

telephone codes for Canadian telecommunications networks.)

- revised regulations on the new Telecom Terminal Attachment Disclosure Process to enhance competition between suppliers and service providers
- performed ongoing analysis of the developments in Canadian Radio-television and Telecommunications Commission (CRTC) proceedings on local telephone competition
- launched the second phase of the Information Highway Advisory Council (IHAC). The Council will give the government policy advice on affordable access, Canadian content, and information technology and the workplace
- held a successful federal-provincial-territorial Meeting of Ministers Responsible for the Information Highway in September 1996. The ministers agreed to follow up on the priority issues of access, privacy, electronic commerce and government service delivery.
- held discussions with the provinces on legislative options for a minimum standard of personal data protection
- raised awareness and understanding of the importance of the information highway to Canada and of the Minister's strategy for its implementation through focus groups, speeches and presentations.

Industry Canada, working with Canadian Heritage, issued the government's convergence policy in August 1996. It sets the framework for competition for all information highway facilities, products and services, while providing for continued support of Canadian content. Competition between suppliers and service providers should increase choice and lower prices for consumers.

Industry Canada adopted spectrum policies to support a range of new wireless access facilities that help to advance competition in the delivery of telecommunications, multimedia and broadcasting services:

- issued policies and calls for applications:
 - to provide personal communication services (PCS). Four operators were licensed in 1996–97 to provide a range of advanced telecommunications services.
 - to provide wireless broadband facilities known as local multipoint communications systems (LMCS). Three operators were licensed in 1996–97 to provide services to about 200 communities.
 - to construct a Canadian high-powered direct broadcasting system to accommodate Direct-to-Home (DTH) service and other broadcasters. Telesat Canada was awarded a licence to build a satellite in the 91° slot for service in late 1998.
- opened new broadband spectrum in the 23 GHz and 38 GHz ranges
- carried forward the development of policy direction for DTH satellite services.

Promoting competition in telecommunications: DTH broadcasting

- Industry Canada, with Canadian Heritage, developed policy directions under the *Broadcasting Act* that called for dynamic competition in DTH satellite services.
- After the government issued its policy directions, the CRTC licensed a number of competitive DTH services. Due to technical problems and the partial failure of Telesat's Anik E-1 satellite, these licensees are not yet offering their services. However, some licensees envisage beginning service in 1997.

• ***Implement the federal Science and Technology Strategy and other science and technology initiatives***

Many governments, particularly within the OECD, are focussing their efforts on the role of technology in job and wealth creation. In today's global competitive environment, innovation is central to productivity improvements and a high standard of living. The OECD has noted that Canada suffers from an "innovation gap" — the development, diffusion and adoption of knowledge-based innovation into the economy are lagging behind those of other developed countries.

In March 1996, Industry Canada launched the federal Science and Technology (S&T) Strategy, *Science and Technology for the New Century*. Along with our Industry Portfolio partners, we contributed to the development of the *Industry Portfolio S&T Action Plan*, which was launched simultaneously with the Strategy.

Industry Canada, working with the Privy Council Office, helped launch, and provides secretariat support to, the new Advisory Council on Science and Technology that was created by the Prime Minister. The council includes 12 prominent Canadians who have been asked to advise the Prime Minister and Cabinet on S&T priorities.

Industry Canada worked with the Treasury Board Secretariat and other science-based departments and agencies to develop an approach to reporting on federal S&T activities and to address significant cross-cutting S&T priorities.

With Statistics Canada, Industry Canada launched a major program to develop new indicators on science, technology and innovation.

With Western Economic Diversification, we signed a Memorandum of Understanding with the four western provinces and the territories aimed at joint S&T planning in the context of industrial and economic growth.

Industry Canada led a study of R&D tax credits in all OECD countries and the Republic of Korea that was completed by the Conference Board of Canada. Results will be published in 1997.

Working with the Department of Finance, Industry Canada helped to establish the Canada Foundation for Innovation. The federal government's one-time investment of \$800 million makes the Foundation the largest of its kind in North America. The Foundation has a requirement that projects be jointly funded by the private sector, other foundations, the universities themselves or provincial governments and will work to renew the research infrastructure in Canadian universities and teaching hospitals.

Canada has led the world in the development of the Networks of Centres of Excellence program, which brings together Canada's best researchers from academia, industry and government to pursue research in areas that show great promise for Canada. This program has been renewed, and made permanent, allowing for both the continuation of promising networks currently in place and the creation of new ones. Four new networks were added in the target areas of advanced technologies, environment, health research and technology-based learning in Phase II of the program, in conjunction with the granting councils. This brings the total number of networks to 14. These networks involve more than 1000 researchers, 1700 graduate students, 48 universities, 37 hospitals and 405 industries. Since 1995, the networks have generated a total of 81 patents filed (21 awarded); 46 licences were granted to industry and 59 are under negotiation. Since 1991, the networks have established 27 start-up firms with 143 employees.

Industry Sector Development

Fostering a growing, competitive, knowledge-based economy is critical to the success of Canada. The Industry Sector Development line of business provides leadership and support to Canadian business as it adapts to the challenges and opportunities of the global and knowledge-based economy. To be successful, firms must invest, focus on activities requiring knowledge and

skilled workers, have above-average productivity, exploit market opportunities abroad and be competitive at home. Some Canadian firms are strong global competitors but there are many more who could do better. We must also increase our share of global tourism by promoting Canada as a desirable destination.

The following section articulates the accomplishments achieved by this line of business in 1996-97, as measured against the performance goals set out in our strategic framework (See Figure 2, page 7).

- ***Increase the number of exporting firms and diversify markets***

In collaboration with DFAIT, Industry Canada developed and implemented the Team Canada International Business Development Strategy, which focuses on delivering services to increase the number of Canadian exporters and to diversify Canada's export sectors and markets (see page 11). This Team Canada approach, based on the pillars of National Sector Teams (NSTs), Regional Trade Networks (RTNs), Canada's International Business Strategy (CIBS) and the International Business Opportunities Centre (IBOC), is resulting in targeted sectoral strategies and focussed services to clients.

Although Canada has become a leading exporting nation, it is not yet a nation of exporters. Large firms account for a disproportionate share of Canada's export activity: five firms account for 22 per cent of our trade; and the top 50 exporters account for almost half of Canada's exports. Although SMEs have great trading potential, less than 10 per cent of SMEs are taking advantage of globalization. In addition, exports are highly concentrated in a few sectors. Since one job in three depends on trade, increasing Canada's share of global trade is a priority.

The International Business Information Network was set up to achieve widespread dissemination of basic export information. It is accessible electronically through *Strategis*.

Industry Canada is working to improve the NSTs' network. The NSTs promote partnerships between the public sector (federal and provincial governments) and the private sector to develop a coordinated and strategic approach to sectoral trade development. The NSTs identify trade priorities and focus government effort in those areas of private sector interest. In 1996–97, Industry Canada led 17 NSTs in developing and implementing sector-specific trade promotion strategies and activities for 23 industrial sectors. Collectively these resulted in the co-production with DFAIT of CIBS.

In June 1996, each RTN published a three-year Regional Trade Plan identifying province-specific commitments and deliverables in eight key areas. Each plan lays out regional targets to the year 2000 within the broad context of national objectives (i.e. increasing export potential and diversification).

The NST and CIBS initiatives have been reinforced by the complementary initiatives of the RTNs, the International Trade Centres and IBOC. In 1996–97, IBOC, established in partnership with DFAIT, followed up on 7500 foreign sourcing enquiries and contacted more than 10 000 potential Canadian suppliers, resulting in more than 1000 Canadian firms becoming more active in international markets.

We also targeted trade support to the needs and concerns of particular industry sectors, and focussed on key markets. For example, Industry Canada:

- undertook more than 20 outgoing trade missions, technical seminars, business seminars or market reconnaissance trips in support of the Canadian environmental industry
- established the International Working Group on Aluminium to improve market transparency in the global aluminium market and provided secretariat services. Key members include the United States, Russia, Norway and Australia.
- developed the *North American Fabric Sourcing Directory* to help apparel companies meet the NAFTA rules of origin and to serve as the basis for the next round of negotiations on these rules
- contributed to components of the Canada–European Union Mutual Recognition Agreement authorizing the certification of Canadian products, such as Canadian manufactured pleasure boats, as conforming to European Union safety standards. The agreement will prevent domestic regulations from emerging as non-tariff barriers to bilateral Canada–European Union trade.
- established a Steel Round Table Discussion Group to serve as a consultative mechanism for industry and government to identify priorities and discuss current and anticipated issues.
- ***Attract new foreign direct investment and retain existing investment***

Industry Canada launched Investment Partnerships Canada in October 1996 as a joint initiative between Industry Canada and DFAIT to target high-impact multinational enterprise investment opportunities, and to improve links between investment promotion abroad and domestic industry expertise. This highly specialized team is identifying potential opportunities to retain, expand and attract new international investment, selecting the best of those opportunities for *focussed* promotion, establishing investment strategies for each of the selected opportunities and implementing the targeted strategies. As part of this, we developed the Deputy Minister “Country Champion” program, which aligns the deputy ministers of key departments with specific target countries, a domestic call program, in which senior officials will visit Canadian subsidiaries of foreign multinational enterprises (MNEs) in priority sectors, and the MNE targeting program.

The Investment Review Division, which is responsible for the administration of the *Investment Canada Act*, handled a total of 644 proposals filed under the Act from April 1, 1996 to March 31, 1997. Of these proposals, 130 were new business investments totalling \$456 million, and 514 were investments involving the

acquisition of control of Canadian businesses with total assets of \$13.7 billion. In this period, 70 per cent of investments originated from the United States with a further 15 per cent originating from European Union countries. Wholesale and retail trade industries received 25 per cent of investments from abroad, while manufacturing received 30 per cent, services received 27 per cent and resource industries received approximately 18 per cent of investments.

- ***Encourage technological innovation in industry to improve the rate of adoption of advanced technologies***

Technology Partnerships Canada (TPC) was implemented to lever private sector investment in high technology products and processes. TPC is a central element of the government's agenda to promote technological development as a catalyst for economic growth and job creation through increased productivity and competitiveness.

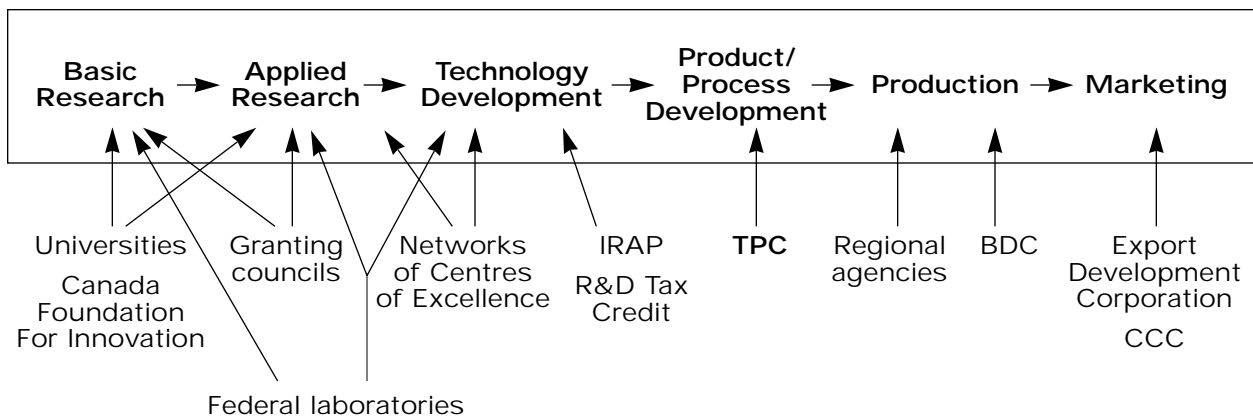
TPC's focus is on technologies essential to the knowledge-based economy: environmental technologies, biotechnology, advanced manufacturing, advanced materials, applications of information technologies, and aerospace and defence industries. Investments take the form of conditionally repayable contributions in which the government shares both risk and reward with the private sector. These contributions are intended to enable businesses to undertake projects with a high

Canada is attracting foreign direct investment, but we have lost share of the world total of that investment. A \$1-billion increase in foreign direct investment creates about 45 000 new jobs and increases gross domestic product by about \$4.5 billion over five years. Canada has become a more attractive place to invest, but success will require sector-by-sector investment attraction strategies and improved conditions so that Canada becomes the location of choice for global investment.

potential to stimulate economic growth and create jobs that otherwise would not have proceeded or would not have happened in Canada.

During 1996–97, TPC approved 30 projects resulting in a multiyear R&D investment of \$414 million. These investments are projected to lever approximately \$1.6 billion in investments by private sector partners, to generate some \$31.3 billion in direct sales (over the life of TPC's involvement in the process) and to create or maintain nearly 10 000 direct and indirect jobs. TPC outreach activities have begun to help SMEs, generating a number of exciting investment opportunities and projects in all sectors and regions.

FIGURE 5
TPC Fills an Important Niche in the Innovation Continuum



With respect to TPC investment leverage:

- TPC's average cost-sharing ratio is 30 per cent. Each TPC dollar levers about \$4.00 in private sector investments.
- Incremental investment by industry for such things as facilities, production assets and future product enhancement continues after TPC's funding expires.

A major round of collaborative pre-competitive R&D projects for Phase II of the Pre-competitive Advanced Research Network (PRECARN) was held. Eighteen projects have been approved to date, five of which have been completed. Industry Canada's support of PRECARN has enabled continued collaboration on technology development, diffusion and transfer in the areas of intelligent systems and advanced robotics.

Industry Canada supported the National Research Council in the development and national launch of the Canadian Technology Network, a people-centred network involving more than 405 member organizations and offering more than 4000 technology-related services and areas of personal expertise to SMEs.

We facilitated six industry-led technology roadmaps by increasing awareness and understanding of the private sector of the merits of technology roadmaps; acting as a catalyst in bringing together industry, industry associations, research organizations and academia to discuss and undertake technology roadmap initiatives and process; and helping identify possible approaches that could be used by the industry. A roadmap is a mechanism for identifying the new critical technologies required by specific sectors to meet future market demands. Through involvement of key companies and supply chains, these initiatives are promoting technology development, strengthening technology infrastructure and facilitating the diffusion of technology. For example,

- the first phases of two technology roadmaps (forestry operations and aircraft manufacturing, repair and overhaul) have been completed. The documents identify the driving forces and technologies that are critical for the industry to compete and meet future market demands and form the basis for the development of action plans.

- the *Aircraft Manufacturing, Repair and Overhaul Roadmap*, which was led by Industry Canada, involved the National Research Council, the Department of National Defence, and the Ontario Ministry of Economic Development, Trade and Tourism. The result was the identification of 50 technologies anticipated to be of critical importance by the beginning of the next century.

We provided ways to enhance industrial cooperation between U.S. and Canadian firms under the Canada–U.S. Innovation Project through strategic intelligence on innovation in technology and industry sectors. An initiative is now under way with the Alliance of Manufacturers and Exporters Canada to help industry develop a better understanding of the U.S. technology agenda and activities, and to establish ways for Canadian firms to participate in U.S. technology projects and vice versa. As well, Industry Canada has placed a liaison officer at the National Center for Manufacturing Sciences in Ann Arbor, Michigan, the leading U.S. organization for initiating cooperative manufacturing technology development projects.

We continued to develop Trans-Forum, an Internet-based communication and information service to promote technology transfer from universities and colleges to SMEs. We established an advisory board, evaluated pilot services, conducted feasibility studies for new services, expanded information services, and consolidated the client base.

- ***Promote growth of the information technologies and telecommunications industries***

Industry Canada undertook a number of initiatives in 1996–97 to promote the growth of these industries. For example:

- held negotiations on Telecommunications Equipment Mutual Recognition Agreements with Korea and the European Union to facilitate trade in information technology equipment for Canadian business
- participated in Canada–U.S.A.–Mexico negotiations to harmonize mandatory telecommunications equipment certification procedures and regulations to facilitate export of telecommunications equipment

- signed a Cooperation Agreement with the Mexican Ministry of Education that allows Canadian companies and organizations to export learning systems to Mexico. The first contract was signed by the Open Learning Agency of British Columbia.
- established the Standards Information Service and made links to North American standards bodies. We also completed the first version of the *Information Technology and Telecommunications (IT&T) Standards Roadmap* for the information highway.
- implemented a comprehensive Statistics Canada survey to improve the analysis of sector competitiveness and new technologies, finalized a study of the competitive performance of the telecom sector, published annual statistical reviews for information technology and content industries, and conducted a study on technology diffusion in the service industry
- added some 3500 IT&T enterprises to the Canadian Company Capabilities section on *Strategis* and developed the *Canadian Initiatives on Networking Clearing House* as part of Canada's contribution to the G7 Global Inventory Project
- supported private sector human resources initiatives and worked with Human Resources Development Canada (HRDC) to develop a plan to form a Telecommunications Council, and initiated a Statistics Canada study to examine the apparent skill shortage
- initiated a national industry awareness campaign on computing issues related to the year 2000
- completed the preliminary work to set up a national assistive devices industry association for the manufacture of information technology products aimed at Canadians with disabilities.
- ***Place Canada and Canadians at the leading edge of the global information highway***

In collaboration with the private sector, Industry Canada has made steady progress in building the information highway and developing innovative new products and services that will accelerate the development and application of leading-edge technology. For example, we facilitated the launch

Industry Canada is committed to making the Canadian economy a leading-edge, knowledge-based economy by using advanced communications technologies. To make Canada the first country in the world in which all individuals, businesses, institutions, communities and governments are connected to the information highway, we must accelerate and expand efforts to provide broad access to knowledge-based products and services.

of local multimedia industry clusters as a basis for strategic alliances. We also developed new indicators that supported the work of IHAC, and helped pursue interest in international fora (e.g. OECD) in measuring the economic, financial and social impacts of the information economy.

The Canadian Network for the Advancement of Research, Industry and Education (CANARIE), supported by Industry Canada, has surpassed a number of its original objectives. It has been successfully linked internationally to the G7 high-speed networks. The Technology and Applications Development Program has had considerable success with the information technology industry, stimulating the development of innovative technologies and applications. The program has successfully levered several times its investment from the private sector. CANARIE has forged new ground, particularly in the telehealth area. A study, jointly funded by Industry Canada, Health Canada and CANARIE, was published in September 1996. This study resulted in the government providing Health Canada with \$50 million for the development of Health Information Services and Health Iway.

Industry Canada continued to connect Canadians to the information highway, and to provide jobs and learning opportunities for young people:

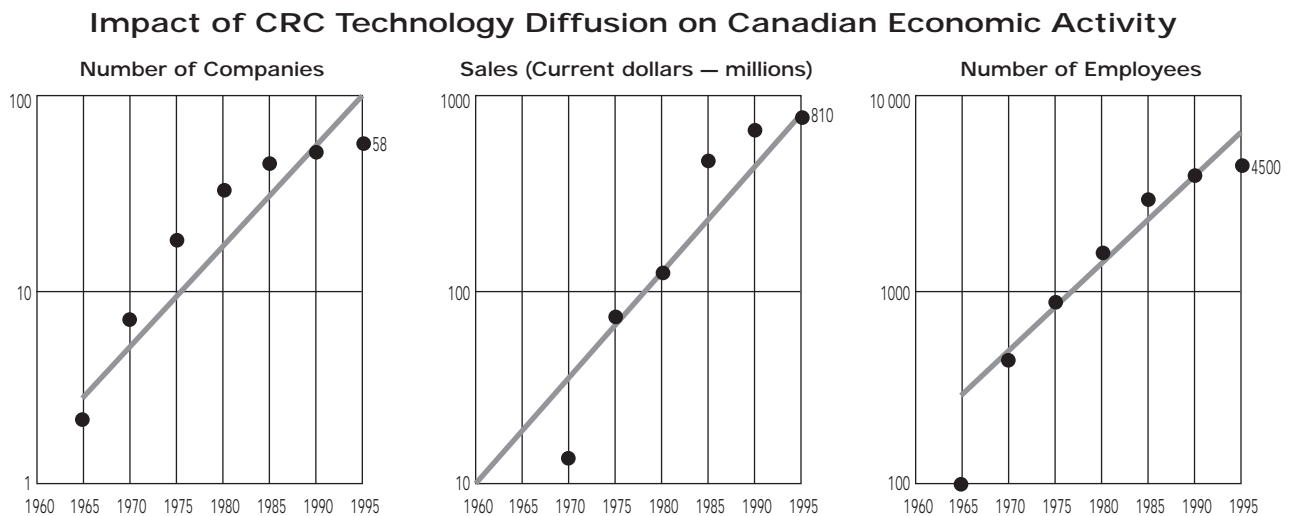
- The Community Access Program (CAP) provided public access to the Internet to some 546 communities and more than 800 jobs were created for students to work with CAP during the summer of 1996.
- SchoolNet has now connected 9385 of 16 500 schools in Canada; 1000 libraries and 300 First Nations schools have signed agreements to connect.
- Computers for Schools delivered 14 600 computers in 1996–97, for a total of approximately 28 875 computers and 44 000 pieces of software donated since the program began in the fall of 1993.
- SchoolNet Digital Collections has funded the digitization of more than 100 heritage and science and technology collections by more than 600 young Canadians to display on SchoolNet.
- SchoolNet Virtual Products successfully completed the National Graduate Register pilot project, with 10 000 students enrolled to date, and launched 30 new services for SchoolNet.
- Student Connection allows post-secondary students to introduce SME managers to innovative on-line methods for meeting their business needs. Students gain the business experience and computing skills necessary to compete successfully in today's job market. Since May 1996, more than 1600 students have been employed and more than 11 000 business managers trained.

• ***Conduct and support R&D in advanced telecommunications technologies through the Communications Research Centre***

The CRC developed new partnerships with external organizations to enhance knowledge and technology transfer from the CRC research program. For example, a working group was established comprising CRC, Nortel and the National Research Council to develop components and subsystems for advanced fibre-optic broadband networks. This raises the number of national and international agreements in which CRC is partnering to more than 30.

Since its was established in 1969 as a civilian entity, the Communications Research Centre has actively transferred its applied technology to private industry. Some 58 companies across Canada, representing almost a billion dollars in annual sales and 4500 employees, trace their roots back to technology or industrial know-how flowing from CRC (See Figure 6, below).

FIGURE 6



CRC provided industrial support to Canadian firms, such as Calian, CAL Corporation and Square Peg, by licensing satellite communications technologies. These companies are providing high technology jobs for Canadians and exporting their products to markets around the world. CRC also developed a prototype suitcase terminal capable of delivering multimedia communications via satellite to desktop computers.

The CRC Innovation Centre housed eight companies on site that were incubating innovative products. Two early successes have been **Linmor Technologies Inc.**, which won the 1996 Ottawa–Carleton Business Achievement Award for New Business of the Year, and **Innovative Fibers Inc.**

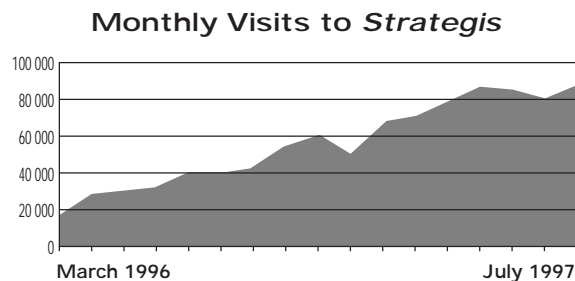
- ***Produce and deliver strategic business information to Canadian businesses through analytical reports and Strategis***

Strategis, Canada's largest business information Web site, was launched in March 1996. Through *Strategis* (<http://strategis.ic.gc.ca>), users can access the latest information on trade data, micro-economic policy, the marketplace, emerging technologies, and on how to manage a business:

- *Strategis* received 3400 visits each day in 1996–97, 70 per cent from SMEs. Users report *Strategis* saves them time and money because of the wealth of information it contains.
- *Strategis* is available 24 hours a day, seven days a week. Knowledgeable help-desk staff assist users over the telephone, by fax, and on-line using e-mail, and answer approximately 500 enquiries each week.
- *Strategis* is a growing resource, and is backed by the department's commitment to be truly responsive to user needs. Regular and constructive client feedback has resulted in continuous improvement in the site since its launch, both in content and functionality. User comments have led to changes to the interface and significant improvements to both the search engine and the content of *Strategis*.
- In 1996–97, the amount of information on *Strategis* more than doubled, resulting in an increase from

24 to 57 different products representing all lines of business in the department. Products introduced on *Strategis* toward the latter part of the year include the Corporations Database, which allows users to access information on federally incorporated companies, in addition to the 25 000 companies listed in Canadian Company Capabilities.

FIGURE 7



- *Strategis* has formed partnerships with key industry associations to increase awareness and encourage adoption of the site, maximized marketing resources and expanded its information base. Partner pages were created with the Canadian Federation of Independent Business, the Information Technology Association of Canada and the Canadian Advanced Technologies Association.
- The Canadian Patent Database, “Patents ‘X’ Express” was added to the collection, enabling quick searches on patents issued and patent applications. The database holds more than 500 000 individual records. The database enhances Canadian access to patent information, facilitating the diffusion of technology and helping to strengthen the technology infrastructure.

We provided an innovative way of improving accessibility and of increasing audience reach and departmental responsiveness at low cost through the Environment Industry Virtual Office, which was launched during 1996–97. It was the winner of a gold medal during Technology in Government Week, a showcase of new government initiatives. The office is a “virtual” partnership among the provinces, industry associations, the private sector and the department. Through it, the environmental industry can get quick and easy access to information and services on R&D, domestic and

international markets, investment and financing, and human resources. The office is open 24 hours a day, seven days a week and is helping to reduce duplication among governments. Virtual offices were opened in Ontario, Quebec, Nova Scotia and British Columbia in 1996–97.

Ten Sector Competitiveness Frameworks were published that analyze the structure, performance and prospects for growth of specific industry sectors. This analytical tool assists both industry and government in developing and adopting appropriate strategies and policies that will strengthen the industry's competitiveness and maximize its contribution to the Canadian economy.

- ***Improve SME access to capital and information***

In 1996–97, nearly 31 000 loans were made under the *Small Business Loans Act*, supporting the creation of more than 73 000 jobs. Industry Canada is better able to assess the economic impact of this program and monitor the effectiveness of its cost-recovery mandate as a result of new data collection.

In March 1996, the Canada Community Investment Plan (CCIP) was launched. CCIP helps communities work with their growth-oriented businesses to access existing local, regional and national sources of risk capital. Eleven communities were selected for funding in 1996–97.

The Business Network Demonstration Project for SMEs was launched. The 15-member coalition was originally expected to recruit additional members, launch 40 business seminars, train 50 business network advisors and form 30 demonstration networks. In effect, the coalition now has 100 members, has trained 150 business network advisors and formed 36 business networks.

A variety of services were provided in support of the SME community. These are listed in *Your Guide to Government of Canada Services and Support for Small Business 1996–97*, published in addition to the redesigned *Small Business Quarterly*.

Twenty-nine small business conferences and information fairs were organized across Canada, attracting more than 50 000 participants to showcase the range of government programs and services available to SMEs. This resulted in greater awareness among SMEs of government initiatives and reinforced government-SME partnerships.

A comprehensive, nation-wide database of small business support organizations entitled *Contact! The Canadian Management Network* was created to provide SMEs with easy access to management resources, software tools, publications and other specialized services. Since its inception, it has consistently been one of the top five products on *Strategis*.

Industry Canada sponsored a feasibility study and the development of a business plan for establishing a national association of women business owners in Canada. The department also supported the development of an information network and a database for women entrepreneurs.

The approval phase of the Canada–Ontario Infrastructure Works Program was completed in 1996–97, with a total of 5200 approved projects. Of these, some 3500 were completed, encompassing roads, water and sewage systems, and municipal and educational facilities. By the end of 1996–97, some 16 000 claims for payment had been processed involving \$660 million in federal investment.

Financial support was provided for major industrial projects under the Canada–Quebec Subsidiary Agreement on Industrial Development. In 1996–97, some 30 projects were approved — with \$40.6 million in federal contributions to the total project costs of \$1.1 billion — creating or maintaining more than 3200 jobs.

The Canada–Ontario Business Service Centre responded to approximately 450 000 enquiries from entrepreneurs and small businesses on business start-up, financing, intellectual property and other small business issues. In addition to the existing interactive Voice Response System and Faxback System, a Web site was created offering *Starting a Small Business in Ontario*

documents. Overall, clients indicated a satisfaction rating with the service of approximately 95 per cent.

• ***Improve economic development in Northern Ontario through FedNor:***

Working with its community partners to help the private sector capitalize on opportunities and overcome marketplace challenges, FedNor

- improved small business access to capital:
 - signed a Memorandum of Understanding with the Business Development Bank of Canada worth \$5 million over three years, creating a potential for \$25 million in loans to SMEs
 - signed a three-year agreement worth \$2 million with the Royal Bank of Canada, creating a potential for \$10 million in loans to SMEs in growth-oriented industries
 - allocated \$6 million in additional investment funds available to Northern Ontario Community Futures Development Corporations (CFDCs).
- improved small business access to information:
 - launched the FedNor Web site
 - upgraded the informatics capacities of the CFDCs
 - created an inventory of telecommunications services in Northern Ontario
 - signed a cooperation agreement with the National Research Council/Industrial Research Assistance Program to promote technology diffusion.
- improved small business access to markets:
 - coordinated the training and development of 60 Northern Ontario Trade Account Executives in cooperation with DFAIT
 - supported the Team Nickel Belt Trade Mission and updated the *Materiel Managers Directory*.
- encouraged community partnerships:
 - launched initiatives in support of community-based, business-oriented projects such as a

\$6-million Northern Ontario Economic Development Fund, a \$3-million Not-for-Profit Fund and a \$3.2-million Tourism Fund

- established an Aboriginal Working Group to examine ways in which FedNor's programs and services can better respond to Aboriginal SMEs in Northern Ontario.
- improved community economic development in rural Ontario through CFDCs:
 - FedNor administers the Community Futures program for all of Ontario. Community Futures provides support to 52 CFDCs, which are non-profit community organizations with volunteer boards of directors. CFDCs provide the following services in non-metropolitan areas:
 - strategic planning for community economic development
 - small business counselling
 - loans, loan guarantees and equity investments of up to \$75 000 to support employment in local SMEs.

In 1996-97, \$5.5 million in additional investment funds were made available to Ontario CFDCs through Community Futures and FedNor.

The CFDCs provided more than \$30 million in investment support to more than 1000 Ontario firms. In addition, more than 2700 businesses received counselling services. This resulted in more than 8500 jobs being created or maintained and approximately \$82 million in additional investment from the private sector.

• ***Strengthen Aboriginal businesses and their capital base through Aboriginal Business Canada***

In 1996-97, Aboriginal Business Canada directly assisted in more than 1200 projects, including more than 600 in the strategic priority areas of trade and market expansion, Aboriginal tourism, youth entrepreneurship, innovation, and access to capital.

In collaboration with the National Aboriginal Economic Development Board, Aboriginal Business Canada increased emphasis on these areas, and focussed priorities on the knowledge-based economy.

Aboriginal Business Canada (ABC): Delivering a high return on investment

- Since 1989, ABC has supported more than 5000 clients, with investments totalling \$366 million.
- These investments have levered almost \$700 million in investment from other sources, resulting in a direct impact on the Canadian economy of more than \$1 billion.
- Firm survival rates are high and compare favourably with rates for Canadian SMEs overall.
- Considering reduced welfare and unemployment costs, return on investment for ABC projects averages \$1.20.

Aboriginal Business Canada, working with partners, promoted the growth and development of Aboriginal firms through several key initiatives in 1996–97:

- published the *Aboriginal Export and Trade Directory*, which profiles more than 100 export-ready firms
- established Aboriginal Tourism Team Canada
- conducted trade missions (to Europe and New Zealand)
- collaborated on an *Aboriginal Travel Guide* with the CTC and Aboriginal organizations
- established the \$10-million Aboriginal Youth Business Initiative to allow 18 Aboriginal financial organizations to provide financing and business support to Aboriginal youth
- supported Aboriginal Capital Corporation's efforts to lever private sources of capital

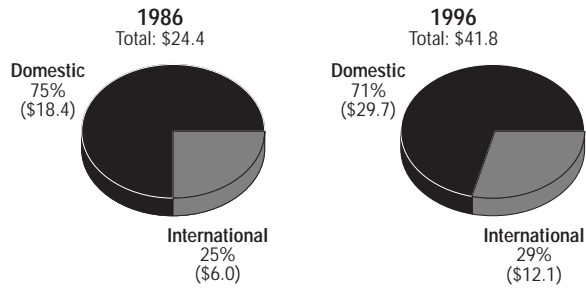
- enhanced the *Spirit of Aboriginal Enterprise* and Aboriginal Business Canada Web sites
- produced, with the Canadian Intellectual Property Office, intellectual property information for Aboriginal clients
- ***Increase global awareness of Canada as a desirable tourist destination and provide information to the tourism industry to support decision making through the Canadian Tourism Commission***

Tourism is projected to be one of the fastest growing global industries of the future. At the same time, countries around the world are developing new attractions and products and increasing their promotional efforts to attract more of the world's tourists. Canada needs to continue to develop tourism products that meet changing international tourist demand, to undertake targeted and innovative promotional programs, and to build strong partnerships between governments and industry to ensure Canada receives its share of projected tourism growth.

The CTC was created to undertake an expanded marketing program in domestic and major international markets. The government provided a \$50-million budget and challenged the tourism industry to match that funding through joint initiatives within three years. CTC actually attracted more than 1400 partners and increased partner funding, including a large cross section of SMEs, to more than \$70 million. The initial budget was supplemented by an additional one-time contribution from the CTC's partnering programs.

FIGURE 8

Tourism Demand in Canada
(Current dollars — billions)



Source: National Tourism Indicators

The CTC and its partners contributed to tourism's growth in Canada in 1996. International receipts rose by 9.7 per cent to \$12.1 billion. A growth in outbound travel by Canadians, however, resulted in a 2.9 per cent rise in the travel account deficit. The number of foreign visitors to Canada increased in 1996 by 2.1 per cent to 17.3 million person-trips. Despite a slight drop of 0.7 per cent in trips from the U.S., there was a substantial rise in tourist visitors from high-yield areas targeted by the partnership: Asia increased 17 per cent while Europe rose 8 per cent. As a result, tourism spending in Canada climbed to \$41.8 billion in 1996.

FIGURE 9

International Tourist Spending in Canada

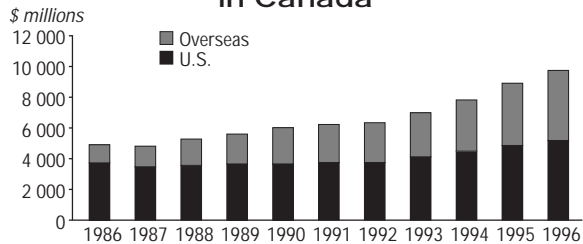


FIGURE 10

International Tourists in Canada

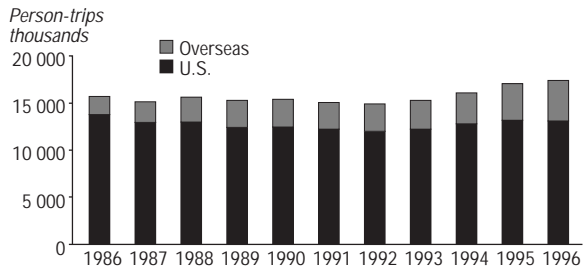
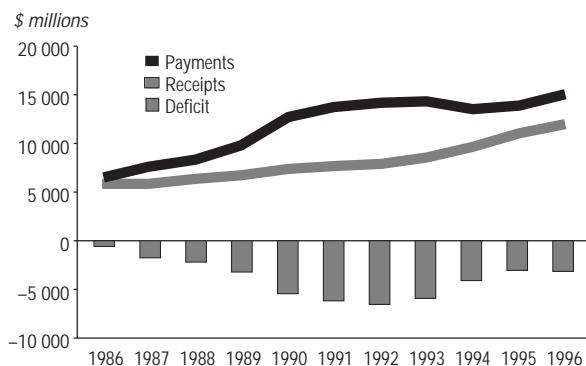


FIGURE 11

International Travel Account



Source: International Travel Survey

Marketplace Rules and Services

Modern, effective and responsive marketplace rules and services give consumers, investors and business confidence in a supportive marketplace. This allows businesses to prosper and contributes to economic growth. These rules and services also play a key role in supporting the growth of the knowledge-based economy by responding to technological advances, changes in Canadian business structures and international trends and developments.

Marketplace Rules and Services

- bankruptcy and insolvency supervision
- competition law administration
- consumer information and marketplace analysis
- consumer labelling and advertising rules
- corporate law administration
- intellectual property protection and dissemination
- measurement regulation
- spectrum management

The following section articulates the accomplishments in 1996-97 of the eight components of this line of business, as measured against the four performance goals set out in our strategic framework (See Figure 2, page 7).

- ***Deliver information and services that enable businesses and consumers to contribute to, and benefit from, an efficient and stable marketplace and respond to changing conditions***

We successfully delivered services in response to high demand (See box, right).

We improved our delivery of leading-edge information and support to consumers and businesses by:

- conducting research on consumer issues in electronic commerce, negative-option marketing, bank service charges, banks' entry into insurance retailing, telecommunications deregulation and sustainable development. (CIPO also did research on client perceptions and needs for new intellectual property products and services.)
- launching, in 1996, the biotechnology research project to provide expert socio-economic, analytical and synthesis research on biotechnology and the marketplace
- distributing more than 4000 copies of *Scam Alert!*, a four-part video to help consumers and businesses protect themselves against telephone and mail scams
- launching the *Consumer Quarterly*, which provides timely information and analysis to consumers, scholars, industry and policy makers on topics such as consumer debt, financial services, biotechnology and voluntary codes
- producing *Be a Smart Shopper: Make Sure You Pay the Right Price*, a brochure produced to give consumers tips on the reasons why the price charged at the checkout and what they expect to pay are often different
- helping consumer groups reach financial self-sufficiency and increase their effectiveness as consumer representatives through continued implementation of changes to the Consumer Affairs grants and contributions program.

Key marketplace services delivered in 1996-97

- 72 242 intellectual property applications
- 34 000 new articles of incorporation, fundamental changes, amendments, and amalgamation, dissolution and name decisions
- 156 000 statutory filings under the *Canada Business Corporations Act* and other corporate laws
- 131 000 information requests related to corporations
- 150 000 compliance and enforcement activities related to federal corporations
- more than 57 600 competition actions (complaints, merger pre-notifications, advance rulings and information requests)
- more than 15 000 consumer product actions (inspections, product corrections, complaints, warnings, advice and information requests)
- 64 900 radio licences, 4600 broadcast applications and notifications, 220 000 bilateral proposals and international notifications for frequency assignments, 25 500 radio operator examinations, 2700 radio and telecommunications equipment approvals, and more than three million certification labels for telecommunications equipment
- 99 724 total filings, including 93 860 bankruptcies (15 per cent business), 4249 proposals and 1615 receiverships, as part of bankruptcy and insolvency supervision
- nearly 34 000 measurement standards calibrated and certified
- nearly 900 000 measuring instruments (i.e. electricity and gas meters, scales and gasoline dispensers) inspected and more than 400 prototype measuring instruments evaluated and approved for trade use in Canada
- more than 8000 measurement-related disputes and complaints investigated and resolved

We increased use of information technology to improve access to necessary information by:

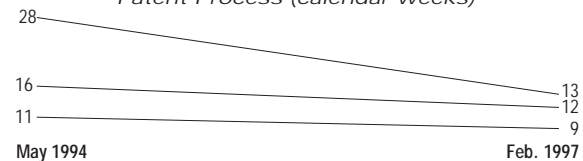
- increasing on-line electronic access to information on marketplace organizations and services, including the federal corporations database and consumer products information bulletins
- establishing an experimental electronic Consumer Research Information Network to link regional offices, academics, consumer groups and businesses so they can explore opportunities for discussion on consumer issues
- establishing the “Consumer Connection” on *Strategis* to provide a single-window information service that will inform consumers of their rights and responsibilities and improve consumer decision making in the marketplace. It also includes the quarterly *Credit Card Costs Report*, which provides comparative information about costs associated with credit card use.
- establishing an electronic registry that identifies the more than 30 000 textile and apparel manufacturers, retailers, importers and distributors, and makes registration faster and reduces paper burden
- developing and testing a pilot project to launch an electronic business environment in the Corporations Directorate
- improving the Office of the Superintendent of Bankruptcy’s (OSB) *Strategis* site by adding monthly bankruptcy statistics (including details by urban centre) and information about the OSB to satisfy client demands
- expanding the Competition Bureau’s Internet site to include more information that will enable SMEs to better understand their obligations under the *Competition Act*. The site (<http://strategis.ic.gc.ca/competition>) also includes links to other government competition law sites in the United States, Europe and Australia.
- providing increased access to information on consumer product issues by promoting the electronic mail address (cpdinfo@ic.gc.ca) for contacting Industry Canada

- providing searchable patent information, via the CIPO Web site, including guides, opportunities for client consultation on proposed regulatory changes, and hot links to other intellectual property Web sites. The Canadian Patent Database was rated as one of the most popular sites on *Strategis*.

We worked with our clients to improve service delivery standards internally and in partnership with the private sector by:

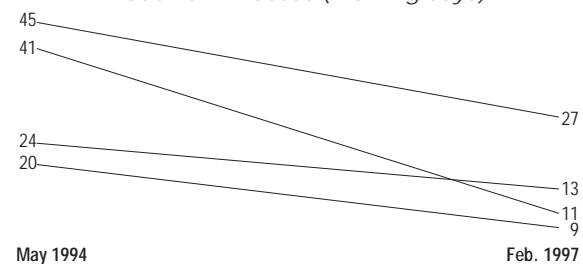
- improving turnaround times for service delivery in marketplace service organizations beginning with CIPO

FIGURE 12
Canadian Intellectual Property Office
Turnaround Time Reductions* in Parts of the Patent Process (calendar weeks)



*Projected reduction in turnaround times are directly attributable to investment in automation (i.e. TechSource)

FIGURE 13
Canadian Intellectual Property Office
Turnaround Time Reductions in Parts of the Trademark Process (working days)



- establishing client service standards for radio authorization and interference investigations and carrying out a public information campaign
- increasing the number of electricity and natural gas meters verified by accredited meter verifiers by approximately 11 per cent, which allows Measurement Canada to focus on areas of higher benefit to consumers

Alternative service delivery in Measurement Canada

Nineteen organizations now have delegated authority to verify 66 per cent of the estimated 18.2 million electricity and gas meters in Canada. Ninety per cent of the meters verified by accredited meter verifiers are used for residential applications, while the remainder are used for commercial and industrial metering.

- issuing a Request for Interest to identify potential private sector service providers to deliver bankruptcy registration and information services
- obtaining provisional Special Operating Agency status for Measurement Canada and the OSB to increase their ability to respond to client needs
- completing quality reviews of all OSB offices and preparing to implement recommendations made by re-engineering teams on ways to streamline low-asset, low-issue consumer bankruptcies that do not require legislative changes
- implementing a process to qualify *Bankruptcy and Insolvency Act* Insolvency Counsellors (1500 individuals) that will ensure the delivery of professional and uniform counselling services
- providing tutorials to trustee applicants and participating with the Canadian Insolvency Practitioners Association in the insolvency examinations for trustee licences

Improving services in the Corporations Directorate: Making a difference

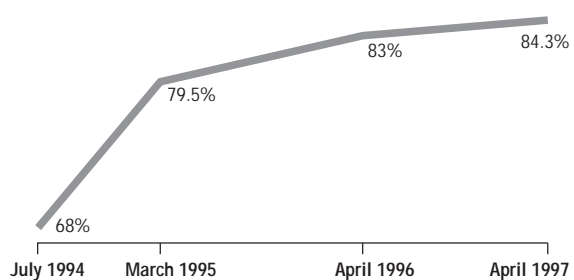
Investments by Industry Canada in product- and service-delivery improvements have allowed the Corporations Directorate to reverse a 10-year trend of declining federal market share with a modest gain in 1996-97.

- improving, in consultation with Corporations Directorate clients, a number of client-service initiatives, regulatory proposals, draft policies and guidelines.
- *Develop standards and regulations that encourage a fair, efficient and competitive marketplace*

We worked to modernize standards and regulations so that they respond better to the changing needs of the marketplace by:

- revising the Patent Rules and Trade-marks Regulations to simplify and accelerate processes
- simplifying procedures for clients of all CIPO intellectual property branches that saved time and money and led to a substantial increase in client satisfaction.

FIGURE 14
Canadian Intellectual Property Office
Client Satisfaction Increases in the Trade-mark Process



- updating the *Bankruptcy Surplus Income Circular*, which provides guidelines for payments to be made by debtors towards their estates. These guidelines provide for a fair and uniform approach to these payments.
- consulting with bankruptcy stakeholders to produce the *Directive on Inventory of Estate Assets*, which clarifies the approach trustees must take when preparing an inventory of the debtor's property and makes the process more transparent for creditors
- negotiating with retailers and consumer associations for the development of a voluntary code to improve price accuracy in stores

- conducting research, analyzing legal and economic impacts and holding a symposium to assist in the planned development of a federal *Voluntary Code Guide* on self-regulation to assist government, industry, and consumer groups in designing such systems
- completing a multiyear project to develop new Radiocommunication Regulations that provide a more comprehensive and flexible regulatory framework and improve the department's ability to regulate in step with technological advances. This also ensures effective and efficient access to the radio frequency spectrum in Canada.
- issuing 20 radio system and equipment standards covering broadcast, mobile and fixed radio systems, and a variety of new telecommunications equipment. These standards will provide guidance to clients aimed at ensuring efficient and compatible use of the radio frequency spectrum.
- banning digital scanners to enhance the privacy protection of new wireless technologies except in circumstances when they are required for law enforcement, spectrum management and by service providers for radio-system monitoring (as recommended by IHAC)
- developing a draft frequency allotment plan to allow for the eventual replacement of all AM/FM radio stations with digital radio, in a manner sensitive to manufacturer and service provider capabilities as well as user needs.
- completing a study on information sharing among federal, provincial and territorial corporate law administrators intended to simplify and harmonize extra-provincial corporate registration and reporting requirements.

Reducing paper burden

- completed negotiations with the other jurisdictions, such as provincial securities commissions, to introduce a single-filing initiative
- removed all forms from the Trade-marks Regulations and reduced the number of forms in the Patent Rules from 30 to 3
- allowed spectrum licensees, industry associations and the general public to complete more transactions electronically (including electronic commerce)
- provided electronic access to data and services for spectrum licensees, industry associations and the general public, as well as filing systems for clients of the Corporations Directorate and Lobbyists Registration

We worked to reduce the costs of doing business by cutting red tape and paper burden by:

- eliminating 11 sets of size requirements for consumer product containers, removing a barrier to trade and permitting business increased flexibility to respond to consumer demand for new package sizes
- drafting regulations for electronic filing for corporations to improve access to and more timely provision of services
- working with Revenue Canada on a proposal to reduce paper burden by combining the *Canada Business Corporations Annual Return* with the *Corporate Income Tax Return* in response to the results from a comprehensive client survey
- ensuring that consumers received necessary product information related to silver-plated cutlery while also providing increased flexibility to manufacturers related to the marking of these items
- increasing the use of the Business Impact Test to ensure that the potential impact of consumer product regulatory changes was minimized
- investigating issues related to the auctioning of spectrum space and the value of rights and privileges to provide a number of telecommunications services. Auctions may provide a more economically efficient manner of allocating certain segments of the radio frequency spectrum.

We took steps to make sure that regulatory changes do not have adverse impacts by:

- ***Administer and enforce marketplace laws and regulations to maintain business and consumer confidence***

We developed information products to promote voluntary compliance by:

- completing consultations with clients on corporate compliance programs for the development of an information bulletin designed to promote voluntary compliance with the *Competition Act* by business
- increasing the use of electronic and other media to disseminate information on consumer products compliance activities to businesses and consumers
- providing new information kits on exemptions under the *Canada Business Corporations Act* (CBCA) and to assist clients in reviving corporations dissolved under the CBCA.

We worked to make guidelines better understood by:

- revising guidelines for corporations and their investors to explain the directors' role in protecting the interests of minority shareholders under the CBCA
- providing public seminars and producing user-friendly guidelines to increase the acceptability of corporate names proposed under the CBCA
- harmonizing consumer protection of direct selling contracts and cost-of-credit disclosure under the AIT in support of the Consumer Measures Committee.

We enforced existing laws when required by:

- successfully pursuing a number of important *Competition Act* cases (See box, right)
- conducting a joint Canada–U.S. Internet sweep to identify potential scams that made false or unsubstantiated earnings claims, and making Internet promoters of business opportunities aware of relevant Canadian and American competition and antitrust laws

Recent *Competition Act* cases

- \$850 000 fine imposed on a thermal facsimile paper manufacturer for price fixing and for refusing to supply thermal facsimile paper
- application made to the Competition Tribunal about the acquisition by ADM Agri-Industries of various wheat flour mills for a Consent Order to maintain a competitive market in Quebec and Atlantic Canada
- the first guilty plea by a professional association for price fixing of professional fees among its members resulted in a fine of \$50 000 against La Federation des Arpenteurs–Géomètres du Quebec
- the Competition Tribunal issued an Order against Télédirect for tied selling of advertising space. The company was ordered to pay a commission on, or sell space and services separately for, Yellow Pages advertising that covered a province-wide region of six or more markets.
- \$200 000 fine levied against a modelling and talent agency for frequent advertisements appearing in Greater Toronto Area newspapers that misrepresented opportunities for acting and modelling jobs
- a Consent Order, requiring the divestiture of assets, was issued in the Seaspan case involving ship berthing services in the Port of Vancouver. The sale of the assets, when complete, will restore competition to B.C. coastal waters.

- promoting effective cross-border enforcement and information sharing, and coordinating consumer awareness activities among provinces in support of the Consumer Measures Committee under the AIT.

We investigated alternative mechanisms to improve compliance by:

- undertaking a number of studies that provide knowledge and information for improved decision making, including one study of self-regulating organizations (leading to re-engineering recommendations for improved compliance) and another on causes of consumer bankruptcies
- continuing service and compliance improvements and examining alternative compliance tools as a way to increase the cost effectiveness of compliance activities in OSB.
- ***Promote international acceptance of Canadian marketplace standards to help Canadian businesses compete internationally***

We worked with partners to develop internationally acceptable standards by:

- developing performance standards for multidimensional measuring instruments through a joint venture with the U.S. These standards have formed the basis for the development of international standards. Measurement Canada's active participation in the development of international standards improves opportunities for growth and export for Canadian businesses.
- making recommendations to the U.S. Federal Trade Commission during public reviews of its consumer protection rules on the marking for the gold, silver and platinum content of jewellery, and negotiating with NAFTA partners on harmonizing the creation of a symbol-based system for the care and cleaning of textile and apparel goods
- participating in the Intellectual Property Working Group of the Free Trade Area of the Americas and in the discussions on harmonization of intellectual property practices for liberalized trade under the auspices of Asia-Pacific Economic Cooperation
- contributing to the efforts of the World Intellectual Property Organization to develop treaties, standards

and guidelines to harmonize intellectual property laws and procedures internationally

- signing a Mutual Recognition Agreement with the Republic of Korea, and completing negotiations with the European Union. The Agreement deals with conformity assessment of a variety of telecommunications, radio and information technology equipment and electromagnetic compatibility.
- promoting the establishment of a Working Group on the Interaction between Trade and Competition Policy at the World Trade Organization
- promoting compatibility of Canada's framework laws within the NAFTA Working Group on Trade and Competition to advance the interrelationship between competition and trade
- minimizing non-tariff trade barriers and aiding consumer protection by actively participating in committee work such as the OECD's Committee on Consumer Policy, ISO groups developing international standards for labelling products, and the U.S. National Association of Consumer Agency Administrators
- sponsoring the Canadian Standards Association's submission of its model Privacy Code to the ISO for adoption as an international standard on privacy under the *Building a More Innovative Economy* Standards Initiative Program. This work will enhance consumer protection particularly on cross-border transactions and minimize non-tariff barriers to trade.

We represented Canadian interests in international fora by:

- hosting the 10th International Conference of Legal Metrology and a meeting of the Asia-Pacific Legal Metrology Forum. Delegates from more than 70 countries discussed the role of these international organizations in reducing trade barriers and increasing global competitiveness through international standardization of technical requirements and guidelines for measuring instruments.
- supporting Canada's participation on the OECD's Committee on Consumer Policy to promote Canada's consumer marketplace standards internationally

- acceding to the substantive provisions of the latest version of the Paris Convention for the Protection of Industrial Property to upgrade Canada's membership. The main provisions ensure national treatment of applicants and owners, provide priority rights to applicants from member states, and set out a series of common rules for members to follow.
- actively participating in the OECD's committees on Competition Law and Trade Policy, with particular focus on converging interrelationships between trade and competition policies
- assuming the annual presidency of the International Marketing Supervision Network and hosting the network's first meeting outside Europe. The network's primary function is to address emerging issues related to the enforcement of fair trading practices.
- participating in international fora such as the International Association of Corporate Administrators to exchange information on corporate law administration.

We worked in support of Canadian standards, including benchmarking by:

- undertaking the technical studies necessary to develop the Canadian position for the World Radiocommunication Conference in November 1997 in various fora (e.g. International Telecommunications Union, Inter-American Telecommunications Commission and the European Conference of Postal Services and Telecommunications)

The Canadian delegation to the World Radio Communication Conference will seek to secure access for Canada to radio spectrum that will enable the radiocommunications industry to develop new services and equipment, be highly competitive in the world market and protect existing uses of the spectrum.

- launching a benchmarking exercise to compare the services offered by the Corporations Directorate to those offered by various domestic and international counterparts to identify and implement best practices to improve service delivery.

We worked to facilitate access to world markets by:

- establishing a new streamlined disclosure process for the telecommunications terminal attachment program, which will help telecommunications service providers launch new services faster
- acceding to the Budapest Treaty for the international deposit of microorganisms for patent disclosure. Canadian inventors seeking patent protection in other countries now only need to provide a single deposit of biological material to an authorized depository.

Corporate and Management Services

The following section articulates our accomplishments in support of the department's three lines of business. They are measured against the performance goals set out in our strategic framework (See Figure 2, page 7).

Renew and revitalize the work force to provide the best possible service to Canadians

- strengthened leadership and people management skills by introducing an upward feedback exercise to support effective communication between management and employees
- achieved Program Review I targets with no involuntary departures
- established an Employee Advisory Board with union representation to advise the department on the management of work force reductions
- maintained cooperative relations with unions throughout downsizing
- provided extensive career counselling for employees through the Employee Resource Centre, financial counselling, workshops on change, assistance in preparing for job interviews, writing resumes and setting up a small business

- offered 57 noon-hour seminars on “Owning My Own Business” for 900 participants considering moves to the private sector as a result of downsizing
- significantly increased the representation of women in the Management Category from 14 per cent to 21.3 per cent
- provided leadership in the development and management of work force information (PeopleSoft) supporting strategic work force management

Manage and control departmental funds

- coordinated the 1996–97 Departmental Business Plan
- participated with four other departments in the selection of a new financial/materiel system for Industry Canada to meet Treasury Board’s new Financial Information Strategy requirements and compliance standards set for the year 2000 and began the implementation of the new system at Industry Canada
- implemented the departmental Contracts Operations Tracking System at headquarters and all regional offices. Departmental policies on fleet management, asset management and microcomputer use were issued.
- coordinated the development and approval of the Planning, Reporting and Accountability Structure (PRAS) for Industry Canada. The PRAS relates the internal management and accountability regime of the department to its objectives, lines of business, resource requirements and performance targets.

Increase efficiency by developing new ways of interacting with clients using information technology, better facilities management and management consulting

- implemented Asynchronous Transfer Mode (ATM) as the telecommunications transport mode for the department’s Wide Area Network. This increased the bandwidth without incurring any additional communications costs. Also, the Internet access

was upgraded to ATM to provide increased bandwidth to *Strategis* and for Internet use by departmental personnel.

- enhanced the department’s electronic mail service to improve internal and external communications, including the ability to send and receive e-mail through Microsoft, Lotus Notes and the Internet
- with Communications Branch, improved Hoover, Industry Canada’s electronic media services, and expanded it to 500 users
- implemented an integrated library/information gateway system that provides clients with an easy-to-use, consistent interface to both local and remote databases
- rationalized office accommodations, which freed up approximately 2500 square metres for priority use
- took advantage of cutting-edge video technologies to open a major videoconference centre in Ottawa, which meets the department’s objectives of reducing travel time and costs while exploring alternative working arrangements
- implemented the questionnaire component of the Management Consulting Centre client satisfaction measurement system

Streamline management practices and improve risk management, performance measurement and accountability

- completed audits of Staff Training, Revenue Systems, Departmental Information Systems, Official Languages, Environmental Stewardship and the Pacific Region. Also, a Treasury Board-directed audit was carried out for 1994–95 year-end expenditures.
- undertook an evaluation study of CANARIE Phase I, and developed evaluation frameworks for the Canada Community Investment Plan and CANARIE Phase II, as well as interdepartmental evaluations of Canada Genome Analysis and Technology, Networks of Centres of Excellence and the National Strategy for the Integration of Persons with Disabilities

- provided performance measurement development support, most notably for the Industry and Science Policy Sector
- brought the Audit and Evaluation functions into the same organization. This has made more effective use of each group's different skills and achieved greater complementarity and synergy.
- carried out evaluation studies of Aboriginal Business Canada, the Insight Plus CD-ROM, the Canada–Israel Industrial R&D Foundation, and the Canada–Ontario Infrastructure Works program, the latter led by Treasury Board Secretariat
- undertook two special projects:
 - assisted in the design of a Sustainable Development (SD) Strategy by profiling current departmental SD activities, identifying key management issues, and designing a performance framework for the strategy
 - assessed, in partnership with the Industry and Science Policy Sector, regulatory processes in relation to Treasury Board's Regulatory Process Management Standards.
- worked with communications representatives from across the Industry Portfolio on initiatives to improve communications with clients in such areas as jobs and growth, youth, science and technology, rural economic development and trade
- sustained quality communication support to ministerial and corporate priorities, including the Science and Technology Review, the information highway, trade and investment and SME activities across the country
- carried out an extensive program of consultation and partnering with key clients to determine their needs and expectations and to develop client-oriented responses and innovative delivery mechanisms
- introduced an electronic media-monitoring system, giving the department more timely access to a broader range of information sources
- developed more timely internal communications products to keep employees informed of departmental activities
- took advantage of new technology to communicate information, including electronic publishing, multi-media presentations, satellite hook-ups and electronic distribution of information

Communicate to Canadians what Industry Canada does

- developed and implemented a three-track communications strategy:
 - track I focussed on other government departments and agencies, both federally and provincially
 - track II was aimed at Industry Canada employees
 - track III focussed on the department's external clients.
- produced materials for and supported the Deputy Minister and senior staff in their presentations on the department and its priority areas to more than 100 client groups
- developed and implemented "IC and Me," an information program on Industry Canada during which trained employees led groups of their colleagues through exercises so they could become effective ambassadors for Industry Canada

Promote the highest standard of public service

- administered the Prime Minister's Conflict of Interest and Post-Employment Code for Public Office Holders and the *Lobbyists Registration Act*
- commenced a legislatively mandated consultation process in relation to the establishment of a Lobbyists Code of Conduct
- presented the Lobbyists Code of Conduct to the Parliamentary Committee on Procedures and House Affairs after completing a legislatively mandated consultation process
- implemented the Lobbyists Code of Conduct upon its publication in the *Canada Gazette*

C Key Reviews

This is a listing of the key internal reviews that relate to the performance of Industry Canada's programs and policies, as well as the reviews conducted jointly with other organizations to examine horizontal or interdepartmental issues. It includes projects completed in 1996–97.

Internal Reviews

Grants and Contributions Program for Non-profit Consumer and Voluntary Organizations: Evaluation

Lead: Office of Consumer Affairs (OCA)

Significance of review: This study was conducted to evaluate whether funding under the Grants and Contributions Program leads to improved consumer representation in and information about public policy formulation and the marketplace.

Changes to the Grants and Contributions Program continue to be implemented; these are aimed at helping consumer groups reach financial self-sufficiency and increase their effectiveness as consumer representatives. Effectiveness will be measured by representation of consumers in the marketplace, growth in consumer groups' client and membership base, effective partnerships with other government departments, other non-governmental organizations and the private sector, and improved research quality and use of consumer groups' research and analysis by government and industry. OCA now provides greater quality control on the project contributions made to fund consumer group research.

Effectiveness of Projects under the Grants and Contributions Program for Non-profit Consumer and Voluntary Organizations

Lead: Office of Consumer Affairs

Significance of review: The project was undertaken to evaluate the quality of work being produced by consumer groups that have received funding under OCA's Grants and Contributions Program.

Overall, the review found that quality is improving. Some consumer groups' reports needed to be better designed and/or researched, and improvements were

needed in the methodological references and in following the original terms of reference.

OCA has now implemented a rigorous proposal evaluation process to help consumer groups focus their research to better serve and represent the consumer interest.

Insight Plus CD-ROM Evaluation Study

Lead: Audit and Evaluation Branch

Significance of review: This was the first departmental information product to undergo an evaluation. The CD-ROM was produced during significant organizational change and under time and budget constraints. The study found that a more formal approach to product development and marketing would have contributed to better market penetration for the product and more significant impacts. It was recommended that future information products be guided by a comprehensive and formal product development and marketing strategy to confirm product demand and rationale, to understand client needs and to ensure these needs are met. Pre-release product testing with potential users, well-planned and coordinated promotion efforts, and client tracking ability are required for future information products.

Aboriginal Business Canada: Evaluation Study — Lessons Learned

Lead: Audit and Evaluation Branch

Significance of review: The study focussed on the Aboriginal Business Development Program (ABDP) and was designed to provide input for future programming of the initiative. The evaluation addressed issues such as objectives achievement, the impacts of Aboriginal Capital Corporations (ACCs) and the effectiveness of the delivery system.

The ABDP has had a positive effect on the creation of new Aboriginal businesses, increased employment and reduced dependence on social assistance, on the entrepreneurial culture of the Aboriginal community through the creation of a more sophisticated Aboriginal business community with a greater range of business-related capabilities, and on the creation of good role and leadership models.

The study identified a number of issues requiring further work: the continued role and structure of the ACCs; a focus on smaller entrepreneurial opportunities; revisions to the ABDP structure and strategy to ensure that a new strategy builds on past successes and continues to support the Aboriginal businesses that truly need assistance and for which there are no alternatives; revisions to the program to include reduced time for processing applications; and improvements in the service provided by external delivery organizations.

Advertising Evaluations: Canadian Tourism Commission

Lead: Canadian Tourism Commission

Significance of review: Advertising evaluations were conducted in 1996–97 by various consultants in the U.S., U.K., France and Germany to determine the effectiveness of advertising campaigns on consumer awareness levels and to assess conversion levels. Benchmarks for awareness levels prior to the ad campaigns were assessed in the U.K., France and Germany. The results confirm that awareness increased following the advertising campaigns and that conversion levels varied by market. The reports provide recommendations on alternatives to improve the targeting and effectiveness of ad campaigns.

Audit of Departure Incentive Programs

Lead: Audit and Evaluation Branch

Significance of review: Treasury Board directed departments and agencies to complete an internal audit of their use of the departure incentive programs and the associated expenditures around the midpoint of the three-year Program Review implementation period. In general, Industry Canada has managed its workforce reductions well to date. It has sound monitoring and reporting mechanisms in place such that departmental management is informed of the pace and degree of progress as well as other pertinent information.

Information Management/Information Technology (IM/IT) Projects

Lead: Audit and Evaluation Branch

Significance of reviews: Management-led IM/IT

Systems Security Self-Assessment Project — Phase I: This project provided responsibility centre managers with a method to “self assess” their system security risk level and to take timely action to minimize weaknesses. The project increased security awareness and systems security.

Newly Upgraded Automated Name Search (NUANS) — Phase I: This project evaluated the current business resumption plan for this name search system, a requirement for incorporating businesses. The project identified business resumption plan criteria for use to outsource the management of this system.

Audit of Quebec Region

Lead: Audit and Evaluation Branch

Significance of review: The main focuses of the Quebec region audit were finance, administration, human resources and informatics. According to the audit team, the management and control features of the various elements examined are adequate. However, some improvements are required by regional management to ensure greater efficiency in the management of operations.

Regulatory Process Management Standards (RPMS): Evaluation of departmental regulatory processes, development of action plan and follow-up implementation

Lead: Industry Canada (Corporate Governance Branch)

Significance of review: The seven major federal regulatory departments must meet the requirements of Treasury Board’s Regulatory Process Management Standards by the end of 1999. The Regulatory Affairs and Standards Policy Directorate (RASP) and the Audit and Evaluation Branch surveyed the regulatory processes of the major regulatory branches in Industry Canada and produced an *Issues Scan Report*. Overall, the review found that regulatory activity in Industry Canada meets or exceeds the baseline federal standard established by Consulting and Audit Canada. However, there is room for improvement, particularly in the areas of benefit-cost analysis and the formal consideration of alternatives. RASP, in consultation with regulators, has drafted an action plan to strengthen Industry Canada’s

regulatory practices and address issues discussed in the *Issues Scan Report*.

Review of the *Canada Business Corporations Act*

Lead: Corporate Governance Branch

Significance of review: *The Canada Business Corporations Act* has not been substantially amended since its passage in 1975. Nine discussion papers were prepared by Industry Canada officials with the assistance of private sector experts and were mailed out to 1800 stakeholders across the country in 1995 and 1996. Written comments were solicited and more than 200 completed business impact questionnaires and 100 written submissions were received in response. Subsequent consultations with more than 200 stakeholders in nine cities across Canada gauged the reaction to the recommendations and options set out in the papers. Analysis of the written submissions and consultations will lead to recommendations to the Minister of Industry for legislative reform.

Joint Reviews

National Biotechnology Strategy (NBS)

Renewal (Phase 1)

Departments involved: Industry Canada, Environment Canada, Health Canada, Agriculture and Agri-Food, Natural Resources Canada and the Department of Fisheries and Oceans

Lead: Industry Canada (Chemicals and Bio-Industries Branch)

Significance of review: The review primarily detailed elements of the NBS and the renewal process. It included a major interdepartmental policy session that resulted in a preliminary discussion document for the public, a national and international scan of best practices in addressing ethical issues in biotechnology, a comparison of provincial biotechnology strategies, and a major presentation by departments and agencies involved in the renewal of the NBS to the Minister's National Biotechnology Advisory Committee.

Mid-Term Evaluation of the Canadian Tourism Commission

Organizations involved: Industry Canada, Canadian Tourism Commission, provinces, territories, cities,

tourism associations and private sector representatives

Lead: Canadian Tourism Commission

Significance of review: The mid-term evaluation was the first phase of a comprehensive evaluation on the progress of the CTC in the areas of communication, awareness, impact and results. It also provided information to help the CTC prepare for ongoing performance measurement and monitoring. The findings indicate that there is high awareness and knowledge of who and what the CTC is, that the partnership approach adopted by the CTC is the correct one to meet the identified need, that the objectives are understood by stakeholders, and that the CTC has been successful in attracting partners and partner financial support. However, there is a continuing need to enhance the involvement of SMEs in CTC programs, activities and committees and for more effective communication with the industry. Additionally, current performance information needs to expand to respond to the needs of all decision-makers.

Canada–Ontario Infrastructure Works Program (COIWP) Case Studies

Organizations involved: Industry Canada and Treasury Board Secretariat (TBS)

Lead: Audit and Evaluation Branch

Significance of study: This project involved the preparation by Industry Canada and the province of Ontario of case studies for five COIWP projects at the educational and municipal levels. The approach followed a national set of guidelines and an interview protocol established by the TBS. These case studies served as input to the national evaluation of the Canada Infrastructure Works Program, which was led by the TBS.

Evaluation of the Canada–Israel Industrial Research and Development Foundation (CIIRDF)

Parties involved: Industry Canada and DFAIT

Lead: Co-led by Industry Canada and DFAIT

Significance of review: The study concluded that there is a rationale for the program, that it made effective use of third-party program delivery, and that it has been instrumental in bringing Canadian and Israeli firms together into alliances that are leading to new technologies and products, with potential for

significant project spinoffs. The study suggested that diversification may be required through the targeting of additional sectors, such as environmental technologies. The interest of provincial governments in the program was originally underestimated in structuring CIIRDF. The study supported program renewal for an additional term.

Canadian Code of Practice for Consumer Debit Card Services

Organizations involved: Industry Canada, Canadian Bankers Association, Consumers' Association of Canada and the Department of Finance.

Lead: Industry Canada (Office of Consumer Affairs)

Significance of review: A formal independent evaluation was conducted to assess industry adherence to the Code of Practice for Debit Card Services, which formalizes the commitment of debit service providers to protect consumers and defines participants' shared responsibilities.

Overall, the review found that debit card use is growing exponentially and that consumer concerns are low. Mystery shopping and telephone surveys confirm that most financial institutions meet or exceed the code. The evaluation concluded that the code could be improved by being clearer, consumers would benefit from clear and consistent information, and improved reporting of disputed transactions would facilitate ongoing monitoring and improvements. Working groups have been formed to address these recommendations.

Costs and Impacts of Workplace Hazardous Materials Information System (WHMIS) Regulations in the Automotive Sector

Organizations involved: Industry Canada, participants from the Automotive Parts Manufacturing Association and an ad hoc committee of the Motor Vehicle Manufacturing Association, General Motors of Canada Ltd., Chrysler Canada Ltd., Navistar International Corporation Canada, Ford Motor Company of Canada Ltd., Burlington Technologies Inc., Siemens Electric Ltd., Samule & Son Company Ltd. and Dana Canada Ltd.

Lead: Industry Canada

Significance of review: The study revealed that the

Workplace Hazardous Materials Information System has significant complexity and compliance costs for the automotive industry. The study shows that WHMIS lacks quality standards for the information used in the system, quality standards for training and appropriate managerial standards. As a result, recommendations from the study include harmonizing the labelling requirements within Canada of WHMIS, the *Transportation of Dangerous Goods Act* and the Consumer Chemical and Container Regulations, harmonizing the WHMIS Materials Safety Data Sheet (MSDS) requirements with those of Canada's major trading partners, setting up a centralized agency to verify and/or produce the MSDS label, providing clear technical guidelines for complying with WHMIS training needs; and providing basic WHMIS training in public and high school programs.

Information Technology Firms — The Business Impact Test and Customs and Excise Regulations

Organizations involved: Industry Canada, Revenue Canada, Private Sector Advisory Working Group, including DuPont Canada, Molson Companies Ltd., Arthur Anderson & Company, Northern Telecom, Canadian Tire Petroleum Ltd., Everingham Associates and Newton and Company

Lead: Industry Canada

Significance of review: This study investigated problems identified by the Information Technology sector regarding custom and excise regulations. Fourteen IT firms concentrated in the Toronto and Ottawa areas participated in the study. Smaller IT firms identified Customs and Excise regulations as the most burdensome. The primary concerns were with delays and uncertainties associated with complying with Custom and Excise regulations. Further, complying with "country of origin," warranty and intellectual property requirements created unnecessary costs and burdens for these small IT firms. It was recommended that simplified and clearer regulations, definitions and processes be put in place to end delays and uncertainties in the movement of imported and exported goods. In addition, appropriately tailored in-house self assessment of Customs and Excise's rules could relieve many of the burdens currently faced by business, particularly small firms.

Reducing the Cost of Tax Compliance for the Canadian Pulp and Paper and Automotive Industries

Organizations involved: Industry Canada, Revenue Canada, Department of Finance, Joint Ad hoc Committee of Chrysler Canada, St. Anne-Nackawick Pulp Company Ltd., Ford Motor Company of Canada Ltd., General Motors of Canada Ltd., Kruger Inc., Navistar International Corporation Canada, Tembec Inc., MacMillan Bloedel Ltd. and Fletcher Challenge Canada Ltd.

Lead: Industry Canada

Significance of review: This study attempted to identify structural features of the tax system that were associated with significant compliance costs. The report quantifies the compliance costs associated with four areas of the tax system (corporate loss transfers, federal/provincial sales tax harmonization, changes in treatment of the GST refund for exporters, and the elimination of unnecessary information requirements for R&D tax incentives). Recommendations to reduce compliance costs included further harmonization of provincial sales taxes with GST, changing the treatment

of GST refunds to exporters and expediting payment or avoiding costs associated with delays in refunds, adopting a corporate “loss transfer” system and eliminating unnecessary information requirements for R&D tax incentives and related party transactions.

Regulatory Burden in the Pulp and Paper Industry

Organizations involved: Industry Canada, Ad hoc Committee of Fletcher Challenge Canada Ltd., MacMillan Bloedel Ltd., Tembec Inc., St. Anne-Nackawick Pulp Company Ltd. and Kruger Inc.

Lead: Industry Canada

Significance of review: The study reviewed two areas of regulation identified as problems for the industry: taxation regulation and environmental regulation. The study determined the key aspects of the problem regulations that, if changed, could offer significant improvements for industry. It also established the costs of compliance with the regulatory area and measured the potential cost savings associated with selected changes to the regulations and considered the policy implication of the results.

Section IV: Supplementary Information

FIGURE 15
Industry Canada Organizational Chart

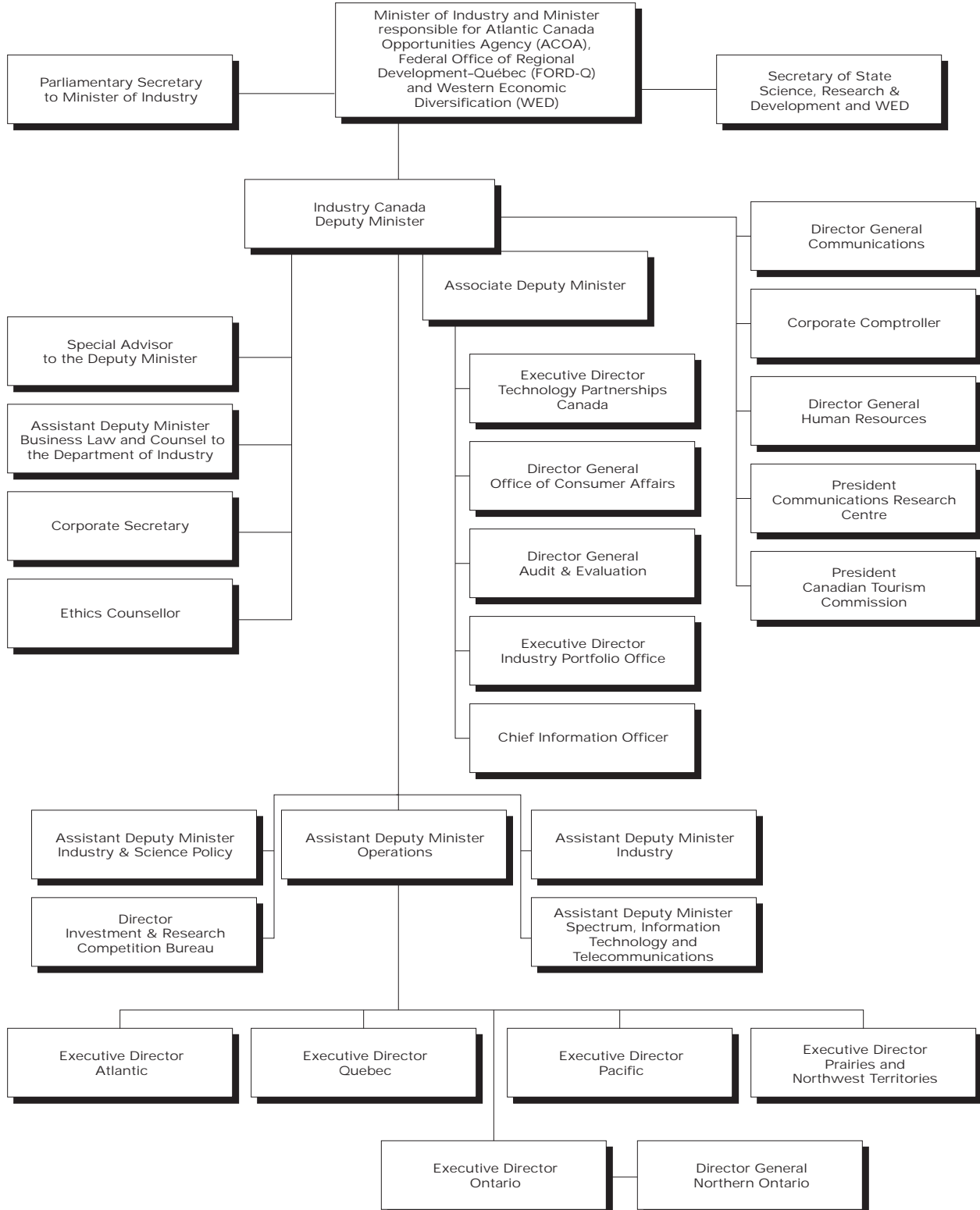


FIGURE 16

Comprehensive Performance Expectations

<p>Micro-economic Policy develops the strategies and frameworks needed to improve Canada’s productivity growth and to encourage increased investment, innovation, the transition to a knowledge-based economy, the development of a world-leading information highway, stronger and more diversified trade and a healthy marketplace climate.</p>	
<p>Performance Goals</p> <ul style="list-style-type: none"> • conduct and support leading-edge research and give advice on micro-economic issues as a basis for current and future policy decisions • develop modern and effective marketplace framework laws and policies • increase trade and investment through participation in the development and implementation of investment and trade policies • develop policy and regulatory frameworks for the information highway that support competition • implement the federal Science and Technology Strategy and other science and technology initiatives 	<p>Performance Indicators</p> <ul style="list-style-type: none"> • the quality of micro-economic research and advice in support of effective policy decisions • the degree to which marketplace framework laws and policies promote business and consumer confidence • the extent to which Industry Canada contributes to federal investment and trade policies that increase Canada’s share of global trade and foreign direct investment • the extent to which federal policy and regulatory frameworks for the information highway support competition • the extent to which the implementation of the Science and Technology Strategy improves Canada’s S&T performance
<p>Industry Sector Development helps to improve the competitiveness of Canadian businesses by working with them to foster a climate for growth, to identify and overcome barriers to growth, and to take advantage of emerging opportunities.</p>	
<p>Performance Goals</p> <ul style="list-style-type: none"> • increase the number of exporting firms and diversify markets • attract new foreign direct investment and retain existing investment • encourage technological innovation in industry to improve the rate of adoption of advanced technologies • promote growth of the information technologies and telecommunications industries • place Canada and Canadians at the leading edge of the global information highway • conduct and support R&D in advanced telecommunications technologies through the Communications Research Centre • produce and deliver strategic business information to Canadian businesses through analytical reports and <i>Strategis</i> • improve SME access to capital and information • improve economic development in Northern Ontario through FedNor • strengthen Aboriginal businesses and their capital base through Aboriginal Business Canada • increase global awareness of Canada as a desirable tourist destination, and provide information to the tourism industry to support decision making through the Canadian Tourism Commission 	<p>Performance Indicators</p> <ul style="list-style-type: none"> • the number of new firms and sectors exporting to foreign markets and the extent of diversification of Canadian exports • the amount of new foreign investment attracted and existing investment retained • the level of technological innovation and industry adoption of advanced technologies • the rate of growth of the information technologies and telecommunications industries • the position of Canada at the leading edge of the global information highway and the level of affordable access to all Canadians • the amount of R&D in advanced telecommunications technologies • the amount, quality and availability of strategic information for Canadian businesses • the ease of access to capital and information for SMEs • the rate of economic development in Northern Ontario • the viability of Aboriginal businesses • the level of awareness of Canada as a desirable tourist destination, the increase of tourism revenues and of the volume of international visits and the size of the travel deficit

Comprehensive Performance Expectations

<p>Marketplace Rules and Services provides a fair, efficient and competitive marketplace for businesses and consumers, and promotes Canadian marketplace standards internationally.</p>	
<p>Performance Goals</p> <ul style="list-style-type: none"> • deliver information and services that enable businesses and consumers to contribute to, and benefit from, an efficient and stable marketplace and respond to changing conditions • develop standards and regulations that encourage a fair, efficient and competitive marketplace • administer and enforce marketplace laws and regulations to maintain business and consumer confidence • promote international acceptance of Canadian marketplace standards to help Canadian businesses compete internationally 	<p>Performance Indicators</p> <ul style="list-style-type: none"> • the availability of information and services to support an efficient and stable marketplace • the degree to which Industry Canada standards and regulations encourage a fair, efficient and competitive marketplace • the extent to which Industry Canada’s administration and enforcement of marketplace rules give business and consumers greater confidence in the marketplace • level of international acceptance of Canadian marketplace standards
<p>Corporate and Management Services provides the infrastructure and support required for the department to deliver the best possible service to Canadians.</p>	
<p>Performance Goals</p> <ul style="list-style-type: none"> • manage and control departmental funds • increase efficiency by developing new ways of interacting with clients using information technology, better facilities management and management consulting • streamline management practices and improve risk management, performance measurement and accountability • renew and revitalize the work force to provide the best possible service to Canadians • communicate to Canadians what Industry Canada does • promote the highest standard of public service 	<p>Performance Indicators</p> <ul style="list-style-type: none"> • the quality and adequacy of financial control • the extent to which new business processes improve internal efficiencies • the degree of implementation of streamlined management and risk management practices, performance measurement and accountability • the extent to which the Industry Canada work force is renewed and revitalized • the quality and effectiveness of communications to Canadians about Industry Canada programs and services • the extent to which Industry Canada promotes the highest standard of public service

FIGURE 17

**Summary of Voted Appropriations
Authorities for 1996-97 — Part II of the Estimates
Financial Requirements by Authority**

(millions of dollars)

Vote	Main Estimates 1996-97	Actual 1996-97*
Industry and Science Development Program		
1 Operating expenditures	310.0	369.8
5 Grants and contributions	446.2	480.0
(S) Minister of Industry — Salary and motor car allowance	0.0	0.0
(S) Insurance payments under the Enterprise Development Program and guarantees under the Industrial and Regional Development Program	10.0	0.0
(S) Contributions to employee benefit plans	14.9	15.5
(S) Spending of proceeds from the disposal of surplus Crown assets	0.0	0.2
(S) Refunds of amounts credited to revenues in previous years	0.0	0.0
L10 Payments pursuant to subsection 14(2) of the <i>Department of Industry Act</i>	0.3	0.0
L15 Loans pursuant to paragraph 14(1)a) of the <i>Department of Industry Act</i>	0.5	0.0
L97b Advances to regional offices and employees posted abroad	0.0	0.0
Services to the Marketplace Program		
20 Program expenditures	131.6	121.8
(S) Canadian Intellectual Property Office — Revolving Fund	(1.1)	3.9
(S) Liabilities under the <i>Small Business Loans Act</i>	44.0	43.9
(S) Contributions to employee benefit plans	11.3	11.7
(S) Spendings of proceeds from the disposal of surplus Crown assets	0.0	0.1
(S) Refunds of amounts credited to revenues in previous years	0.0	0.7
Total Department	967.7	1047.6

* Includes Supplementary Estimates plus other authorities.

FIGURE 18

Details of Revenues by Line of Business/Activity*(thousands of dollars)*

	Actual 1995-96*	Main Estimates 1996-97*	Actual 1996-97
Revenue Credited to the Vote by Lines of Business/Activities			
Marketplace Rules and Services			
Bankruptcy and Insolvency Supervision	—	—	16 091**
Intellectual Property Protection and Dissemination Revolving Fund	50 106	52 215	54 716
Spectrum Management	714	214	214
	50 820	52 429	71 021
Industry Sector Development			
Communications Research	6 919	8 169	8 413
Total Credited to the Vote	57 739	60 598	79 434
Revenue Credited to the Consolidated Revenue Fund (CRF) by Lines of Business/Activities			
Marketplace Rules and Services			
Bankruptcy and Insolvency Supervision	17 167	12 200	410
Corporations Regulation	11 622	12 200	11 926
Measurement Regulation	9 564	7 300	8 123
Consumer Labelling and Advertising Regulation	155	180	138
Spectrum Management	141 213	141 707	151 041
Fines	6 129	1 040	6 757
	185 850	174 627	178 395
Industry Sector Development			
Refund on previous year's expenditures	75 182	41 100	80 804
Return on investment	11 908	7 000	5 784
Loan guarantee service fees	1 836	1 000	2 692
<i>Small Business Loans Act</i> service fees	18 742	18 275	23 488
	107 668	67 375	112 768
Corporate and Management Services			
Miscellaneous	14	1 000	—
Total Credited to the CRF	293 532	243 002	291 163
Total Program Revenues	351 271	303 600	370 597

* Figures are shown using the current Planning, Reporting and Accountability Structure for purposes of comparison.

** 1996-97 was the first year of vote-netting authority; previously revenue went to the CRF.

FIGURE 19
Transfer Payments by Line of Business

(millions of dollars)

Lines of Business	Actual 1995-96	Main Estimates 1996-97*	Actual 1996-97**
Grants			
Micro-economic Policy	16.0	12.3	9.4
Marketplace Rules and Services	0.2	0.4	0.2
Total Grants	16.2	12.7	9.6
Contributions			
Micro-economic Policy	18.2	15.0	14.7
Marketplace Rules and Services	0.8	0.7	0.8
Industry Sector Development	654.2	472.8	499.8
Total Contributions	673.2	488.5	515.3
Total Transfer Payments	689.4	501.2	524.9

* Figures are shown using the current Planning, Reporting and Accountability Structure for purposes of comparison.

** Includes authorities from Supplementary Estimates.

FIGURE 20
Assets
Summary of Loans and Investments by Line of Business/Activity

(millions of dollars)

Lines of Business/Activities	Actual 1995-96	Main Estimates 1996-97	Actual 1996-97
Industry Sector Development	—	0.8	—
Total	—	0.8	—

FIGURE 21
Revolving Fund Use of Financial Authorities
CIPO

(millions of dollars)

	Actual 1995-96	Main Estimates 1996-97	Actual 1996-97
Revenues	49.6	52.2	51.1
Expenses	38.2	53.0	42.5
Profit or (Loss)	11.4	(0.8)	8.6
Add items not requiring use of funds:			
Depreciation/amortization	1.2	4.9	1.4
Changes in working capital	(5.0)	0.7	7.9
Investing activities: Acquisition of depreciable assets	(17.5)	(3.7)	(17.3)
Other Items	10.4	—	(4.3)
Cash surplus (requirement)	0.5	1.1	(3.7)
Authority: cumulative surplus (draw down)	10.0	11.1	6.3

Note: A "line of credit" of \$15 million was approved as the maximum amount that may be drawn down from the Consolidated Revenue Fund at any point in time. The above financial report is presented on an accrual basis restated to a modified cash basis.

Acts Under the Responsibility of the Minister of Industry*

<i>Agreement on Internal Trade Implementation Act</i> , S.C. 1996, c. 17	<i>Lobbyists Registration Act</i> , R.S. 1985, c. 44 (4th Supp.)
<i>Bankruptcy and Insolvency Act</i> , R.S. 1985, c. B-3	<i>National Research Council Act</i> , R.S. 1985, c. N-15
<i>Bills of Exchange Act</i> , R.S. 1985, c. B-4 (Part V: Consumer Bills and Notes)	<i>Natural Sciences and Engineering Research Council Act</i> , R.S. 1985, c. N-21
<i>Boards of Trade Act</i> , R.S. 1985, c. B-6	<i>Patent Act</i> , R.S. 1985, c. P-4
<i>Business Development Bank of Canada Act</i> , S.C. 1995, c. 28	<i>Precious Metals Marking Act</i> , R.S. 1985, c. P-19
<i>Canada Business Corporations Act</i> , R.S. 1985, c. C-44	<i>Public Documents Act</i> , R.S. 1985, c. P-28
<i>Canada Cooperative Associations Act</i> , R.S. 1985, c. C-40	<i>Public Officers Act</i> , R.S. 1985, c. P-31
<i>Canada Corporations Act</i> , R.S. 1970, c. C-32	<i>Public Servants Inventions Act</i> , R.S. 1985, c. P-32
Canada Foundation for Innovation: Part I and XI of the Budget	<i>Radiocommunication Act</i> , R.S. 1985, c. R-2
<i>Canadian Space Agency Act</i> , S.C. 1990, c. 13	<i>Seals Act</i> , R.S. 1985, c. S-6
<i>Companies' Creditors Arrangement Act</i> , R.S. 1985, c. C-36	<i>Small Business Loans Act</i> , R.S. 1985, c. S-11
<i>Competition Act</i> , R.S. 1985, c. C-34	<i>Social Sciences and Humanities Research Council Act</i> , R.S. 1985, c. S-12
<i>Competition Tribunal Act</i> , R.S. 1985, c. 19 (2nd Supp.), Part I	<i>Standards Council of Canada Act</i> , R.S. 1985, c. S-16
<i>Consumer Packaging and Labelling Act</i> , R.S. 1985, c. C-38	<i>Statistics Act</i> , R.S. 1985, c. S-19
<i>Copyright Act</i> , R.S. 1985, c. C-42	<i>Telecommunications Act</i> , S.C. 1993, c. 38
<i>Department of Industry Act</i> , S.C. 1995, c. 1	<i>Teleglobe Canada Reorganization and Divestiture Act</i> , S.C. 1987, c. 12
<i>Electricity and Gas Inspection Act</i> , R.S. 1985, c. E-4	<i>Telesat Canada Reorganization and Divestiture Act</i> , S.C. 1991, c. 52 (policy role)
<i>Government Corporations Operation Act</i> , R.S. 1985, c. G-4	<i>Textile Labelling Act</i> , R.S. 1985, c. T-10
<i>Industrial Design Act</i> , R.S. 1985, c. I-9	<i>Timber Marking Act</i> , R.S. 1985, c. T-11
<i>Integrated Circuit Topography Act</i> , S.C. 1990, c. 37	<i>Trade-marks Act</i> , R.S. 1985, c. T-13
<i>Investment Canada Act</i> , R.S. 1985, c. 28 (1st Supp.)	<i>Trade Unions Act</i> , R.S. 1985, c. T-14
	<i>Weights and Measures Act</i> , R.S. 1985, c. W-6
	<i>Winding-up and Restructuring Act</i> , R.S. 1985, c. W-11 (Part I only)

* Legislation that is largely inactive or in which there is minimal involvement is not included.

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