



Industry  
Canada

Industrie  
Canada

## 2000-01 Estimates



### Report on Plans and Priorities

A handwritten signature in black ink, reading "Joe May".

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Minister of Industry

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<http://info.ic.gc.ca>



## Section 1: Minister's Message

In the global economy, innovation is an essential determinant of long-term economic growth, improved productivity and, ultimately, our quality of life. Preparing Canadians for the knowledge-based economy will remain one of the government's top priorities in the years ahead. My portfolio of government organizations is promoting the growth of a strong, dynamic Canadian economy and is helping Canadians take advantage of the opportunities offered by the global, knowledge-based economy. We have laid a solid foundation through our continuing investments in knowledge and innovation.

An essential ingredient for our knowledge-based growth, both as an economy and as a society, is Connecting Canadians, an initiative designed to make Canada the most connected country in the world. Leading-edge applications will create jobs and growth, and strengthen productivity performance. Connecting Canadians will also allow us to reach out to all citizens, and redefine and enhance how we provide services to, and interact with, Canadians.

I am pleased to present the Report on Plans and Priorities for Industry Canada, which sets out for Canadians the planned activities, priorities and resources over the course of the next three years. These plans illustrate how Industry Canada is contributing to building a strong and dynamic Canadian economy. The Department's strategic objectives provide the framework for its plans and priorities in five areas: innovation, connectedness, marketplace, investment and trade. The plans and priorities highlighted in this report are aligned with the Department's strategic objectives to illustrate how Industry Canada will achieve those objectives and make a difference for Canadians.

### The Industry Portfolio is...

- Atlantic Canada Opportunities Agency
- Business Development Bank of Canada\*
- Canadian Space Agency
- Competition Tribunal
- Copyright Board Canada
- Canada Economic Development for Quebec Regions
- 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 Reports on Plans and Priorities.

As we look ahead we must define excellence by global standards. Innovation, science, research and development, and connectedness will profoundly change the world we face in the next decade. To maintain and improve our quality of life, we must be more skilled, more productive, more entrepreneurial and more innovative than any other country in the world — and we can be all of these things.



John Manley  
Minister of Industry

## Section 2: Industry Canada — Making a Difference

### A. Industry Canada's Business: Growing a Dynamic Economy

Industry Canada's mandate is to help make Canadians more productive and competitive in the knowledge-based economy and thus improve the quality of life in Canada. The Department's policies, programs and services help grow a dynamic economy that

- provides more and better-paying jobs for Canadians;
- supports stronger business growth through sustained improvements in productivity; and
- gives consumers, businesses and investors confidence that the marketplace is fair, efficient, modern and competitive.

The Department works to fulfil this mandate by developing and sustaining a micro-economic policy environment and through programs and services directly aimed at Canadian businesses and consumers across the country. Industry Canada achieves its goals by working in partnership with industry, universities, non-governmental organizations, other members of the Industry Portfolio, other government departments, and provincial and territorial governments.

### B. The Challenge of Sustained Productivity Growth

#### Productivity Growth is Key

Productivity is the engine that powers the Canadian economy and promotes a higher quality of life. It results in more and higher-paying jobs, which lead to higher incomes, and an improved standard of living.

"In the global, knowledge-based economy, the advantage goes to countries that are innovative, have high levels of productivity, quickly adapt the latest technology, invest in skills development for their citizens, and seek out new opportunities around the world."

— Government of Canada  
*Speech from the Throne, 1999.*

Productivity growth, and the resulting income growth, enables the government to provide services that sustain our productive potential; address social, economic and sustainable development issues; and support programs that enhance our quality of life.

#### Canada's Productivity Performance

Canada has come a long way in recent years to address critical structural issues that once limited our competitiveness with the rest of the world. We now have a budgetary surplus and low inflation, our debt relative to gross domestic product (GDP) is falling, more of our exports are knowledge-based, and our economy is one of the most open in the world. In addition, Canada continues to be one of the best countries in which to live, as evidenced by the United Nations' ranking of Canada as number one in terms of quality of life.

"High productivity produces high incomes, and high productivity comes from capable, innovative and talented people producing goods and services that are wanted around the world and here at home."

— The Conference Board of Canada  
*Performance and Potential, 1999.*



### Canada's economic performance in 1999

- Gross domestic product increased by 4.2 percent, the second highest rate among 15 member countries of the Organisation for Economic Co-operation and Development (OECD).
- Industrial production increased 6 percent, the highest increase among OECD countries.
- Unemployment fell to 6.9 percent, the lowest level in 18 years.
- Some 355,000 new jobs were created.
- Canadian stock prices reached a new all-time high in November 1999.

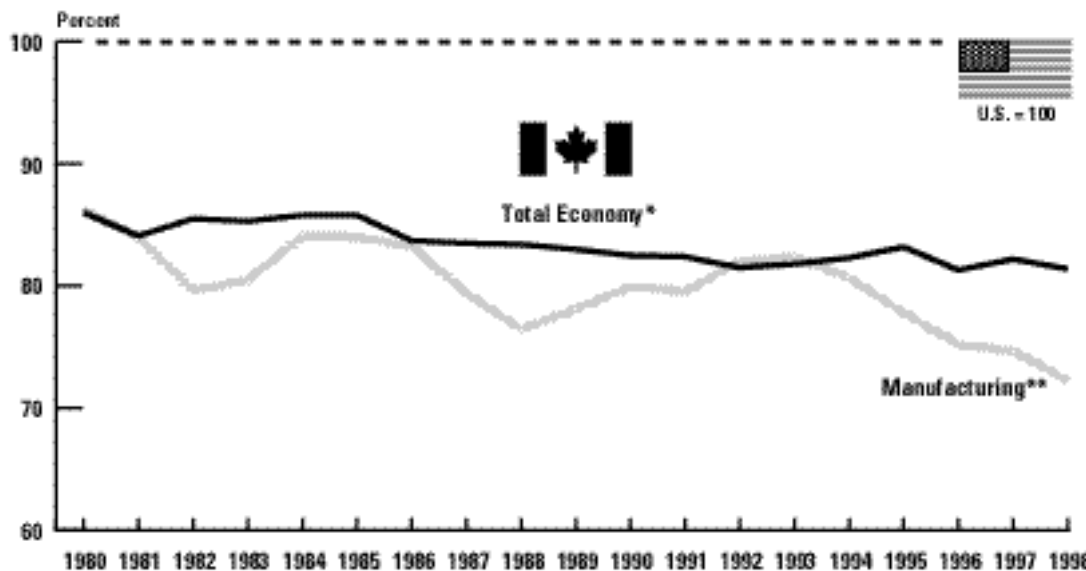
— "Monthly Economic Indicators," *The Economist*, January 15, 2000.

succeed in the knowledge-based economy, lest we be left behind. An important step for Canada is to improve our productivity performance and raise its current position in relation to our main competitors. In comparison with the other G-7 economies, in 1976 Canada's level of productivity was second only to that of the United States. Today, it has slipped to fifth place. Our productivity has consistently underperformed compared with our largest trading partner and competitor, the United States (see *Figure 1*).

A lower productivity level is not something instantly felt by individual Canadians; its effects take time to be realized. A comparison of our standard of living with that of our chief competitor illustrates some of the effects of Canada's lower level of productivity. Figure 2 highlights the fact that Canada's standard of living (in terms of purchasing

However, we cannot rest on our laurels. As economic growth becomes increasingly driven by information, we must continue to

**FIGURE 1**  
**Productivity Levels**



\* Labour productivity measured using GDP per hour, in 1998 dollars.

\*\* Labour productivity for the manufacturing sector is measured by GDP per hour, based on the methodology of the Centre for the Study of Living Standards.

Source: Statistics Canada, U.S. Bureau of Labor Statistics.

“The fact is, our productivity level remains well below that in the United States, and it needs improvement — no one argues about this fact... Finding ways to increase our efficiency is the challenge we face. Our competitors do not stand still, nor can we.”

— The Conference Board of Canada  
Viewpoint, April 1999.

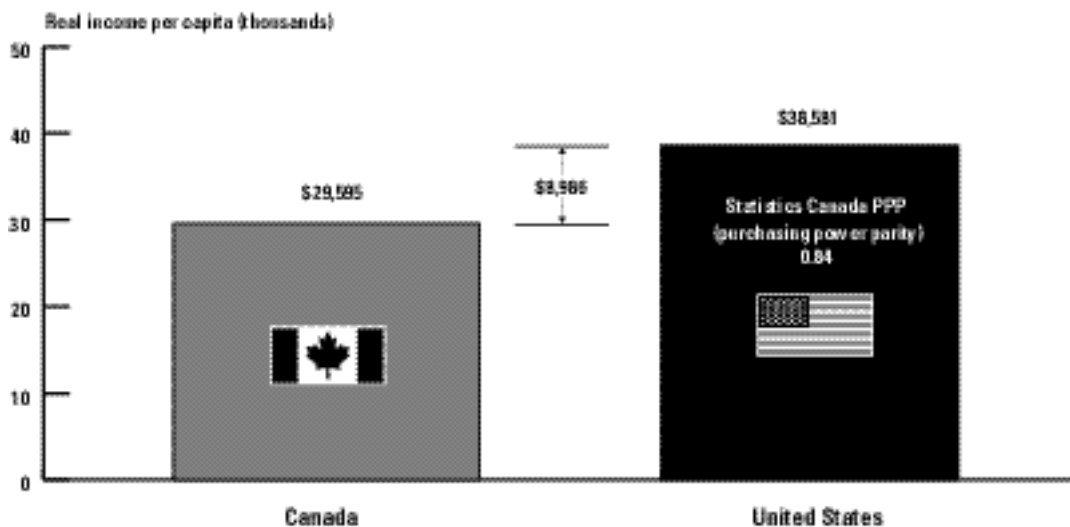
power parity or PPP) is some \$9,000 per person lower than that of the United States.

During the 1960s and 1970s, the standard of living in Canada grew at an average annual rate of 3.3 percent. Since then, increases in standard of living have slowed significantly — from 1.7 percent per year during the 1980s, down to 0.7 percent per year between 1989 and 1998. At this latter pace, it takes 100 years to double income per capita, compared with only 21 years at the pace registered during the 1960s and 1970s.

Canada must become more innovative. OECD studies show that innovation and productivity are strongly linked and that Canada is lagging behind other major economies on the innovation front. To illustrate, in Canada private sector spending on research and development (R&D) as a share of GDP is lower than in the United States, despite our more generous R&D tax incentive system. And Canadian companies, especially small and medium-sized enterprises (SMEs), are slower than their U.S. counterparts at adopting leading-edge technologies and processes. Governments must also work to ensure that Canada has the most up-to-date and innovative marketplace laws and services in order to enhance the economy’s productivity capacity.

Canada is the most open of the G-7 countries. Openness to trade and investment provides markets for our exports and sources of investment in our capital base, both of which are key to improving productivity. This openness also facilitates the transfer of technology and knowledge workers, key elements of a knowledge-based economy.

**FIGURE 2**  
**1998 Standards of Living**



Source: Statistics Canada, U.S. Bureau of Economic Analysis.



However, we need to better exploit our global trade opportunities. On the investment side, net foreign direct investment (FDI) flows to Canada have averaged more than \$8 billion annually in the 1990s — about 11 percent of all business fixed capital formation in the country. However, our share of the FDI flows to North America has fallen steadily. Between 1985 and 1997, Canada's share of North America's inward FDI stock declined by 11 percentage points, to 13 percent of the total. Clearly there is room to better exploit the openness that has been created by successive governments, and improve our performance in both trade and investment.

Improvements to Canada's productivity performance will in part depend upon Canada's industrial structure becoming more flexible and more dynamic. The industrial structure in the United States shifts much more quickly than that in Canada toward high-growth, high-productivity industries. To illustrate, U.S. productivity gains have been driven by two dynamic, technology-leading sectors: electronics and electric equipment, and industrial machinery. In comparison, Canada's productivity growth leaders were tobacco and refined petroleum and coal products. Productivity gains in these two mature, resource-based industries were achieved through cost cutting and labour shedding, whereas the U.S. productivity leaders made productivity gains through innovation in new products and new, high value-added opportunities.

Canada, on the other hand, is first in the world in producing knowledge workers. According to a study by the World Economic Forum, we rank ahead of the United States, and indeed all of the 53 countries considered in the study, in terms of enrolment in higher education. Canadians need to maintain this high level of achievement throughout their working lives, by embracing lifelong learning and the acquisition of new skills. Businesses have to join in this commitment, by providing ongoing training and opportunities for skills enhancement in the workplace. Access to this skilled work force enhances our ability to innovate and to harness technology productively.

Canada is building an excellent base to become the most connected country in the world. Canada is number one in the G-7 in home computer, cable and telephone penetration, and has the lowest telephone rates in the G-7, the lowest Internet access costs, the lowest costs of doing information technology business and the lowest software production costs in North America. The challenge for the near future is to translate these strengths into a palpable, innovative and competitive advantage in all sectors of the economy.

Improving productivity performance will require substantive and sustained efforts by all sectors of our economy. We cannot afford to be complacent. The fundamental challenge remains to achieve a higher standard of living and better quality of life for all Canadians. To do this, the Canadian economy must improve its productivity performance.



## C. Where Industry Canada Adds Value

Improving productivity growth today and for tomorrow requires a persistent effort from Canadian businesses, governments, communities and individuals. A commitment to keep productivity in the forefront of decision making will have a positive effect on our standard of living, quality of life and capacity to achieve sustainable development.

There are no quick or easy solutions to improve productivity growth in Canada's economy. The solutions require work on both the government's macro- and micro-economic agendas. Industry Canada is a leader in policies and programs that address some of the key determinants of our long-term productivity performance.

The most important agent of change for productivity is the private sector. Productivity improvements come from the firm-level decisions of front-line managers and workers on a daily, monthly and yearly basis. When combined, these decisions and actions have a significant effect on productivity at a national level. The overall business climate plays an important role for these decision makers. For this reason, succeeding in the knowledge-based economy is the lens through which Industry Canada examines each of its policies and programs. In facilitating Canada's success within a dynamic, knowledge-based society, Industry Canada makes an important contribution to the country's productivity, standard of living and quality of life.

Industry Canada has developed five strategic objectives to assist Canada in improving growth in productivity, employment and income. With its partners and stakeholders, Industry Canada will continue to improve the climate for higher productivity, economic

growth and job creation in Canada by focussing its efforts on these objectives.

Industry Canada is a key player in fostering economic growth because of its ability to directly influence marketplace behaviours. The key commitments identified for each strategic objective reflect the achievements that Industry Canada will pursue. The Department's efforts typically fall into four categories:

- creating the right climate through policy, legislative and regulatory initiatives;
- increasing clients' and stakeholders' awareness of current issues, opportunities and responsibilities;
- helping clients and stakeholders to develop their ability to respond to opportunities and to meet their responsibilities; and
- encouraging the adoption of behaviours that contribute to productivity, employment and income growth.

### *Innovation: Improving Canada's innovation performance*

The importance of innovation to the current and future economy cannot be overestimated. It is a crucial ingredient that enables Canadians to become more productive. The creative spark of innovation results in new tools and techniques that more effectively transform our inputs into more and better outputs. As simple as it sounds, the improvements to productivity must begin with the capability to innovate on existing methods or to create entirely new ones. This is why one of Industry Canada's main objectives is to improve Canada's innovation performance through the increased recognition of innovation, the expansion of our knowledge base, and a higher level of commercialization and



adoption of innovative products and services. With a heightened sense and application of innovation in the economy, the benefits of productivity, primarily a higher standard of living and quality of life, will result for Canadians.

*Connectedness: Making Canada the most connected country in the world*

Making sure that Canadians can access opportunities offered by the new economy is an important factor in sustaining productivity growth. Industry Canada contributes to this effort by making sure that Canadians have affordable access to the Information Highway through the Connecting Canadians initiative. Its ongoing goal is to make Canada the most connected country in the world. As part of this ambitious project, a related goal is to make Canada a location of choice for the development of electronic commerce products and services, which will attract investment and stimulate innovation throughout the economy.

*Marketplace: Building a fair, efficient and competitive marketplace*

To contribute to productivity growth and overall economic well-being, Industry Canada is committed to ensuring that Canada's marketplace framework instruments, and associated services and products, are geared to making Canada a leader in the global, knowledge-based economy. A fair, efficient and competitive marketplace is essential to attracting investment, enhancing trade and encouraging innovation. It provides the stability and efficiency required to conduct business, while maintaining consumer confidence in the products, services and transactions of the marketplace. It also entails client-centred, leading-edge delivery

"For Canada to generate jobs, growth and wealth, it must have a leading, knowledge-based economy that creates new ideas and puts them to work for Canadians. To do this, it is essential to connect Canadians to each other, to schools and libraries, to governments, and to the marketplace — so they can build on each other's ideas and share information."

— Government of Canada  
*Speech from the Throne, 1999.*

of the marketplace services and products that provide businesses with a competitive advantage.

Industry Canada is responsible for the marketplace frameworks that directly affect Canada's ability to be in the forefront of the knowledge-based economy, including intellectual property policy, competition law and consumer protection frameworks, among others.

*Investment: Improving Canada's position as a preferred location for domestic and foreign investment*

According to the *World Investment Report* (1999), Canada's inward stock of FDI reached US\$141.8 billion in 1998, an increase of 120 percent compared with its level in 1985. However, our share of the inward stock of FDI in the North American Free Trade Agreement (NAFTA) region declined from 24 percent in 1985 to 13 percent in 1998. This trend reflects intense competition in the pursuit of FDI worldwide. There is increasing evidence, however, that investment decisions by multinational enterprises (multinationals) tend to focus more on the availability of a skilled labour force, sound infrastructure facilities and an innovative, dynamic economy — all of which are acquired comparative advantages — than on

"Foreign investment provides us with capital, new ideas, new technologies, and innovative business practices... [The government] will launch Investment Team Canada — a coordinated effort by all governments and the private sector to make the international community more aware of the unique opportunities for investment and growth in Canada. The government will also modernize legislation to make it easier for global corporations to locate their headquarters in Canada."

— Government of Canada  
*Speech from the Throne, 1999.*

traditional attractions such as large domestic markets, access to natural resources and labour costs. With our highly skilled work force, this tendency should work in Canada's favour, and Industry Canada is working to improve the domestic and international investment climate in order to reinforce Canada's ability to attract and retain FDI.

#### *Trade: Working with Canadians to increase Canada's share of global trade*

Exploiting our global trade opportunities is key to reaping the rewards of our productive effort. Canada is the most open of the G-7 countries, and we rely on trade for jobs and growth more than any other industrialized country does. However, there are still major challenges to overcome. We must take full advantage of international business prospects, while minimizing risk in a rapidly changing global economy. Opportunities to address these challenges exist in the growing global markets for knowledge-intensive products and services. Industry Canada is working to foster an orientation to these global markets, and encourage more companies to make their products and services export-ready.

#### D. Industry Canada: Reaching Clients

Industry Canada delivers to Canadians a broad range of programs and services focussed on the achievement of the Department's five strategic objectives. These programs and services are designed to benefit a diverse client base across Canada. To reach its clients, Industry Canada collaborates extensively with partners at all levels of government, as well as within the private sector.

The Department has become a leader in providing client-focussed services and leading-edge products. The network of Canada Business Service Centres, a partnership of federal departments and the provinces and territories, provides an integrated access point for information on business programs, services and regulations (<http://www.cbsc.org>).

##### **Canada Business Service Centres**

Canada Business Service Centres provide an integrated access point for business program and service information.

##### **Partnerships**

- 36 federal departments and agencies
- 12 provinces/territories
- Three other partners

##### **Self-Serve Modes**

- Automated telephone information
- Toll-free fax-on-demand
- Web site (1 million visitors annually)

##### **Assisted Modes (900,000 interactions annually)**

- E-mail
- Walk-in
- Toll-free telephone.

<http://www.cbsc.org>



Leading-edge Internet services such as *Strategis* (<http://strategis.gc.ca>) and *ExportSource* (<http://exportsource.gc.ca>) provide businesses and individuals with strategic information services 24 hours a day, seven days a week.

Employees working in Industry Canada's five main regional offices and local service points, located in 50 communities, help to deliver all of the Department's products and services and provide an important regional dimension to address the unique issues and concerns of the Department's diversified client base. In the future, Industry Canada's strategy is to broaden the scope of service delivery to further reinforce marketplace services, electronic commerce, connectedness and government-wide priorities, as outlined in the Service Canada initiative. Industry Canada is committed to developing new government on-line service initiatives and will advocate and support similar connectivity-related initiatives by other federal departments and agencies, and the private sector.

Service standards for the Department's marketplace services have been established for the following:

- Office of the Superintendent of Bankruptcy Canada
- Canadian Intellectual Property Office
- Corporations Directorate
- Competition Bureau
- Measurement Canada
- Spectrum Management
- Canadian Tourism Commission.

**Strategis: The information site that means business**


*Strategis* helps Canadian firms and consumers to identify new markets, find business partners, form alliances, locate emerging technologies or processes, and assess various risk factors, by providing access to information that can help create new business opportunities.

<http://strategis.gc.ca>

The Department is also taking steps to understand and measure Canada's expectations for its services, and to track performance over time. This will include the use of service standards and benchmarking studies. The Department will also conduct client surveys to ascertain the level of awareness and understanding of its services as well as whether or not the services offered respond to client needs. Examples are indicated under the key activities of each of Industry Canada's five strategic objectives.

Industry Canada works closely with its clients and partners to maximize benefits for Canadians. Canadian industry, consumers, research institutes, universities and industry associations, along with other members of the Industry Portfolio, other federal government departments, provincial/territorial and municipal governments, and non-governmental organizations are key Industry Canada partners as well as clients. More information regarding Industry Canada's clients is provided under each of the five strategic objectives.

Industry Canada will monitor its progress in modernizing service delivery and, indeed, in achieving all of its results as set out in this report.



## Industry Canada On-line

**Strategis** →

<http://strategis.gc.ca>

Aboriginal Business Canada  
<http://strategis.gc.ca/abc>

Canadian Business Map  
<http://commercecan.ic.gc.ca>

Canadian Company Capabilities  
<http://strategis.gc.ca/cdncc>

Canadian Industry Statistics  
<http://strategis.gc.ca/cis>

Consumer Connection  
<http://strategis.gc.ca/consumer>

Contact!  
<http://strategis.gc.ca/contact>

Electronic Commerce in Canada  
<http://strategis.gc.ca/e-com>

e-START.ca  
Strategis for Students  
<http://strategis.gc.ca/e-start.ca>

FedNor  
<http://strategis.gc.ca/fednor>

Guide to Canadian Industries  
<http://strategis.gc.ca/gci>

Research, Technology and Innovation  
<http://strategis.gc.ca/til>

Sources of Financing  
<http://strategis.gc.ca/sources>

Steps to Competitiveness  
<http://strategis.gc.ca/steps>

Steps to Growth Capital  
<http://strategis.gc.ca/growth>

Technology Partnerships Canada  
<http://tpc.ic.gc.ca>

Technology Roadmaps  
<http://strategis.gc.ca/trm>

Trade Data Online  
<http://strategis.gc.ca/tdo>

### Services and Regulations

Canadian Intellectual Property Office  
<http://cipo.gc.ca>

Competition Bureau  
<http://competition.ic.gc.ca>

Corporations Directorate  
<http://strategis.gc.ca/corporations>

Lobbyists Registration System  
<http://strategis.gc.ca/lobbyist>

Measurement Canada  
<http://strategis.gc.ca/meascan>

Office of the Ethics Counsellor  
<http://strategis.gc.ca/ethics>

Office of the Superintendent of Bankruptcy Canada  
<http://osb-bsf.ic.gc.ca>

Radio Spectrum Management and Telecommunications  
<http://strategis.gc.ca/spectrum>



### Forging new community partnerships

The Federal Economic Development Initiative in Northern Ontario (FedNor) will increase its investment in partnerships with communities and community-based organizations in Northern Ontario in the areas of connectedness, innovation, investment and trade by

- supporting community recovery initiatives to alleviate economic crisis;
- supporting the development of community economic infrastructure;
- supporting youth internships related to economic and business development; and
- strengthening the role of Community Futures Development Corporations in rural and Northern Ontario as partners in community-based economic and small business development.

### E. Industry Canada: Valuing People

Industry Canada's success to date in delivering and supporting the programs and services focussed on its five strategic objectives depends on the talents, skills and motivation of its employees. The Department is fostering a work culture and environment based on the values and principles at the core of the public service and attuned to the profile and characteristics of effective knowledge-based organizations. Industry Canada aims to provide stimulating work and create a positive environment where results are recognized and rewarded, knowledge is actively sought and openly shared, and people are treated with respect and fairness. In this respect, positive labour-management relations are key to the Department's success. The Department values diversity and encourages initiative, innovation,

teamwork, accountability, the use of leading-edge technology and the development of skills. Industry Canada strives for excellence in all endeavours.

The Department is well positioned to achieve its goal of becoming an employer of choice. It is in the process of establishing a performance management regime for executives that links compensation with individual achievements of agreed objectives, which in aggregate contribute to the Department's performance in terms of its five strategic objectives. Human resource management values and leadership are core components of this performance management regime, and translate into action under the Industry Canada People Management Plan. The plan outlines the goals and actions to attract, develop and retain a talented and skilled work force — a work force that both acts in accordance with and is reflective of public service and Industry Canada values.

Industry Canada has already implemented many initiatives to recruit, retain, develop and motivate its employees. The People Management Plan is being updated to continue to be responsive to the challenges

### ▶ People Management Plan

Industry Canada's People Management Plan is focussed on the following:

- renewing and revitalizing the existing work force;
- retaining key staff;
- representing women, Francophones, Aboriginal people, visible minorities and persons with disabilities; and
- recruiting a highly skilled knowledge-based work force.

of the day, including action on the messages arising from the 1999 Public Service Employee Survey. The emphasis is on continuing to renew and revitalize the work force and make it more representative, building a learning culture, promoting effective governance of human resource issues, improving human resource management practices, and aligning development initiatives with public service and departmental priorities. The Department will continue to invest in its people through skills training, professional development, versatile and stimulating assignments, the fostering of transferable skills, mentoring, coaching, and meaningful performance management.

#### F. Government-wide Management Initiatives

Like all other federal departments and agencies, Industry Canada is developing and implementing new policies and procedures that respond to government-wide initiatives for management change. Examples of some of the initiatives under way include the following:

- incorporating the principles of effective, modernized comptrollership in the way it conducts its business, including the implementation of the Financial Information Strategy by April 1, 2001;
- meeting the obligations under the *Canada Labour Code* with respect to occupational health and safety;
- designing and implementing the second-generation environmental stewardship action plan;
- increasing awareness of the requirements of section 41 of the *Official Languages Act*;
- preparing to implement the Universal Classification Standard; and
- supporting the federal disability and employment equity agendas.

Industry Canada, through the Office of the Ethics Counsellor, promotes a high standard of public service by ensuring that all public office holders in the federal government are in compliance with the Conflict of Interest and Post-Employment Code for Public Office Holders.

## G. Planned Spending and Full Time Equivalents

### Departmental Planned Spending

Financial Spending Plan				
(millions of dollars)	Forecast Spending 1999–2000	Planned Spending 2000–2001	Planned Spending 2001–2002	Planned Spending 2002–2003
Budgetary Main Estimates (gross)	1,049.1	1,255.5	1,089.4	1,038.5
Non-Budgetary Main Estimates (gross)	0.8	0.8	0.8	0.8
Less:				
Responsible revenue	87.4	87.4	87.4	87.4
<b>Total Main Estimates</b>	<b>962.5</b>	<b>1,168.9</b>	<b>1,002.8</b>	<b>951.9</b>
Adjustments**	1,208.5	40.0	64.4	133.8
<b>Net Planned Spending</b>	<b>2,171.0*</b>	<b>1,208.9</b>	<b>1,067.2</b>	<b>1,085.7</b>
Less:				
Non-responsible revenue	227.2	235.7	230.1	229.6
Plus:				
Cost of services received without charge	54.4	54.4	54.1	54.1
<b>Net Cost of Program</b>	<b>1,998.2</b>	<b>1,027.6</b>	<b>891.2</b>	<b>910.2</b>
<b>Full Time Equivalents</b>	<b>5,449</b>	<b>5,413</b>	<b>5,403</b>	<b>5,361</b>

\* Reflects the best forecast of total planned spending to the end of the fiscal year.

\*\* Adjustments are to accommodate approvals obtained since the Annual Reference Level Update (ARLU) exercise and to include Budget initiatives.

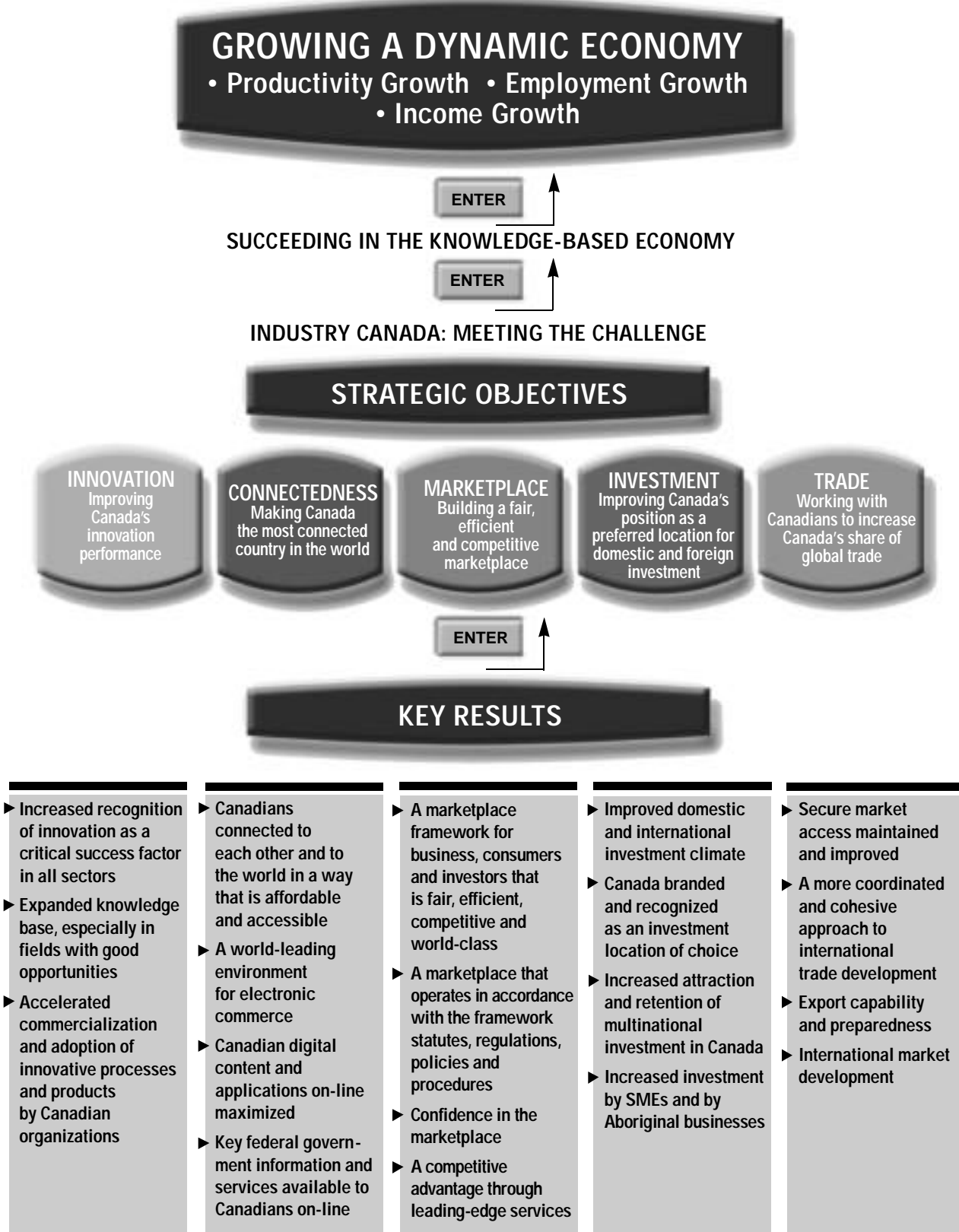
Net Planned Spending <sup>1</sup> by Business Line				
(millions of dollars)	Forecast Spending 1999–2000	Planned Spending 2000–2001	Planned Spending 2001–2002	Planned Spending 2002–2003
Micro-economic Policy	44.9	54.5	55.2	109.2
Marketplace Rules and Services	127.2	117.1	110.1	110.1
Industry Sector Development	1,823.8	873.1	735.2	699.7
Tourism	71.3	69.2	71.6	71.6
Corporate and Management Services	103.8	95.0	95.1	95.1
<b>Net Planned Spending</b>	<b>2,171.0</b>	<b>1,208.9</b>	<b>1,067.2</b>	<b>1,085.7</b>

<sup>1</sup> The Financial Spending Plan provides information in accordance with the departmental business lines. This document discusses the department's plans and priorities in accordance with its five strategic objectives. The department's financial system is not presently configured to capture information by strategic objective. The department will take steps to provide financial information by strategic objective in order to provide better information about the cost of achieving our results; however, to do so is a complex and long-term undertaking. In the interim, a crosswalk between the three principal business lines (Micro-economic Policy, Marketplace Rules and Services, and Industry Sector Development) and strategic objectives is provided in Appendix A.



## Section 3: Industry Canada — Adding Value

### A. Summary of Priorities and Expected Results





## B. Industry Canada's Plan for Adding Value

*INNOVATION: Improving Canada's innovation performance*

### The Importance of Innovation

Innovation is the key to productivity growth. Increased productivity in turn leads to a more dynamic economy and an improved quality of life. To achieve these goals, we must create opportunities for innovation and excellence that challenge our people and attract the best from around the world.

Canada's innovation performance hinges on our ability to learn new skills, adapt to new conditions, create new ideas, make new discoveries and seize new opportunities. By successfully addressing these challenges, Canada will experience increased job growth, a higher standard of living and an improved capacity to promote sustainable development.

### The Innovation Challenge

The keys to tomorrow's productivity gains are founded in choices made today. In order to improve our innovation performance, we must strengthen the four elements that foster innovation. We must work to

- revitalize the knowledge infrastructure;
- commercialize research results;
- develop our human resources; and
- provide a business and consumer environment conducive to innovation.

Making investments in these areas will bring higher returns to our quality of life, both in the near future and for the next 20 years or more.

"Our standard of living and our quality of life will be directly linked to our success in fostering knowledge creation, innovation and adaptability, and in maximizing educational opportunity and cultural expression."

— Prime Minister Jean Chrétien  
*Response to the Speech from the Throne*  
October 13, 1999.

### Industry Canada's Response

New ideas yield the highest return when new and innovative products and services are brought to market. To achieve this goal, Industry Canada supports partnering programs such as the Canadian Network for the Advancement of Research, Industry and Education (CANARIE), and the Pre-Competitive Applied Research Network (PRECARN).

#### PRECARN

"PRECARN is a national industry-led consortium that helps Canadian companies undertake research in artificial intelligence and advanced robotics. ...PRECARN works to keep Canada at the leading edge of breakthroughs in advanced manufacturing, mining, environmental cleanup and other activities using applications of advanced information technology. ...This budget will provide \$20 million in 1999-2000 to support 'Phase III' of PRECARN's program for research and development."

— Government of Canada  
*Budget 2000*  
February 28, 2000.

Industry Canada also fosters international collaboration for Canadian research institutions in emerging high-growth areas of electronic commerce, genomics, environmental technologies and advanced engineering to promote the commercialization of new ideas. Examples of the Department's response to the innovation challenge include initiating sectoral competitiveness studies and action plans to address innovation and skill development issues facing Canadian industries and firms, and developing and implementing options to meet climate change targets.

The 1999 Speech from the Throne reinforced the government's commitment to innovation, and all of Industry Canada's strategic objectives support innovation. A sound marketplace framework establishes a business environment that fosters the incentives of invention. The Connecting Canadians initiative improves and disseminates to all Canadians the technology that is at the heart of our innovation infrastructure. Trade creates new markets for specialized innovations and brings new ideas and technologies into Canada. With respect to investment, innovation works both ways. An innovative economy attracts investment, and foreign investment brings skills and ideas, in addition to financial resources, to Canada.

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#### KEY COMMITMENTS

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##### ***Increased recognition of innovation as a critical success factor in all sectors***

Industry Canada will promote the adoption of an "innovation culture" throughout Canadian society. For Canadian productivity to improve in the long term, Canadian organizations in all parts of the economy — education, business, consumers, not-for-profit organizations and government — must understand how innovation practices can best improve performance and must act upon this understanding. The Council of Science and Technology Advisors will report on how the government can make the best use of science and technology (S&T) advice. Through its Chair, the Minister of Industry, the Prime Minister's Advisory Council on Science and Technology (ACST), supported by Industry Canada, will advise the government on how best to capitalize on our investment in R&D. Industry Canada will be following up on the ACST's work with respect to the commercialization of university research.

As well, Industry Canada will continue to partner with key stakeholders in the private sector, universities and governments to demonstrate the importance of innovation and to better inform decision makers. Industry Canada will lead and coordinate federal S&T policy development and reporting, in part through the increased use of benchmarking and performance indicators. The results of this work will be disseminated to all sectors of the economy in order to improve economic growth and sustainable development. For example, the Community Futures Development Corporations, FedNor and Aboriginal Business Canada specifically target communities in their promotion of innovative products and processes.



## Key Commitments Framework

<i>Innovation: Improving Canada's innovation performance</i>		
Key Results	Performance Indicators	Clients/Co-deliverers
Increased recognition of innovation as a critical success factor in all sectors	<ul style="list-style-type: none"> <li>• Level of understanding of innovative practices and their impact on performance at the firm level</li> <li>• Consensus/support among universities for increased commercialization of research</li> <li>• Agreement among federal departments on the need to promote innovation in the private sector</li> <li>• Level of public understanding of the importance of innovation</li> </ul>	<p><b>Clients:</b></p> <ul style="list-style-type: none"> <li>• All Canadians</li> <li>• Businesses (including SMEs)</li> <li>• Leaders in government (all levels)</li> <li>• Educational institutions</li> <li>• Not-for-profit organizations</li> </ul> <p><b>Co-deliverers:</b></p> <ul style="list-style-type: none"> <li>• Public and private institutions</li> <li>• Research organizations</li> <li>• Other government departments</li> </ul> <p><b>Co-deliverers:</b></p> <ul style="list-style-type: none"> <li>• Industry Portfolio partners</li> <li>• Federal science-based departments and agencies</li> <li>• ACST</li> <li>• Private sector firms</li> <li>• Council of Science and Technology Advisors</li> <li>• Industry</li> <li>• Universities</li> <li>• Technology centres</li> <li>• Industry associations</li> <li>• Aboriginal economic development organizations</li> </ul>
Expanded knowledge base, especially in fields with good opportunities	<ul style="list-style-type: none"> <li>• Sound policy frameworks and strategic plans for high growth opportunities</li> <li>• Amount of investment in innovation by universities, governments and businesses</li> <li>• Synergistic collaboration among all partners in expanding the knowledge base internationally, nationally, regionally and locally</li> </ul>	
Accelerated commercialization and adoption of innovative processes and products by Canadian organizations	<ul style="list-style-type: none"> <li>• Sound policy frameworks for maximizing the commercial potential of university, government and business investments</li> <li>• Consumer information, choice and confidence in new technologies</li> <li>• Level of collaboration among partners in expanding the development and adoption of new technologies and applications</li> </ul>	

Industry Canada is developing innovative techniques that promote productivity through eco-efficiency in Canadian business. New strategies will involve innovation in technology, modes of production and more competitive ways of doing business. Eco-efficiency links the desired goals of business excellence and environmental performance to achieve measurable commercial, environmental and social benefits. It creates the bridge by which corporate behaviour can support sustainable development.

Finally, to gain the greatest benefit from our innovation culture, we must ensure that it is recognized. Industry Canada will support the government's efforts to brand Canada as "the most innovative nation" in the world.

**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Create information products such as the following:
  - National Technology Index
  - Innovation Management Toolkit
  - Innovation in Canada Web site
  - productivity and eco-efficiency practices in Canadian business
  - labour market information, sector information and regulatory requirements (Employers Online) (<http://eol.ipudev.com>) with Human Resources Development Canada.
- Develop new S&T indicators (e.g. performance measures of innovation in services, government laboratories and universities).
- Produce and publicize an analysis of the determinants of innovation and its impact on productivity and performance, including S&T, technology adoption and labour market considerations ([http://strategis.gc.ca/sc\\_indps/engdoc/homepage.html](http://strategis.gc.ca/sc_indps/engdoc/homepage.html)).

- Disseminate the latest technologies and develop and implement strategies for realizing the potential in priority sectors, through Technology Roadmaps.
- Conduct research on the radio frequency spectrum and radio propagation, which may result in the development of new technologies and knowledge for future exploitation by Canadian industries.

***Expanded knowledge base, especially in fields with good opportunities***

Industry Canada will support the expansion of the Canadian knowledge infrastructure. Canada ranks relatively low among industrialized nations in the amount of research funded and performed by the private sector, and in the number of scientists and engineers in the work force. We create only 4 percent of the world's scientific and technical literature; indeed, more than two thirds of Canada's technological inputs come from foreign sources.

**Canada Research Chairs**

"Universities make an important contribution to research and innovation in Canada, but they face intense competition in attracting and retaining the best researchers. The government has recently endorsed a plan from leaders in the research community to meet this challenge. As a result, the 2000 budget provides \$900 million over the next five years through the granting councils to establish and sustain 2,000 Canada Research Chairs by 2004-05."

— Government of Canada  
*Budget 2000*  
 February 28, 2000.



In order to improve Canada's performance, Industry Canada will continue to support generators of knowledge and help ensure that new ideas have ready access to markets. It will also provide sound policy frameworks and strategic plans for high growth opportunities, and will provide policy advice on the contributions to be made by the Canada Foundation for Innovation (CFI) and the granting councils. A special focus will be the expansion of Canadian scientific activity internationally, through the work of the ACST expert panel on international S&T, and through regional initiatives.

**The Canada Foundation for Innovation**

"The Canada Foundation for Innovation...awards funds to help post-secondary educational institutions, research hospitals and not-for-profit institutions modernize their research infrastructure and equip themselves for state of the art research. ...The 2000 budget provides a further \$900 million to the Foundation. ...The federal government's contributions to the Foundation will result in a total investment of about \$5.5 billion in new research infrastructure, helping Canadians stay at the forefront of ingenuity and discovery."

— Government of Canada  
*Budget 2000*  
February 28, 2000.

Technology Partnerships Canada (TPC) is an example of how Industry Canada promotes the expansion of the Canadian knowledge infrastructure by investing in innovative projects that encourage private sector investment and thus maintain and develop the technology base and technological capability of Canadian industry. In partnership with the private sector, TPC invests in high-risk industrial research and pre-competitive development projects. TPC

**Technology Partnerships Canada**

Over the next three fiscal years, TPC expects to approve more than 70 new projects, representing a TPC investment of \$800 million, and leveraging more than \$3 billion of innovation spending in areas that have high growth opportunities. These areas include the following:

- environmental technologies;
- enabling technologies; and
- aerospace and defence industry technologies.

TPC collaborates with the NRC to deliver projects to SMEs through its cross-country network of 260 industrial technology advisers.

<http://tpc.ic.gc.ca>

supports key technologies in all sectors of the Canadian economy. Investments are repayable with TPC sharing in both the risks and rewards of projects. In addition to increasing economic growth and creating jobs and wealth, TPC also supports SMEs in all regions of Canada.

Industry Canada also coordinates the Canadian Biotechnology Strategy on behalf of six other key departments, the National Research Council Canada (NRC) and granting councils involved in biotechnology. The strategy establishes a new policy framework, an expert-based Canadian Biotechnology Advisory Committee (CBAC), a new coordination machinery to focus and direct federal biotechnology efforts, and 10 priority themes for concerted action. The CBAC will be a key instrument for consulting Canadians on issues related to the "next transformative technology of the 21st century," and for advising ministers on future directions (<http://cbac.gc.ca>).

### Toward the Canadian Biotechnology Strategy

"Biotechnology is poised to be a major engine of the new economy and is expanding our understanding of all living organisms. Research in this field is creating new medicines, new tools for health diagnosis, more nutritious crops with higher yields and new technologies for cleaning up the environment. ...This budget will invest \$160 million in Genome Canada to fund the activities of five genome science centres to be located in Atlantic Canada, Quebec, Ontario, the Prairies and British Columbia.

...Biotechnology products offer significant benefits to Canadian consumers and businesses. At the same time, they require careful scrutiny and regulation. ...This budget provides a permanent increase in the budgets of federal departments and agencies that regulate biotechnology developments. An additional \$90 million will be invested over the next three years."

— Government of Canada  
Budget 2000  
February 28, 2000.

#### KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.

- Develop a greater understanding of the factors prompting highly skilled and educated workers to leave or come to Canada.
  - Encourage the development and diffusion of clean-production and enabling technologies for Canadian producers and consumers.
  - Ensure a broad understanding of the potential opportunities, costs and benefits associated with reducing greenhouse gas emissions.
- Complete the CANARIE Phase 3 Operating Plan, which will result in additional funding for innovation, and increased awareness of opportunities in areas such as electronic commerce, learning and training, and telehealth.
  - Stimulate pre-competitive R&D, together with PRECARN, for advanced network-based technologies and applications for intelligent systems.
  - Collaborate with the Software Human Resource Council, other government departments and industry associations to identify challenges and gaps and to ensure the availability of skilled workers in knowledge-intensive industries.
  - Establish the National Capital Institute of Technology in partnership with industry to create a multisite research and learning institute to attract and develop well-trained graduates in telecommunications engineering.

#### *Accelerated commercialization and adoption of innovative processes and products by Canadian organizations*

Industry Canada will work to accelerate the commercialization and adoption of innovative processes and products by Canadian organizations in all sectors of the economy. New ideas and processes generate the highest return when they have been put into early practical application. Renewal of Canada's intellectual property policy framework will be a priority in the years ahead. Industry Canada will continue to support the Networks of Centres of Excellence to stimulate the interaction between science and industry and build "skilled enterprises" in Canada to attract the best and the brightest from within Canada and around the world.



**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Develop and implement policies that assure effective commercialization and diffusion of innovation for Canadians, such as follow-up to the report of the Expert Panel on the Commercialization of University Research and the development of intellectual property frameworks for government-funded research.
- Design High Growth Opportunity Sector strategies to foster increased competitiveness in those sectors that demonstrate the greatest potential for further growth and global leadership.
- Fund and support the development of innovative processes and products among Aboriginal businesses and clients in Northern Ontario, through applied R&D, the commercialization of research, and technology development and transfer.
- Establish new partnerships and initiatives that will increase access to intellectual property information and raise awareness of intellectual property management strategies by the Canadian business community.
- Assist Canadian start-up companies in developing their potential through on-site technology incubation at the Communications Research Centre's Innovation Centre.

## ▶ Communications Research Centre Canada

The Communications Research Centre Canada is a leading-edge learning and research centre that is involved in the following:

- partnering with industry to create and transfer information and communications technology (ICT) intellectual property;
- providing a broadband interactive virtual learning community for Canadian K-12 professional educators through the Virtual Classroom Program;
- developing a prototype and pilot broadband infrastructures in the Ottawa-Carleton and Newfoundland-Labrador regions; and
- demonstrating leading-edge information technology applications with international partners.

*CONNECTEDNESS: Making Canada the most connected country in the world*

### The Importance of Connectedness

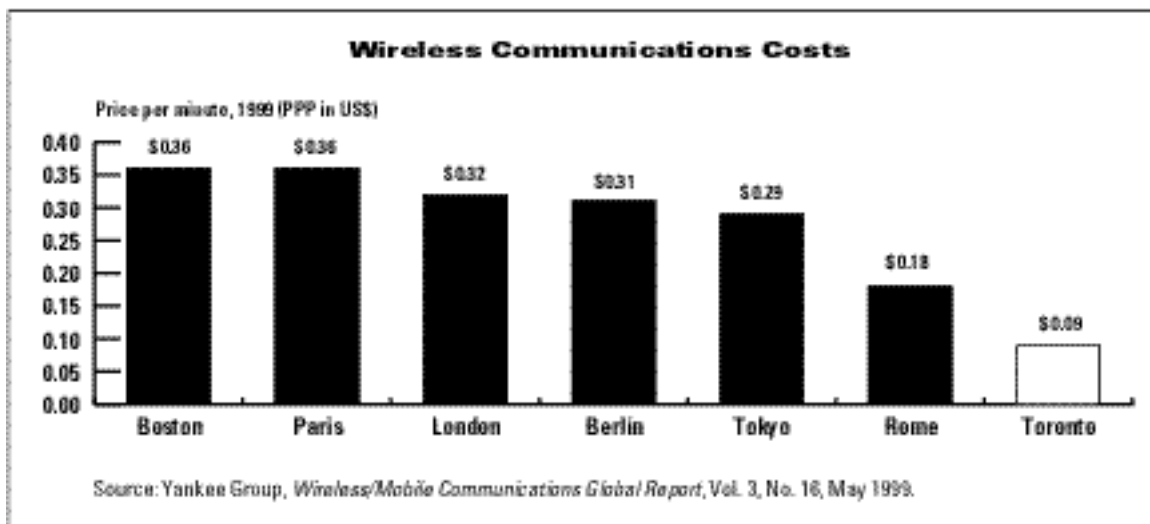
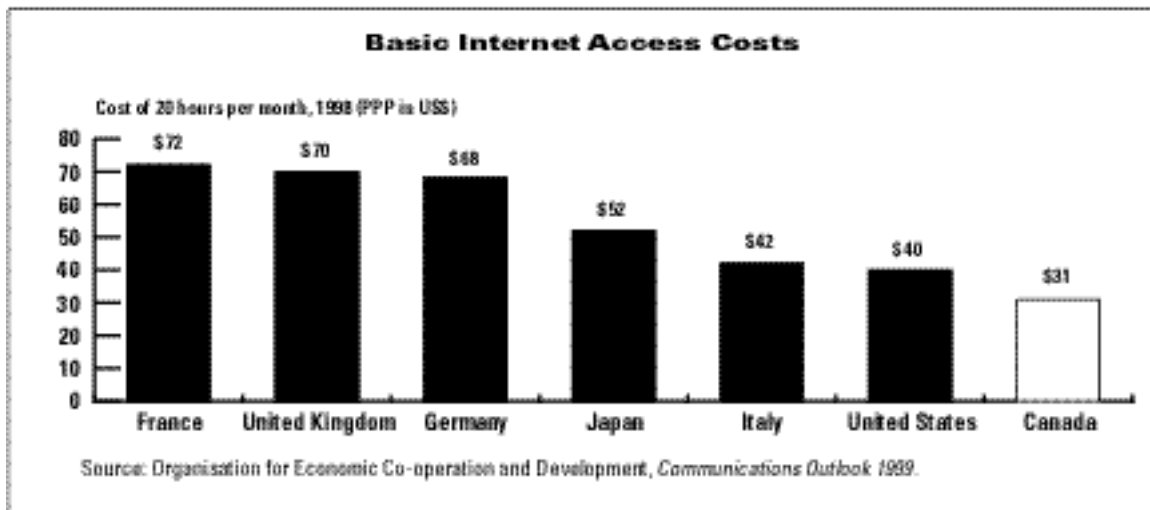
In the new millennium, businesses and consumers must adapt to a more competitive global economy where success depends on the development, acquisition and use of knowledge. Connecting businesses and citizens to the Information Highway, particularly the Internet, plays a central role in helping economies succeed in the global, knowledge-based economy.

Connected citizens have good access to the knowledge they need to develop their skills, stay abreast of new technological developments, and acquire ideas that lead to new and more effective ways of contributing to the economy and to society.





**FIGURE 3**  
**Competitive Costs in Internet and Wireless**



Note: Prices converted to PPP (purchasing power parity) by Industry Canada.



FIGURE 4

## Connectedness Rankings\*

Conference Board of Canada — 10-Country Comparison

	Overall Connectedness	Infrastructure	Access	Affordability	Usage	Socio-economic Enablers
United States	1	1	4	4	1	1
Canada	2	2	3	1	2	2
Sweden	3	6	1	1	4	6
Finland	4	3	2	3	7	9
Australia	5	5	6	6	3	3
Japan	6	9	5	7	5	4
United Kingdom	7	5	8	5	5	9
Germany	8	7	7	8	8	7
France	9	9	10	9	10	5
Italy	10	10	9	10	9	10

\*Based on a composite index. The comparisons were based on the most current data available for all countries examined, that is, primarily 1997–98 data.

Source: Conference Board of Canada.

Connected businesses are well positioned to take advantage of local and global opportunities and innovations that lead to increased productivity and prosperity. Through this competitive, knowledge-based advantage, countries can offer unique products and services for trade and become attractive locations for investment.

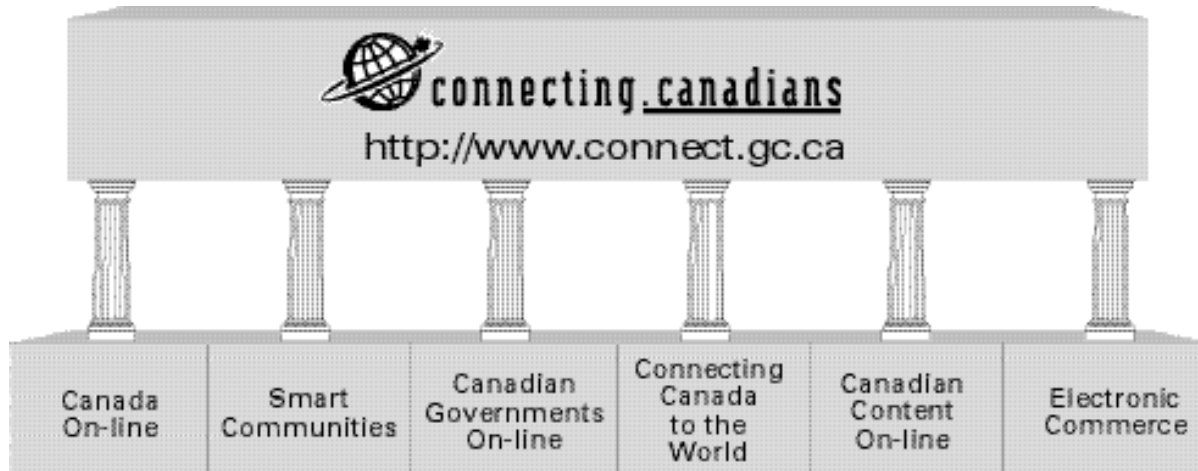
#### The Connectedness Challenge

Canada's challenge is to build a comparative advantage in the knowledge-based economy and society, and connectedness is one such area. Advanced information and communications infrastructure and applications contribute to social development and cohesion by providing opportunities for Canadians to gain and share knowledge for learning, interacting, transacting business, and developing their social and economic potential.

Canada is meeting the challenge of building the Information Highway. The private sector, through the ICT industry, is building the

“backbone” infrastructure. Canada has one of the best communications infrastructures in the world and is a leader in telecommunications service, quality, market development and rates (*see Figure 3 on page 23*). The government continues to support the private sector by setting out new domestic policy and regulatory frameworks. These will lead to the availability of new radio frequency spectrum, the promotion of competition, and the fostering of innovation and investment. The ultimate challenge, however, requires the support of both the private sector and governments.

Canada is currently among the leaders in connectedness compared with other advanced nations. The Conference Board of Canada has developed a methodology to measure connectedness, compare Canada's level of connectedness across countries, and analyse its potential social and economic impacts. Canada's efforts are paying off. According to the Conference Board's inaugural connectedness index, Canada is ranked second after the United



States (see Figure 4). Future work will engage Canadian leaders and international experts for a more in-depth analysis, and advise on areas where Canada needs to take further action.

#### Industry Canada's Response

Industry Canada's contribution to making Canada the most connected country in the world will focus on activities, programs and policies that support each of the six pillars of the Connecting Canadians initiative. To help guide the Department in meeting the government's connectedness goal, the activities of each pillar are linked to one of four overarching commitments toward key results.

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#### KEY COMMITMENTS

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**Canadians connected to each other and to the world in a way that is affordable and accessible**

**Canada On-line** is providing all Canadians with access to a world-class infrastructure by fostering investment and innovation by the private sector in the Information Highway, by setting competitive policy frameworks and through partnerships

with all levels of government to provide sustainable public access sites.

The best telecommunications infrastructure in the world does not guarantee that businesses, consumers and citizens have access to it, can afford it, and know how to use it productively. Industry Canada will continue to work with its partners to provide sustainable information technology to more Canadians in more locations across the country to help foster community and rural involvement in social, economic and sustainable development. For example, on March 30, 1999, Canada became the first country in the world to connect all of its schools and public libraries to the Internet — a substantial accomplishment, given our geography.

Industry Canada's continued support will assist CANARIE in completing the next generation of Internet, CA\*Net 3. This world-leading, national optical network backbone for collaborative R&D in advanced networks and applications will be completed by March 2002. The project will contribute to the creation of a sustainable research network for Canada, providing a showcase for cutting-edge technology.



## Key Commitments Framework

<i>Connectedness: Making Canada the most connected country in the world</i>		
Key Results	Performance Indicators	Clients/Co-deliverers
Canadians connected to each other and to the world in a way that is affordable and accessible	<ul style="list-style-type: none"> <li>• State-of-the-art infrastructure               <ul style="list-style-type: none"> <li>- Modernized legislative and regulatory frameworks</li> <li>- Advanced Internet applications</li> <li>- High-speed access capability</li> <li>- Harmonized standards, regulations and other marketplace imperatives</li> </ul> </li> <li>• Awareness and public access to the Internet               <ul style="list-style-type: none"> <li>- Percentage of organizations, communities and individuals connected</li> <li>- Speed of access</li> <li>- Level of use by specific target groups</li> <li>- Affordability</li> </ul> </li> <li>• Growth of Smart Communities               <ul style="list-style-type: none"> <li>- Level of awareness of socio-economic benefits of ICTs</li> <li>- Establishment of Smart Communities in specific targeted areas</li> </ul> </li> <li>• Canadians connected to the world               <ul style="list-style-type: none"> <li>- Number of barriers to interoperability</li> <li>- Harmonized regulatory and policy frameworks</li> <li>- Canadian standards recognized and accepted internationally</li> </ul> </li> </ul>	<p><b>Clients:</b></p> <ul style="list-style-type: none"> <li>• All Canadians</li> <li>• Private sector firms, including SMEs</li> <li>• Consumers</li> <li>• Canadian new media/content industry</li> </ul> <p><b>Co-deliverers:</b></p> <ul style="list-style-type: none"> <li>• Canadian Radio-television and Telecommunications Commission (CRTC)</li> <li>• ICT industry</li> <li>• Communities</li> <li>• Local industry</li> <li>• CANARIE</li> <li>• Research community</li> <li>• Universities, schools and libraries</li> <li>• Youths</li> <li>• Voluntary organizations</li> <li>• Provinces/territories</li> </ul>
A world-leading environment for electronic commerce	<ul style="list-style-type: none"> <li>• Leading-edge domestic policies and legislative frameworks               <ul style="list-style-type: none"> <li>- Trust in the digital marketplace</li> <li>- Clear marketplace rules</li> <li>- Strength of the information infrastructure</li> </ul> </li> <li>• Accelerated adoption and use of electronic commerce by Canadian industry and consumers</li> <li>• Innovative electronic commerce technology and applications</li> </ul>	<ul style="list-style-type: none"> <li>• Department of Foreign Affairs and International Trade (DFAIT)</li> <li>• Team Canada Inc</li> <li>• International governments/forums/organizations</li> <li>• Department of Justice Canada</li> <li>• Office of the Privacy Commissioner</li> </ul>
Canadian digital content and applications on-line maximized	<ul style="list-style-type: none"> <li>• Production and availability of Canadian digital on-line content               <ul style="list-style-type: none"> <li>- Quality and type of content produced</li> <li>- Extent of growth in new media and learning industries</li> <li>- Number of digital collections on-line</li> </ul> </li> <li>• Use of digital content by Canadians               <ul style="list-style-type: none"> <li>- English content and services</li> <li>- French content and services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Solicitor General Canada</li> <li>• Treasury Board of Canada</li> <li>• Canada Customs and Revenue Agency (formerly Revenue Canada)</li> <li>• Consumer organizations</li> </ul>



<i>Connectedness: Making Canada the most connected country in the world (cont'd)</i>		
<b>Key Results</b>	<b>Performance Indicators</b>	<b>Clients/Co-deliverers</b>
Key federal government information and services available to Canadians on-line	<ul style="list-style-type: none"><li>• Leadership in developing the government-wide Government On-line (GOL) agenda/Industry Canada's achievement of GOL targets<ul style="list-style-type: none"><li>- 100 percent on-line availability of key information and forms by December 2000</li><li>- Availability, in partnership with other departments, of an integrated on-line business services site</li><li>- Client satisfaction with, and use of, Industry Canada on-line information and services</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Domestic and international standards organizations</li><li>• Learning institutions</li></ul>



**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Establish approximately 5,000 new public access centres through the **Community Access Program (CAP)** in all rural and remote communities with populations of more than 400 and in urban communities, to reach the Department's goal of 10,000 centres across Canada by March 31, 2001.
- Extend connectivity from the schools to the classrooms through **SchoolNet**.
- Deliver 65,000 computers through the **Computers for Schools** program, to reach the total objective of 250,000 computers in Canadian schools and public libraries by March 31, 2001.
- Connect 10,000 voluntary organizations to the Internet by March 31, 2001, through the **VolNet** program.
- Promote digital wireless access facilities supporting advanced communications in under-served areas by making radio frequency spectrum available.

**Smart Communities** is partnering with communities and local industry to support pilot projects that use ICTs to link people and organizations, stimulate productivity and innovation, foster demand for high-technology goods and services and address local economic and social needs. In 2000–01, 12 Smart Community demonstration projects will be launched.

In addition, Industry Canada will promote a Canadian strategy for smart services companies, particularly those that advance sustainable development and facilitate the development and use of a technology that gives essential users priority access to the long-distance telephone network in times of emergency.

**The Canadian Youth Connection**

Under the federal Youth Employment Strategy, Industry Canada provides young Canadians with that important first job experience and gives them the skills they need for the future.

- Student Connection Program: 3,294 hired
- Community Access Program's Youth Internship Initiative: 3,900 hired
- Computers for Schools' Technical Work Experience Program: 900 hired
- SchoolNet's Youth Internship Program: 1,200 hired
- SchoolNet Digital Collections: 1,900 hired
- Netcorps Canada International: 180 hired
- SkillNet.ca: helping Canadian youths to connect to career information and job opportunities.

Industry Canada: Getting Canadian youths involved in the technologies of tomorrow.

**Connecting Canada to the World** is promoting a brand image of Canada as a global centre of excellence for connect-edness by working with international bodies such as the International Telecommunication Union (ITU), the Asia-Pacific Economic Cooperation (APEC) and the Inter-American Telecommunication Commission (CITEL) to harmonize regulatory and policy frame-works, by promoting Canadian best prac-tices to other countries, and by promoting global interconnectivity and interoperability of broadband networks, applications and services (e.g. telehealth and telelearning).

**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Establish connections to U.S. advanced research networks through CANARIE, giving Canadian researchers additional routes and greater speed of service, and improving access to Asian and European research and educational communities.
- Represent Canadian interests in international meetings to resolve global governance issues that affect the development of the Internet.
- Negotiate cross-border agreements with the United States for new multipoint communications systems and fixed wireless access services.

***A world-leading environment for electronic commerce***

**Electronic commerce** continues to transform Canadian society and has become a key element in the development of a dynamic, innovative economy, changing how Canadians live and do business, and enhancing access to new global markets. While the private sector and consumers are leading in the development, promotion and expansion of electronic commerce, governments can support this growth by creating the right climate and policy frameworks that address the challenges of building trust and confidence in electronic commerce, domestically and internationally.

"The only way to drive the development of Canada's Internet economy will be through the joint efforts of business leaders, the financial community, education and governments."

— John Roth  
CEO, Nortel Networks and  
Co-Chair, Canadian E-Business  
Opportunities Roundtable.

Industry Canada has taken up the challenge set out by the Prime Minister in his response to the Speech from the Throne. It is developing an effective policy framework to accelerate the growth of electronic commerce in Canada, and to promote Canada as a world leader in the development of innovative electronic commerce technology and application (<http://e-com.ic.gc.ca>).

"...Today I challenge all sectors of our country, private and public, government and business, to work together toward the goal of capturing 5 percent of the world share of e-commerce for Canada by the year 2003. And do over \$200 billion of business in this way."

— Prime Minister Jean Chrétien  
*Response to the Speech from the Throne*  
October 13, 1999.

The Department will also work to increase the level of on-line connectivity between Canadian businesses and their customers, suppliers and partners in all industry sectors and a set of activities related to electronic business will be undertaken to help bring about the proliferation of Canadian-based, globally networked enterprises.

**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Finalize the electronic commerce policy framework and enhance the protection of personal information through the passage and effective implementation of Bill C-6, the *Personal Information Protection and Electronic Documents Act*.
- Undertake sector-specific research and analysis of electronic business applications, barriers to engaging in on-line business, best practices, and impacts on profits and productivity.

- Support the implementation of private sector initiatives to accelerate the adoption of, and investment in, Canadian electronic business, through forums such as the Canadian E-Business Opportunities Roundtable, and encourage Canadian firms to become competitive suppliers of the Internet-based electronic commerce solutions, applications and services.
- Enhance consumer confidence and consumer protection by working with business, consumer and provincial/territorial government representatives to implement the *Principles of Consumer Protection for Electronic Commerce: A Canadian Framework* launched last year in cooperation with the private sector, consumer groups and provincial/territorial governments.
- Introduce E-Commerce First Step through the Student Connection Program to help small businesses evaluate how they can take advantage of the new electronic marketplace.
- Enhance information security on computer networks and modernize intellectual property (especially copyright) legislation to stimulate the production and dissemination of new content by and for Canadians in the digital environment.
- Maintain Canada's leadership role at the international level in support of initiatives aimed at promoting the growth of electronic commerce and at creating a favourable trading environment for electronic products and services.

#### *Canadian digital content and applications on-line maximized*

**Canadian Content On-line** is promoting Canada as a leading-edge global supplier of digital content and advanced Internet applications, by strengthening strategic sectors of the Canadian economy, such as Canadian content and new media industries (telehealth, telelearning and electronic commerce), and by sponsoring the digitization of Canadian collections. Industry Canada will continue to promote the content development industry through ongoing trade and investment initiatives such as trade missions, investment promotion, and strategic partnerships and alliances. These efforts have been very successful in helping to attract new investment from home and abroad for Canada's ICT sector. And, Industry Canada will be a leader by establishing best practices for French text on the Internet and by increasing French text (by 3 percent) on all Industry Canada Web sites.



KEY ACTIVITIES FOR THE PLANNING PERIOD  
INCLUDE THE FOLLOWING.

- Employ an estimated 475 youths in 2000–01 to produce up to 100 multi-media collections of significant Canadian content for display on the **Canada's Digital Collections** Web site.
- Provide Canadian students with the opportunity to participate, through **SchoolNet**, in on-line learning activities that will lead to the creation of up to 20,000 **GrassRoots** projects by March 31, 2001.
- Support the development of alliances, through **SchoolNet's Multimedia Learnware and Public Access Applications Program**, to create on-line learning and public access products.
- Register up to 100,000 employers and up to 1 million job seekers by 2000–01 for **SkillNet.ca** services, a network of job and career Web sites.
- Build on existing leading-edge Internet applications in French and fund the development of approximately 20 more projects, through **Francommunautés virtuelles**.
- Link youths and seniors to increase the ICT skills of both groups, while enabling youths to create an estimated 7,500 profiles on the Web about Canadian experiences and memories, through **Generations CanConnect**.

Get the facts about your country

**Question:** What do you get when thousands of Canadian students are let loose on-line to discover their country?

**Answer:** Canada's Digital Collections, a government program that teaches young Canadians how to use the Web and gives the rest of us a reminder of our rich heritage. There are hundreds of topics available for study, from Canadian female artists to Saskatchewan's First Nations elders to Cape Breton's coal mining history.

— Yahoo Canada.

*Key federal government information and services available to Canadians on-line*

Government On-line is a government-wide initiative that will improve client services, enhance government efficiency, and stimulate the supply and use of electronic commerce in the Canadian economy. A critical mass of on-line government services will encourage more businesses and citizens to get connected and use the Internet. Firms that supply electronic commerce products and services to government will be better positioned to sell them domestically and abroad.

"The government will become a model user of information technology and the Internet. By 2004, our goal is to be known around the world as the government most connected to its citizens, with Canadians able to access all government information and services on-line at the time and place of their choosing."

— Government of Canada  
*Speech from the Throne, 1999.*



As part of the Government On-line initiative, all key Industry Canada client information and services will be provided on-line. For example, Corporations Canada will promote the use of electronic filing so that 5 percent of all *Canada Business Corporations Act* documents are filed on-line in 2000–01, with an additional 7 percent filed on-line in each of the next two years. The power and flexibility of the Internet will be used to provide secure, 24-hour, seven-days-a-week accessibility, predictable turnaround times, and convenient access from the home, workplace, school or public access site. To improve the quality and convenience of services to citizens and businesses, Industry Canada will work with other departments and levels of governments to integrate related services in packages that make sense to its clients.

*MARKETPLACE: Building a fair, efficient and competitive marketplace*

#### The Importance of the Marketplace

A fair, efficient and competitive marketplace is an essential foundation for investment, innovation, trade, sustainable development, job creation, consumer confidence and economic growth. It provides the stability and efficiency required to conduct business, while maintaining consumer confidence in the products, services and transactions of the marketplace. For Canada to become the location of choice for investment, to make innovation and productivity our strengths, and to continue to flourish as a nation of traders, we need marketplace laws and services that foster excellence and creativity. We also need laws and services that compare favourably with those of other countries, since global, knowledge-based firms have considerable latitude in choosing where they do business.

#### Electronic service delivery at Industry Canada

By the end of December 2000, all key program, policy and regulatory information, as well as key client forms, will be on-line. Enhanced navigation and search mechanisms will also become available on Industry Canada Web sites.

Industry Canada also now offers more than 20 electronic commerce services, and will continue to expand its offering.

Industry Canada will continue to work closely with Treasury Board of Canada, Secretariat and other departments to achieve the Government On-line objectives. The Department will promote partnerships with other levels of government and the private sector to develop integrated on-line information and services, organized in a client-centred manner.

#### The Marketplace Challenge

The globalization of markets and technological change contribute to the need to keep marketplace legislation up-to-date. With trade barriers continuing to fall, Canada's marketplace legislation must be modernized to set the stage for Canadian businesses to take advantage of new opportunities in world markets and to attract investment from abroad. At the same time, we need to be able to enforce legislation across borders, which requires a new level of cooperation and negotiation with our trading partners.

Technological change, particularly in telecommunications and information technologies, continues to dramatically alter the structure of markets. New issues relating to electronic commerce, biotechnology, competition, intellectual property rights and international standards must be resolved

if Canadians are to take full advantage of their capacity to develop new products and services. New technologies also offer opportunities for Industry Canada to provide a competitive advantage to Canadian businesses by adapting and improving the way the Department conducts its business in serving its clients, in disseminating information more effectively, and in reducing the regulatory burden.

### Industry Canada's Response

Industry Canada is committed to building a marketplace environment that attracts and retains the world's best firms. A fair, efficient and competitive world-class marketplace for businesses, consumers and investors fosters the Department's trade and investment agendas by making Canada an attractive place to do business. It also stimulates innovation by establishing clear and effective intellectual property rights, and by encouraging competition. It gives firms a competitive advantage by streamlining their transactions and reducing the regulatory burden. This in turn leads to improved productivity, trade and investment. Furthermore, a marketplace environment that encourages demanding, quality-conscious consumers can also act as a powerful stimulus for innovation.

The marketplace framework also plays an essential part in the federal government's Connecting Canadians initiative, through policies directed at encouraging competitive services and low prices in telecommunications. Spectrum management, which encourages competition in radiocommunications, will lead to further innovation and investment. A strong marketplace framework will help businesses realize the potential of new communications technologies, put electronic commerce on a sound legal basis, provide regulatory certainty to investors and encourage cross-border

trade. This will enable Canada to become a leading developer and exporter of electronic products and services.

Fair and transparent marketplace rules inspire confidence among all participants. Sound corporate governance inspires confidence in investors; bankruptcy legislation and administration put resources back to productive use by resolving insolvencies quickly and fairly; and competition legislation promotes efficiency and adaptability. Finally, consistent and reliable Canadian standards for labelling and for measuring products and services ensures consumer confidence in the marketplace at home and abroad.

The government will continue to be innovative in the way it conducts business related to developing, administering and enforcing marketplace framework rules and policies, particularly by encouraging greater awareness of rights and responsibilities, and by working in partnership with stakeholders to keep frameworks responsive and up-to-date.

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#### KEY COMMITMENTS

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***A marketplace framework for business, consumers and investors that is fair, efficient, competitive and world-class***

Industry Canada is responsible for some 20 legislative acts defining the policy and regulatory framework in areas such as intellectual property, bankruptcy and insolvency, weights and measures, competition and the restraint of trade, incorporation and corporate governance, packaging and the performance of non-food consumer products, and the management of radio frequency spectrum. The rules of the marketplace must continue to be responsive to the changing economic environment, as well as to opportunities and structural changes brought about by new technologies, widespread deregulation and continuing globalization.



To meet this high standard, Industry Canada consults widely to identify new and emerging issues. Consultations are an indispensable part of the process of reviewing, developing and amending legislation and of keeping the public well informed. Industry Canada's marketplace organizations are benchmarking legislative development, administration and services against international best practices. Feedback on service delivery also provides valuable information for improving efficiency, reducing transaction costs and enhancing client access.

The marketplace framework is also increasingly affected by environmental protection initiatives. Industry Canada works with its government partners in the development of new environmental laws and treaties to ensure their efficiency and effectiveness in addressing the broader social and economic policy agenda.

Consistency is particularly important in framework legislation affecting traded goods. Industry Canada works closely with the United States and its other trading partners to ensure, as far as possible, the compatibility of legislation in areas such as standards and intellectual property, and to increase cooperation in competition policy and law enforcement as firms increasingly operate across borders.

Key Commitments Framework

<i>Marketplace: Building a fair, efficient and competitive marketplace</i>		
Key Results	Performance Indicators	Clients/Co-deliverers
A marketplace framework for business, consumers and investors that is fair, efficient, competitive and world-class	<ul style="list-style-type: none"> <li>Extent to which governance structure responds to marketplace needs                             <ul style="list-style-type: none"> <li>- Target groups' ability to adjust to emerging business trends and enforcement requirements in Canada and abroad</li> <li>- Impact on the level of burden of enhanced coordination/harmonization between jurisdictions</li> </ul> </li> <li>Efficient use of the spectrum by proprietors</li> <li>Fair balance between competing interests</li> <li>Fair process in arriving at changes in the framework</li> </ul>	<p><b>Clients/stakeholders/beneficiaries:</b></p> <ul style="list-style-type: none"> <li>Investors</li> <li>Businesses</li> <li>Incorporators</li> <li>Intellectual property holders/applicants</li> <li>Debtors</li> <li>Lenders</li> <li>Creditors</li> <li>Trustees</li> <li>Merger applicants</li> <li>Consumers</li> <li>Dealers</li> <li>Chambers of commerce</li> <li>Boards of trade</li> <li>Measurement device owners</li> <li>Telecom service providers</li> <li>Industry associations</li> </ul>
A marketplace that operates in accordance with the framework statutes, regulations, policies and procedures	<ul style="list-style-type: none"> <li>Compliance with the marketplace rules</li> <li>Proactive self-compliance</li> <li>Level of understanding and use of standards, voluntary codes and other innovative instruments in the marketplace</li> <li>Extent to which participants in the marketplace are informed of their rights and responsibilities</li> </ul>	<p><b>Co-deliverers:</b></p> <ul style="list-style-type: none"> <li>Other government departments</li> <li>Patent and trade-mark agents</li> <li>Search houses</li> <li>Lawyers</li> <li>Trustees</li> <li>Associations</li> <li>Counsellors</li> <li>Credit bureaus</li> <li>Court officials</li> <li>Industry experts</li> <li>Enforcement agencies</li> <li>Accredited organizations</li> <li>Utilities</li> <li>Service companies</li> <li>ITU</li> <li>CRTC</li> <li>Telecommunications Standards Advisory Council of Canada</li> <li>Provinces/territories</li> <li>Consumer groups</li> </ul>
Confidence in the marketplace	<ul style="list-style-type: none"> <li>Integrity in the marketplace framework</li> <li>Integrity in the administration of framework rules</li> <li>Redress/recourse mechanisms</li> <li>Informed, demanding users</li> </ul>	
A competitive advantage through leading-edge services	<ul style="list-style-type: none"> <li>Extent to which the marketplace framework services foster innovative business trends and practices</li> <li>Rate of adoption of new business practices</li> </ul>	





**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Introduce legislation to reform the *Canada Business Corporations Act* to ensure that it serves as a modern, leading-edge framework business law.
- Open new radio frequency spectrum through an auction process, to enable industry to meet the demands of the rapidly expanding wireless market in Canada and accommodate the new third-generation personal communications services that will bring the Internet to hand-held terminals (<http://strategis.ic.gc.ca/SSG/sf01704e.html>).
- Develop new and more efficient approaches for licensing domestic satellite systems that will provide a wide range of basic and advanced communication services.
- Consult with stakeholders regarding amendments to the *Competition Act* and the regulations, including exemptions and thresholds under the pre-notification provisions of the Act, and section 78 of the Act to specify conduct that shall be deemed to be “anti-competitive” when carried out by an airline carrier.
- Conduct a preliminary review of the regulations under the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act* and the *Precious Metals Marking Act* to identify areas where amendments would be beneficial to address developments in the marketplace.
- Strive for international recognition of Canadian on-line standards and best practices through continued participation in the World Intellectual Property Organization (WIPO) and pursue an electronic intellectual property data exchange agreement with the U.S. Patent and Trade-marks Office.

## ▶ Agreement on Internal Trade

Federal implementation of the Agreement on Internal Trade will be coordinated and further improvements negotiated by

- completing outstanding negotiations aimed at extending procurement disciplines to Crown corporations, finalizing an energy chapter, and strengthening the disciplines on investment incentives to better address the problem of poaching;
- seeking intergovernmental agreement on improved and streamlined procedures for resolving disputes; and
- working with provincial and territorial governments to establish a consultation process aimed at identifying priority areas for action under the agreement.

Intergovernmental discussions will be broadened beyond internal trade to address the scope for common approaches to promoting innovation, fostering electronic commerce and enhancing investment in Canada.

- Establish new technical requirements (specifications, procedures and so on) in response to emerging measurement technologies and changing business practices.
- Consult with Canadians as a step toward adapting intellectual property legislation to respond to challenges posed by globalization and rapid technological development.
- Provide technical assistance to other countries in the area of competition and labelling laws to encourage consistent and sound international framework legislation.

***A marketplace that operates in accordance with the framework statutes, regulations, policies and procedures***

Setting the rules of the marketplace is not enough. Industry Canada works closely with its clientele to ensure compliance with the marketplace rules through a broad continuum of activities, ranging from direct enforcement to education, dissemination of information and active support for voluntary compliance. The Department encourages partnerships and strategic alliances with governments, businesses and consumers, to work together to make sure that monitoring, inspection and enforcement lead to responsible conduct in the marketplace.

**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Maintain Canada's leadership position in the global transition from monopoly to competitive telecommunications markets by leading, monitoring and analysing domestic and international regulatory and policy developments.
  - Implement environmental management standards within Canadian industry in partnership with the private sector, the Standards Council of Canada and other government departments.
  - Lead the Canadian delegation to the World Radiocommunication Conference in May 2000, and negotiate agreements on behalf of Canada to acquire new access to the radio frequency spectrum, thereby increasing the ability to provide new services and protecting Canadian interests for existing services.
  - Adopt tools within the Competition Bureau's "conformity continuum," ranging from information and education to monitoring and more severe legal recourse, depending on the severity of the issue. Priority areas will include transportation, misleading representation in the retail jewellery industry and deregulation in the energy sector.
- Provide industry sectoral analysis and perspectives on regulatory reform currently being led by the Privy Council Office and review areas of focus for initiatives to achieve the harmonization of standards.
  - Promote the development and use of effective voluntary initiatives by Canadian industry through guides, evaluation tools and Internet-based information products as complements to regulations, such as voluntary codes, standards and other market-based approaches, to achieve environmental, sustainable development and consumer protection objectives.
  - Develop a strategy to facilitate the enforcement of laws related to illegal content on the Web in cooperation with the Department of Justice Canada and the Solicitor General Canada, empower users to deal with Internet content that may be offensive, and foster the continued development of self-regulatory initiatives by Internet service providers to address user concerns.
  - Implement a new bankruptcy trustee compliance strategy aimed at better utilization of compliance resources.
  - Develop a new debtor compliance strategy in 2000-01, to be implemented in 2001-02, to better respond to client needs.
  - Explore, with government, private sector and consumer group partners, ways of increasing the use of market-driven redress techniques.

### *Confidence in the marketplace*

Industry Canada aims to instil confidence that the marketplace is fair, efficient and competitive. Research, the dissemination of information, expert advice and consumer education enhance the effectiveness of marketplace framework policies by keeping businesses and consumers well informed. Such information allows businesses to take advantage of marketplace opportunities while conducting their activities in proper accordance with marketplace rules. Businesses and consumers can be confident that the businesses they deal with or compete with are operating by the same rules and that these rules are administered efficiently and fairly. At the same time, an active, informative dialogue with the public instils confidence that the development and administration of framework rules are responsive to stakeholders' needs in a changing economy.

#### **KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Consult with clients on the implementation of a radio licensing fee reform for non-broadcast spectrum to create a new licence fee structure that is simple, flexible and fair, and that encourages the efficient use of spectrum and the extension of service into more remote areas.
- Improve public awareness of competition matters in areas such as multi-level marketing, labelling, advertising, strategic alliances, immunity, predatory pricing and abuse of dominance, particularly for key industries, SMEs and consumers.
- Develop information products to ensure that businesses and consumers are well informed about marketplace framework policies and services. Examples include a consumer information Web site on biotechnology and an interactive tutor

that builds upon the Biotechnology Regulatory Assistance Virtual Office (<http://strategis.gc.ca/SSG/bo01376e.html>).

- Implement or revise redress mechanisms to respond to the changing needs of clients; for example, new dispute resolution mechanisms and improved access to information sites.
- Ensure that the public has full electronic access to the public information contained in the Conflict of Interest Public Registry as well as in the Lobbyists Remote Registration System.

### *A competitive advantage through leading-edge services*

Leading-edge marketplace laws and services give Canadian businesses a competitive advantage in the global marketplace, and attract investment and trade in an era when businesses are increasingly able to locate their operations in any country they choose. The Department is engaged in improving its service delivery, to give businesses, investors and consumers efficient and ready access to government services in a way that is reliable and responsive to their needs and circumstances. Industry Canada will streamline its program delivery through its marketplace organizations. Increased use of the Internet will allow rapid and efficient delivery of services and reduced paper burden. With partnerships and alternative service delivery, and taking full advantage of the new technologies, the Department will continue to make great strides toward building a fair, efficient, and world-class competitive marketplace for businesses, consumers and investors.



KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.

- Implement electronic commerce initiatives for *Competition Act* services, including on-line filing and improved electronic complaint and information services, which complement traditional formats and contribute to improvements in service standards as well as modern and timely merger review.
- Develop a comprehensive service improvement plan for the Canadian Intellectual Property Office, based upon international intellectual property trends, targeted partnership opportunities, innovations in electronic service delivery, client/stakeholder needs, and performance measurement elements, as required.

*INVESTMENT: Improving Canada's position as a preferred location for domestic and foreign investment*

#### The Importance of Investment

Like other countries, Canada depends on investment and capital formation to stimulate economic growth and achieve sustainable development. Moreover, with our open economy and limited pool of domestic savings, Canada is relatively more dependent than larger economies on FDI to spur business development and related job creation. Besides offering the potential for immediate jobs, FDI can also increase Canadian productivity, bring new technologies, upgrade management and marketing skills, promote sustainable development, and lead to wider access to markets.

The importance of investment by the small business sector has been crucial to the Canadian economy, particularly in terms of job creation. Industry Canada studies

### High-Quality Products and Services

In response to client needs, the delivery of high-quality products and services will be adapted to introduce innovative and leading-edge practices such as the following:

- an electronic network for bankruptcy transactions;
- new services under the Spectrum Management program;
- new electronic issuance of mobile radio licences;
- the enhancement of Measurement Canada information and services available on the agency's Web site; and
- the availability of on-line incorporation applications, and other Canada Corporations electronic commerce initiatives (e.g. electronic filing of annual summary for not-for-profit corporations).

indicate that in recent years small businesses created between 70 and 80 percent of all new jobs in Canada.

#### The Investment Challenge

In the 1990s, FDI in Canada accounted for 11 percent of all business capital formation. Although the cumulative stock of inward FDI increased by 26 percent during 1990-98, reaching US\$141.8 billion, Canada's share of inward FDI stock to the NAFTA region declined from about 24 percent in 1985 to 13 percent in 1998.

Canada's efforts to retain and increase its share of FDI are constrained by intense global competition for international investment. Growing competition among affiliates

of multinationals for product and research mandates is a key factor. A wide range of generous incentives offered to investors by governments in competing countries, most notably by a number of states and municipalities in the United States, adds to the stiff competition for FDI dollars. Thus, a key challenge is to capture more FDI flows, particularly those directed at the NAFTA region in an environment characterized by globalization, increasing mobility of capital and technology, and volatile financial markets.

Investment by Canadian firms to strengthen existing operations is an important contributor to productivity improvement and economic growth. One reason for Canada's poor productivity performance has been our low investment rate as a proportion of our GDP, especially in machinery and equipment (M&E) relative to other countries.

According to a recent report (*Canadian Forecast Summary*, September 1999) by Standard & Poor DRI: "Canada's level of machinery and equipment spending relative to GDP was far below the OECD average during 1980-96. From 1996 to 1998, Canada's level of M&E spending improved by more than 1 percent of GDP, but this would still be below the OECD's 1996 average."

At the domestic level, when borrowing investment funds, small businesses usually assume a higher rate of interest than their larger counterparts, as interest rates are indicators of perceived risk. Surveys by the Canadian Federation of Independent Business show that this interest rate differential has widened in the past decade, thereby acting as a deterrent for investment by SMEs. The challenge is to encourage investment in Canada by Canadians by improving access to investment capital.

## Industry Canada's Response

Industry Canada's efforts are part of the 1996 federal investment strategy, which provided a broad framework for all federal investment promotion activities (including domestic retention of FDI). Recently, the federal government enhanced its investment promotion by reorganizing its investment-related activities and establishing Investment Partnerships Canada (IPC), a joint Industry Canada-DFAIT initiative to develop and execute investment campaigns targeted at multinationals in priority sectors and key global markets (see "Investment priority sector initiative" on page 44).

A key element of the 1996 federal investment strategy is to provide assistance to a larger number of Canadian SMEs to form international investment partnerships that allow growth domestically and in an increasing number of markets. The Department's ability to provide timely information, policies and services to clients, such as multinationals, international investors, Canadian SMEs and targeted groups, including Aboriginal people and rural communities, is equally important to the success of the investment strategy.

The fundamental factors that attract investment are the attributes of a productive and dynamic economy: a good marketplace framework, high levels of innovation, sectors with high growth potential and a healthy relationship with our trading partners. In these respects, the Department's other strategic objectives are crucial, though indirect, components of an investment strategy.

Industry Canada is building investor awareness and confidence in Canada as an investment location of choice, and consequently paving the way for decisions to invest and create jobs. This is being done by improving Canada's "brand image" in the international investment community, targeting potential and footloose investments by multinationals, creating the right climate to do business, and stimulating domestic investment and job creation.

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*KEY COMMITMENTS*

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***Improved domestic and international investment climate***

Industry Canada will work to improve the domestic and international investment climate by adopting competitive, efficient and fair marketplace laws and regulations for both businesses and consumers. By strengthening the competition law; implementing policies to address investment barriers related to intellectual property, patent protection and risk management; harmonizing with other jurisdictions; promoting Canadian standards; and participating in bilateral, regional and multilateral trade and investment treaties, Industry Canada, in collaboration with partners and clients, is making a significant contribution to strengthening the investment climate domestically and internationally.





## Key Commitments Framework

<i>Investment: Improving Canada's position as a preferred location for domestic and foreign investment</i>		
Key Results	Performance Indicators	Clients/Co-deliverers
Improved domestic and international investment climate	<ul style="list-style-type: none"> <li>• Modern, efficient marketplace legislation and rules affecting investment</li> <li>• Number of impediments to investment and business in general</li> <li>• Fair treatment of Canadian direct investment abroad and foreign investment in Canada</li> </ul>	<p><b>Clients:</b></p> <ul style="list-style-type: none"> <li>• Multinationals</li> <li>• International and Canadian investors</li> <li>• Canadian SMEs</li> <li>• Targeted groups (Aboriginal businesses, rural communities)</li> </ul> <p><b>Co-deliverers:</b></p> <ul style="list-style-type: none"> <li>• Industry Portfolio partners</li> <li>• DFAIT and other government departments</li> <li>• IPC</li> <li>• Deputy Ministers</li> <li>• Country Champions</li> <li>• Provincial/territorial governments and municipalities</li> <li>• Associations, business intermediaries and consumer groups</li> <li>• Banks and financial institutions</li> <li>• Embassies of foreign governments</li> <li>• Export Development Corporation, Canadian Commercial Corporation</li> <li>• Foreign governments and international organizations (World Trade Organization, OECD)</li> </ul>
Canada branded and recognized as an investment location of choice	<ul style="list-style-type: none"> <li>• Level of awareness and favourable perception of Canada as a dynamic, innovative economy</li> <li>• Level of consideration of Canada as a location for investment by foreign investors in North America</li> </ul>	
Increased attraction and retention of multinational investment in Canada	<ul style="list-style-type: none"> <li>• Investment by leading foreign firms and sectors in Canada</li> <li>• Re-investment by multinationals operating in Canada</li> </ul>	
Increased investment by SMEs and by Aboriginal businesses	<ul style="list-style-type: none"> <li>• Amount of investment by SMEs, including Aboriginal businesses, in Canada</li> </ul>	

KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.

- Negotiate international investment agreements that secure market access and protect investment abroad (<http://intinvest.ic.gc.ca>).
- Produce research that examines
  - the drivers of investment spending and initial public offerings activity by domestic and foreign firms in Canada;
  - the impact of capital investment on productivity and economic growth in Canada; and
  - the impact of the Kyoto Protocol on output, employment, trade and costs at the macro-, regional and industry levels.
- Modernize federal policies, programs and procedures to enhance Canada's investment climate; examples include the resolution of issues surrounding spousal work permits of temporary foreign workers, and the Public-Private Infrastructure Initiative.
- Develop and implement new partnership initiatives to increase SMEs' access to capital in Northern Ontario, especially for patient capital and equity financing, and to leverage private sector investment.
- Contribute expertise to national and international initiatives on governmental ethics.

*Canada branded and recognized as an investment location of choice*

Industry Canada will take steps to increase awareness of Canada as an investment location of choice. An effective approach is to build awareness among potential investors of investment opportunities in priority sectors as well as in traditional industries. Enhancing Canada's "brand image" is an effective means to eliminate the gap between the perceptions held by potential investors and reality. The Department's efforts and those of its partners are paying off, as international investors are showing more interest in Canada. According to A.T. Kearney, a Chicago-based management consulting firm that publishes a well-known FDI confidence index, Canada ranked 12th as a preferred destination for FDI in 1999, up from 17th in the previous year.

To capitalize on the enhanced perception, federal, provincial and territorial ministers as well as Canadian-based chief executive officers in the private sector will be invited to make the case in international forums for investing and expanding operations in Canada. Our investment efforts and resources at foreign missions will be strengthened, especially in key areas such as the United States and Western Europe, to enhance the capacity to promote foreign investment in Canada. A toll-free telephone service has been installed in major markets to serve potential foreign investors.

Industry Canada will continue to promote the Canadian approach to governance with respect to industry regulation through voluntary, self-regulatory initiatives. A key example of this approach is the Accelerated Reduction/Elimination of Toxics initiative.

**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Facilitate the establishment of Investment Team Canada as a forum for coordinated effort by all governments and the private sector to make the international community more aware of the unique opportunities for investment and growth in Canada.
- Develop a “brand image” that strategically positions Canada in the minds of potential investors as a dynamic, innovative economy with a highly skilled work force, good universities and research facilities, and a premier location within NAFTA for investment.
- Develop investment information products and Internet-based marketing and communications tools such as a new interactive Web site (<http://investincanada.gc.ca>).
- On behalf of Canada, host the World Telecommunication Standardization Assembly in Montréal in 2000.

***Increased attraction and retention of multinational investment in Canada***

Industry Canada will work to attract and retain increased multinational investment. The Department’s industry sector branches and Investment Partnerships Canada coordinate targeted campaigns to attract and retain investment by multinationals in Canada. In cooperation with embassies abroad, they provide one-stop servicing of the investment needs of selected multinationals. They also support seven federal deputy ministers who, through the Deputy Ministers Country Champion Campaigns Program, define opportunities and promote Canada to targeted multinationals as a place to invest.

Their efforts focus on investment opportunities in priority sectors and targeted markets in Asia (South Korea and Japan), Europe (the United Kingdom, France, the Netherlands, Germany and Sweden) and the United States.

**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Ensure that reviewable foreign takeovers are of “net benefit” to Canada through administering the *Investment Canada Act*.
- Provide sectoral and corporate intelligence, deliver sectoral strategies and targets, and manage major sector-specific projects in high growth opportunity sectors to attract and retain FDI.

**Investment priority sector initiative**

- Investment priority sectors are
  - ICTs;
  - life sciences (biotechnology, medical devices and pharmaceuticals);
  - aerospace and defence; and
  - chemicals/petrochemicals.
- Relationships with key executives are being developed and cultivated to effectively promote campaigns aimed at potential investors in these sectors.
- Investment Sector Roundtables have been instituted for priority sectors to develop a coordinated approach to targeted investment promotion.

- Provide training on company relationship management and business intelligence to ensure delivery of high-quality services to government and private sector investment clients.

- Participate in the development of an aftercare guide (pilot project in the Québec region) for stakeholders involved in aftercare program activities, to better respond to the needs of multinational investors.

***Increased investment by SMEs and by Aboriginal businesses***

Industry Canada will work toward increased investment by SMEs and targeted groups that play a major role in stimulating growth and jobs in the Canadian economy. Improved access to capital and information is provided to small businesses, through the *Canada Small Business Financing Act*, and to Aboriginal people and remote communities through Aboriginal Business Canada, FedNor and community development programs.

**Community Futures Development Corporations**

"...Rural Canadians are experiencing the challenge of economic adjustment and want to take advantage of new opportunities. ...To address these challenges, the existing Community Futures Program supports 252 Community Futures Development Corporations (CFDCs), which offer economic development support to small and rural communities. ...This budget provides an additional \$54 million over the next three years for the Community Futures Program."

— Government of Canada  
*Budget 2000*  
February 28, 2000.

In Budget 2000 it was announced that the government has allocated \$2.65 billion for strengthening provincial and municipal infrastructure. It will be consulting with other levels of government in the coming months to reach consensus on a multi-year plan to improve provincial highways and

infrastructure in urban and rural communities across Canada. Agreements are expected to be signed by the end of the year

**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Develop a new comprehensive statistical survey and report on the financing of Canadian SMEs through all stages of funding, and report to Parliament in 2001–02.
- Develop a comprehensive, Canadian micro-credit Web site that will assist micro-credit (generally commercial loans of less than \$25,000) organizations in promoting their services to small businesses.
- Launch the voluntary sector and capital-leasing pilot programs under the *Canada Small Business Financing Act* to determine whether or not these would be viable full-scale programs.
- In cooperation with small business groups, enhance Industry Canada's Web site to ensure that SMEs seeking information find what they need in an efficient and transparent manner.
- Support the Business Development Bank of Canada's mandate review to Parliament (by July 2001) as required under the *Business Development Bank of Canada Act*.
- Expand the Aboriginal Business Service Network, building on 20 access partners already launched, to improve Aboriginal people's access to the wide range of available programs and services. Three new sites will be created in partnership with the Government of Nunavut and the Canada-Nunavut Business Service Centre.
- Identify partnership-ready Canadian SMEs and provide information on international opportunities and contacts needed to promote and realize international investment partnerships and alliances.

- Increase SME investment by providing loan insurance on some 21,000 loans made by financial institutions to small businesses across Canada, generating some \$2 billion in investment, under the *Canada Small Business Financing Act*.
- Deliver a targeted outreach program in Ontario to increase awareness of Industry Canada's products, services, priorities and initiatives, including a program of Small Business Conferences and Info-Fairs across Ontario (with a target of four to six Info-Fairs).
- Support the government's commitment to the Canadian Rural Partnership, ensuring outreach to the rural client base and supporting rural stakeholders and associations.
- Increase access to capital and leveraging of private sector investment by businesses in Northern Ontario and rural Southern Ontario, through Community Futures Development Corporations, especially those owned by women, youths, Francophones and Aboriginal clients.
- Leverage increased capital for investment in Aboriginal business development under the Access to Capital element of the Aboriginal Business Development Initiative.

#### Canada — A trading nation

- More than 40 percent of our GDP is attributable to export trade (goods and services) and, since the early 1990s, our global exports have more than doubled, reaching \$323 billion in 1998.
- Two of every five jobs created in Canada since 1993 are export-based, and some 3 million workers owe their jobs directly to foreign markets.

*TRADE: Working with Canadians to increase Canada's share of global trade*

#### The Importance of Trade

Canada has flourished over the past years by adopting an industrial policy that includes a significant and growing role for international trade, investment and technology. Great potential exists for creating a dynamic economy for the 21st century, resulting in part from an increased number of exporting firms, especially SMEs in sectors with high export potential, and from diversifying the markets to which they export. A firm that succeeds globally is also more competitive at home.

Canada's prosperity and our ability to create jobs are directly linked to how well we capitalize on international opportunities. International trade has become an important source of economic growth and job creation for Canada. We rely on trade for jobs and growth more than any other industrialized country.



It is important that Canada continue to access the global marketplace to realize its full potential, seize new opportunities and react quickly in response to new international developments. Canada must continue to take full advantage of emerging trade opportunities in existing and new export markets to sustain a growing, dynamic economy that translates into productivity, employment and income growth.

### The Trade Challenge

For Canada, the greatest trade challenge is to take full advantage of international business prospects, while minimizing risk in a rapidly changing global economy. The international marketplace for goods and services is evolving quickly with a high degree of complexity and competitiveness. The harmonization of trade policies, increased promotion of sustainable development, the integration of currencies (e.g. the euro) and the rise of electronic commerce worldwide present huge opportunities for Canadian businesses.

Canada's access to foreign markets is dependent on a rules-based system that provides the certainty and predictability to enable long-term business planning. Canada has already negotiated a more liberal, rules-based trade environment for the business sector, but to continue with this success, Canada must take a lead role in further strengthening the international trade framework by preparing for new negotiations at the World Trade Organization (WTO) and the Free Trade Agreement of the Americas (FTAA), as well as other bilateral, regional and multilateral forums.

In addition, there is a need to ensure that domestic markets function effectively, and that barriers within Canada are reduced. Internal trade barriers continue to make it difficult for some firms in some circumstances to expand across Canada and achieve the economies of scale necessary to confront international competition. They may also create an unlevel playing field for Canadian companies exporting across provincial/territorial boundaries and facing more restrictions than their foreign competitors.

To promote further business expansion and job creation, it is necessary to focus on the number of Canadian exporters and help more SMEs become internationally competitive and export-oriented. To capitalize on the phenomenal growth in on-line business and the opportunities it presents for world trade in electronic commerce products and services, we must strengthen our efforts to engage smaller firms in export activity in the knowledge-based and service sectors and encourage them to adopt electronic business to conduct international transactions, to give them a competitive advantage.

Canada has experienced impressive expansion of trade in the past five years, but much of the growth is concentrated in a limited number of markets and sectors. Dependence on the U.S. market has grown to 85 percent of all merchandise exports and, although the U.S. market will always remain critically important to Canada, diversification of Canada's trade base towards emerging high growth markets is also essential. Furthermore, close to two thirds of our exports relate to the natural resource and automotive sectors. Although these exports will continue to generate significant wealth, Canada must also consider increasing trade performance in high value-added goods and services to sustain future economic growth.

## ▶ Team Canada Inc

Team Canada Inc membership to date includes the following:

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

## Industry Canada's Response

To address the trade challenges, the Government of Canada developed the International Business Development strategy, which is aimed at improving and modernizing trade services to existing Canadian exporters and at helping prepare potential exporters for international markets. The strategy seeks partnerships among export service providers to seamlessly link collective resources to provide general export counselling, specialized skills development, foreign market entry support and export financing to help Canadian companies to succeed in international markets. This partnership is manifested in a virtual trade promotion agency known as Team Canada Inc, created in 1997 in collaboration with Agriculture and Agri-Food Canada and DFAIT. Team Canada Inc has expanded to include 22 federal departments and agencies working with the provinces and territories, and promotional efforts are being devoted to expanding this partnership.

As one of the three core federal departments of Team Canada Inc, Industry Canada has adopted an ultimate strategic trade objective of “working with Canadian companies to increase Canada’s share of global trade.” To achieve this objective, the Department directs the outcomes of its programs and services toward four key results that are consistent with Team Canada Inc’s business plan and performance reporting.

Key Commitments Framework

<i>Trade: Working with Canadians to increase Canada’s share of global trade</i>		
Key Results	Performance Indicators	Clients/Co-deliverers
Secure market access maintained and improved	<ul style="list-style-type: none"> <li>• Progress toward the opening of internal and external markets (e.g. agreements signed and implemented)</li> <li>• Number and significance of trade irritants and barriers removed</li> <li>• Level of public understanding of the importance of trade liberalization for improving Canada’s economic performance</li> </ul>	<p><b>Clients:</b></p> <ul style="list-style-type: none"> <li>• Private sector firms, particularly SMEs</li> <li>• Women entrepreneurs</li> <li>• Aboriginal enterprises</li> <li>• Priority sectors (e.g. Trade Team Canada Sectors)</li> <li>• Tourism industry</li> <li>• Consumers</li> </ul> <p><b>Co-deliverers:</b></p> <ul style="list-style-type: none"> <li>• DFAIT</li> <li>• Agriculture and Agri-Food Canada</li> <li>• Canada Business Service Centres</li> <li>• Industry Portfolio partners</li> <li>• Other government departments</li> <li>• Canadian Tourism Commission</li> <li>• Provinces/territories</li> <li>• Forum for International Trade Training</li> <li>• Associations</li> <li>• Educational institutions</li> </ul>
A more coordinated and cohesive approach to international trade development	<ul style="list-style-type: none"> <li>• Level of cooperation among partners</li> <li>• Opinions of clients, partners and experts regarding the quality of trade development efforts</li> <li>• Amount of overlap and duplication of trade development initiatives</li> </ul>	
Export capability and preparedness	<ul style="list-style-type: none"> <li>• Level of interest of target firms, particularly SMEs, in exporting</li> <li>• Level of demand for information, advice and assistance</li> <li>• Clients reached (number, type, size and so on)</li> <li>• Level of export-readiness and export-orientation among SMEs, and Aboriginal and women entrepreneurs</li> <li>• Level of client satisfaction with services delivered (e.g. responsiveness to needs, expected impacts and so on)</li> <li>• Partner feedback</li> <li>• Level of use of products and services</li> <li>• Number of new export-ready firms</li> </ul>	
International market development	<ul style="list-style-type: none"> <li>• Number of active SME exporters</li> <li>• Clients reached (number, type, size and so on)</li> <li>• Change in the product mix of exports</li> <li>• Change in the market share of key sectors in their key markets</li> <li>• Level of client satisfaction with the activities delivered</li> </ul>	



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**KEY COMMITMENTS**


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***Secure market access maintained and improved***

International rules are now moving beyond the traditional focus on tariff and non-tariff border measures. They are now beginning to address questions of domestic regulations with trade impacts. The key policy challenge remains to find the right balance between domestic interests and concerns, and the opportunities and risks from accelerating globalization and market liberalization. To this end, Industry Canada is committed to reducing internal and external trade barriers and irritants and building a more transparent and fairer rules-based global trading system.

Environmental and eco-efficiency objectives are increasingly implicated in international trade agreements and domestic regulations. Industry Canada will work to ensure that these objectives are fully integrated into trade agreements in order to ensure that Canadian businesses have access to, and opportunities in, international markets.

**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Develop, through partnership and consultation, an overall Canadian approach to forthcoming international trade negotiations to maximize benefits for Canadian industry.
- Develop bilateral cooperative agreements with other countries to enhance products and technologies.
- Defend Canada's interests in disputes with trading partners — for example, challenges to Canada's patent policies in the pharmaceutical sector brought forward by the European Union and the United States in the WTO — to maintain a balanced policy framework and a favourable investment climate.
- Negotiate international environmental agreements to ensure that countries, including Canada, be allowed to take measures to further environmental objectives and to ensure that the development of environmental agreements will not unjustifiably affect access to foreign markets for Canada's exports. Negotiations include the Biosafety Protocol, the Convention on Persistent Organic Pollutants and the Basel Convention.
- Monitor, review and ensure the full implementation of bilateral and multilateral agreements to establish consistency, safeguard the interests of Canadian industry and ensure its market competitiveness.
- Deal bilaterally with foreign governments to open doors for Canadian companies, including the negotiation of sector-specific Mutual Recognition Agreements (MRAs) and Memorandums of Understanding (MOUs).
- Participate in international ethics and anti-corruption forums to promote Canadian ethics standards.

***A more coordinated and cohesive approach to international trade development***

Exploiting the potential of partnerships has proven successful in strengthening trade promotion and helping increase the level of exports of goods and services. As such, Industry Canada has committed to increasing the level of cooperation among other trade partners. A more cooperative trade infrastructure among federal departments and agencies, the provinces/territories and the private sector results in a better quality of trade development efforts through synergies, focussed efforts and greater efficiency, along with reduced overlap and duplication

of trade development initiatives. Through working with government, and together in consortia across sectors and across companies, Canadian firms can become more competitive in their bids for large projects and contracts in foreign markets.

**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Establish a robust post-market surveillance regime in Canada in support of MRA implementation including implementation of customs monitoring of foreign certified information technology products entering Canada under the terms of MRAs.
- Work with Canadian industry, through the Telecommunications Standards Advisory Council of Canada, to influence the streamlining of working methods and global standards that will aid Canadian companies in getting their products into the global marketplace more quickly.
- Develop export forecasts for key sectors for the period 2000–05, identify areas of opportunities (e.g. products, regional markets) for exporting to the United States and prepare research papers on the economic impacts of trade liberalization.
- Improve cooperation among key public and private sector stakeholders through Trade Team Canada Sectors (TTCSs), by developing sector-specific trade strategies and action plans, to coordinate public-private sector trade efforts, and leverage resources towards agreed priorities.

***Export capability and preparedness***

Industry Canada has committed to expanding awareness on the part of businesses (and particularly SMEs) of global market opportunities, through the development of products and services and the promotion of exporting as a growth option. In addition, the Department offers export preparedness training that is specifically adapted to the needs of potential exporters, and so Team Canada Inc products and services are designed to meet the needs of individual firms. Customized self-help tools and Internet-based information sources with the provinces and territories are linked through Team Canada Inc's *ExportSource* Web site (<http://exportsource.gc.ca>) to facilitate their access. In addition, a national toll-free number (1-888-811-1119) now connects callers to Team Canada Inc's Export Information Service, which provides direct access to the programs and services of member departments.

A second key element of the export capability and preparedness strategy for the Department is to enhance the export-readiness and export-orientation of Canadian firms to create internationally competitive industries and firms. Developing, strengthening and broadening the international competitiveness and export capabilities of Canadian firms is a prerequisite to increasing the number of firms actively exporting.

Under the leadership of Industry Canada's International Trade Centres, consensus was reached with the Regional Trade Networks in each province on delivering broad services to the export community in five areas: general information, skills development, export counselling, market entry support and export financing. Action plans have been developed by a federal/provincial



working group to implement the first three core services of general information, skills development and export counselling. Over the next year, the Department will focus its efforts on defining core services for the remaining two service areas, market entry support and export financing, in collaboration with the provinces.

**KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.**

- Produce the “Trade and Investment Monitor” and a new on-line monthly trade bulletin to provide an analysis of the latest trends in Canada’s international trade and FDI.
- Deliver promotional and outreach activities for SMEs, including trade shows and fairs; workshops, seminars and breakfasts; the organization or support of missions; and investment through the Program for Export Market Development services and applications.
- Enhance access to export services by strengthening and expanding community-level local trade networks of export service providers (e.g. Ontario Export Development Initiative) across Canada, to support exporters locally. The emphasis will be on exporter preparation to create more and better-prepared exporters.
- Provide export training and skills development to increase the export capacity of Aboriginal businesses, recognizing the importance of the ongoing growth and development of Aboriginal firms, from start-up firms to active exporters.

***International market development***

The international marketplace for goods, services and investment is evolving quickly and becoming more complex and competitive. Government has an important role to play in helping exporters seize new opportunities and expand their markets and points of service. Industry Canada has committed to increasing the number of active SME exporters, shifting the product mix toward higher value-added goods and services, and improving market share by key sectors in their key markets.

**Priority trade sectors for international market development**

- At Industry Canada, priority sectors for international market development include the following:
  - aerospace and defence
  - automotive
  - bio-industries
  - building products
  - electric power equipment and services
  - environmental industries
  - health industries
  - ICTs
  - plastics
  - service industries and capital projects.
- Through cooperative networks called Trade Team Canada Sectors (TTCSs), Industry Canada works with the private sector and other federal, provincial and territorial government partners to pursue international market development in the priority sectors.
- The TTCSs plan and implement trade promotion activities (e.g. trade fairs and missions), with the goal of improving market share in their key markets, penetrating new markets, and upgrading the product mix toward higher value-added goods and services.

KEY ACTIVITIES FOR THE PLANNING PERIOD INCLUDE THE FOLLOWING.

- Plan and organize, through the TTCSs, a strong Canadian presence at key global trade shows, such as the Farnborough 2000 air show, the Tokyo Motor Show and Americana 2001.
- Provide more trade services and market information and intelligence on-line to Canadian companies. For example, SourceCAN, an integrated data base on Canadian company capabilities in various sectors, includes a sourcing search capability and automated bid-matching service to electronically deliver tender notification to clients' desktops.
- Identify and match Canadian suppliers with foreign trade opportunities, through the International Business Opportunities Centre and the TTCSs.
- Improve access to trade information through enhancements to the Virtual Trade Show, in response to client feedback from the four pilot projects conducted in 1999–2000.
- Lead the promotion of Canada as a premier tourist destination through a unique public-private sector partnership. The long-term objective is to achieve a 1 percentage point increase in the share of the world tourism market, by developing Canada as a four-season destination ([www.canadatourism.com](http://www.canadatourism.com)).

## ▶ Enhancing Canada's Competitiveness

To enhance Canada's competitiveness internationally, and help Canadian companies win new contracts abroad, industry partnerships are being promoted through projects such as the following:

- the Sustainable Cities Initiative, allowing Canadians to work in teams to develop integrated solutions to urban problems abroad;
- the Public-Private Infrastructure Initiative, helping Canadians win contracts in the booming global infrastructure market; and
- the First Nations Team Leader Consortia Initiative, in cooperation with First Nations firms, seeking to win hard and soft infrastructure development projects in Latin American countries with significant Aboriginal populations.

## Section 4: Consolidated Reporting

### A. Chart on Legislative and Regulatory Initiatives

#### Significant Regulatory Proposal

Regulation	Expected Result
<i>Radiocommunication Regulations — Non-broadcast Radio Licensing Fee Reform</i> — A new licence fee structure for non-broadcast spectrum must be put in place because new technology has dictated the need for a change.	There will be a new licence fee structure for non-broadcast spectrum that is simple, flexible and fair for all applicants.

Note: A comprehensive list of regulatory proposals and a complete listing of the acts and regulations under which Industry Canada operates appear in Section 6: Supplementary Information.

### B. Sustainable Development Strategy

Industry Canada's Sustainable Development Strategy commits the Department to promoting sustainable development while pursuing its overall mission to support a growing, competitive, knowledge-based economy. The commitment requires the Department to work toward four strategic objectives and nine related priorities through the delivery of 27 specified actions. Some of the actions comprise discrete products or services, while others are being continuously delivered throughout the strategy's three-year implementation period.

The chart on Industry Canada's Sustainable Development Strategy (*see page 56*) presents key targets/performance indicators as well as key expected results for the strategy. This information reflects the contents of the strategy.

The targets and action items are expected to help improve decision making by increasing knowledge of sustainable development, as well as to broaden understanding of innovative approaches to sustainable development, encourage knowledge sharing, and promote the building of partnerships. They are also expected to contribute to the implementation of voluntary approaches and the development of environmental and enabling technologies that advance sustainable development.

The sustainable development Web site contains more information on the expected deliverables of the individual action items as well as their timing (<http://strategis.gc.ca/sd>).



Summary of Sustainable Development Objectives, Targets and Expected Results

**Marketplace Climate** — *Foster a marketplace climate that promotes sustainable development*

Targets/Performance Indicators	Expected Results
Assess by 1999 and produce a report on the links between marketplace “ground rules” and sustainable development on one legislative act administered by Industry Canada.	Better understanding of the links between the <i>Canada Business Corporations Act</i> and sustainable development.
Help develop and advocate sustainable development options for a national climate change implementation strategy by 2000, in part through analysis and foundation papers for eight industry sectors. In addition, conduct an evaluation and produce a paper on the implication for Canadian industry competitiveness of actions required to address the climate change challenge.	Improved understanding of the potential costs and benefits to industry of reducing industry-related greenhouse gas emissions and how these benefits can support innovation in Canada.
Promote the use of voluntary initiatives to advance sustainable development by 2000, by publishing one report on voluntary codes and supporting one research project on voluntary approaches.	<p>More informed government, business, consumers and environmental groups in terms of the conditions under which voluntary codes are most likely to be successful, through the publication of related information.</p> <p>Enhanced awareness of the potential application of voluntary initiatives by business, by determining areas for improvement and identifying candidate sectors for new voluntary endeavours.</p>
Increase consumer awareness of sustainable development issues by 2000, by providing consumers with information to make informed decisions that contribute to sustainable development (e.g. paper on sustainable consumption).	Improved integration of consumer perspectives into sustainable development policy, emanating from consumer research, partnerships, networks or advocacy work.

Note: All annual date references are intended to cover the period until the end of the calendar or fiscal year noted, unless otherwise specified.



***Innovation*** — Enhance the ability of Canadian firms to develop and use innovative technologies and tools that contribute to sustainable development

Targets/Performance Indicators	Expected Results
<p>Work in partnership with industry and governments to further develop by 2000 at least two innovative tools and practices that improve business and environmental performance.</p>	<p>Increased integration of the sustainable development perspective into the Department's Sector Competitiveness Frameworks.</p> <p>Influence and inform the business community, including SMEs, by demonstrating through business case studies the benefits of implementing environmental management systems such as ISO 14001.</p> <p>Enhanced support and encouragement for using the voluntary standards system as a tool to promote sustainable development through Standards Council of Canada representation.</p>
<p>Encourage, before the end of fiscal year 1999–2000, investments in the development and diffusion of clean-production and enabling technologies that produce long-term economic and environmental benefits, by supporting a minimum of eight strategic projects as well as through improved information products (e.g. the development and enhancement of Web sites that promote sustainable development).</p>	<p>Development and adoption of new technologies supportive of sustainable development objectives, primarily through the Technology Partnerships Canada program.</p> <p>Enhanced awareness of sustainable development initiatives through the establishment of a sustainable development Web site.</p> <p>Updated and enhanced Canadian Environmental Solutions data base to provide new information for business on environmental technologies, including clean-production and enabling technologies.</p> <p>Improved awareness of sustainable development among SMEs through new information on the Canadian Business Environmental Performance Office Web site.</p>



**Trade and Investment** — *Encourage trade and investment flows that contribute to sustainable development in Canada and abroad*

<b>Targets/Performance Indicators</b>	<b>Expected Result</b>
Encourage by 2000 the export of Canadian knowledge, products, practices and technologies that further the objectives of sustainable development through the negotiation of six bilateral cooperative agreements to deliver capacity-building and technology transfer activities.	Improved access to domestic and global market opportunities for Canadian environmental companies.



<http://info.ic.gc.ca>



*Stewardship and Management — Continue to improve the capacity of Industry Canada to manage and deliver departmental policies, programs and operations that contribute to sustainable development*

Targets/Performance Indicators	Expected Results
<p>Improve awareness and understanding before 2000 of the sustainable development implications of existing and proposed departmental activities, through the use of improved environmental policy assessments on at least two departmental initiatives, training activities that include at least one course and three seminars for departmental employees, and a minimum of two published papers from related policy research and analysis.</p>	<p>Better understanding of approaches for undertaking environmental assessments of new policy and program proposals on a pilot project basis.</p> <p>Enhanced knowledge of sustainable development concepts and practices in affected policy and program officers through training.</p> <p>Improved policy research on the factors that contribute to sustainable development in a knowledge-based economy.</p>
<p>Continue during 1999 and 2000 to develop a more comprehensive environmental management system and integrate it into the departmental business planning system through the appointment of a Chief Environmental Steward, the establishment of a coordinating Greening Operations Committee and the development and implementation of an appropriate work plan.</p>	<p>Establishment of an appropriate environmental management system with relevant baseline data.</p> <p>Increased integration of environmental considerations into operational decisions and the Department's planning system.</p>
<p>Develop baseline environmental information and implement a reporting approach by 2000 for measuring departmental progress on greening operations.</p>	

*Stewardship and Management* (cont'd)

Targets/Performance Indicators	Expected Results
<p>Work to ensure that, by 2000, the day-to-day physical operations at Industry Canada have minimal impacts on the environment, by implementing the Greening Operations Action Plan.</p> <p>More specifically:</p> <ul style="list-style-type: none"> <li>• evaluate and, where appropriate, implement the Federal Buildings Initiative or an equivalent program for energy conservation and water conservation in facilities housing 80 percent of department employees by fiscal year 2000–01;</li> <li>• increase the proportion of recycled paper purchases to 50 percent of all paper purchases by January 1999;</li> <li>• put a green procurement policy in place by January 1998, and develop a list of green suppliers by January 1999;</li> <li>• use alternative fuels, as required by the <i>Alternative Fuels Act</i>, in at least 75 percent of vehicles, where operationally feasible, and purchase alternative fuel vehicles as follows: 50 percent by 1997–98, 60 percent by 1998–99 and 75 percent by 1999–2000;</li> <li>• train all regular drivers by April 2000;</li> <li>• reduce solid waste generation by 50 percent over 1988 levels by 2000, in accordance with the overall Green Plan target;</li> <li>• establish three pilot depots (for re-using supplies and equipment) by March 1998, evaluate the results of the pilots and take further appropriate decisions by December 1998;</li> <li>• eliminate halon from Industry Canada facilities by April 2000; and</li> <li>• identify facilities at risk from toxic materials and complete audits and inspections by April 1999.</li> </ul>	<p>Reduced use of raw materials, energy, water and other resources; reduced generation of waste, toxic substances and emissions.</p> <p>Assurance that Industry Canada meets or exceeds the letter and spirit of federal environmental laws and, where appropriate, is compatible with provincial/territorial and international standards.</p>



### C. Industrial and Regional Development Program

Section 14 of the *Industrial and Regional Development Act* states that an annual report to Parliament on the administration of the Industrial and Regional Development Program (IRDP) should be tabled by the first day of the month of June following the close of each fiscal year. Since there are no new commitments to report for the IRDP, Industry Canada is fulfilling its reporting requirements for fiscal year 1999–2000, under the consolidated reporting provisions of the Estimates, *Report on Plans and Priorities*, rather than in a separate annual report.

The IRDP terminated on June 30, 1988. Since that time, no further applications for assistance under the program have been accepted. All pending applications and offers of assistance were disposed of prior to 1999–2000. Further details on the disposition of applications received and commitments made under the program may be found in the annual report tabled for 1996–97. All financial commitments by Industry Canada under the IRDP have now been fully expended.

The *Industrial and Regional Development Act* remains in effect to allow for the ongoing repayment in 2000–01 and future years of the financial assistance previously provided under the program.

## Section 5: Financial Information

5.1 Summary of Transfer Payments by Business Line				
(thousands of dollars)	Forecast Spending 1999–2000	Planned Spending 2000–2001	Planned Spending 2001–2002	Planned Spending 2002–2003
<b>Grants</b>				
Marketplace Rules and Services	45.0	45.0	45.0	45.0
Industry Sector Development	1,080,000.0	—	—	—
<b>Total Grants</b>	<b>1,080,045.0</b>	<b>45.0</b>	<b>45.0</b>	<b>45.0</b>
<b>Contributions</b>				
Micro-economic Policy	13,108.0	25,408.0	25,108.0	67,708.0
Marketplace Rules and Services	1,000.0	1,000.0	1,000.0	1,000.0
Industry Sector Development	493,339.0	636,629.0	570,229.0	532,504.0
<b>Total Contributions</b>	<b>507,447.0</b>	<b>663,037.0</b>	<b>596,337.0</b>	<b>601,212.0</b>
<b>Total Grants and Contributions</b>	<b>1,587,492.0</b>	<b>663,082.0</b>	<b>596,382.0</b>	<b>601,257.0</b>

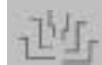
## 5.2 Source of Respendable and Non-respendable Revenue

(millions of dollars)	Forecast Revenue 1999–2000	Planned Revenue 2000–2001	Planned Revenue 2001–2002	Planned Revenue 2002–2003
<b>Respendable Revenue</b>				
Bankruptcy and Insolvency Supervision	16.0	<b>16.0</b>	16.0	16.0
Intellectual Property Protection and Dissemination Revolving Fund	55.7	<b>55.7</b>	55.7	55.7
Competition Law and Policy	6.0	<b>6.0</b>	6.0	6.0
Communications Research	9.7	<b>9.7</b>	9.7	9.7
<b>Sub-total Respendable Revenue</b>	<b>87.4</b>	<b>87.4</b>	<b>87.4</b>	<b>87.4</b>
<b>Non-respendable Revenue</b>				
Bankruptcy and Insolvency Supervision	0.4	<b>0.4</b>	0.4	0.4
Corporations Regulation	10.1	<b>12.6</b>	12.6	12.6
Measurement Regulation	4.2	<b>3.0</b>	3.0	2.5
Consumer Labelling and Advertising Regulation	0.1	<b>0.1</b>	0.1	0.1
Spectrum Management	180.9	<b>191.8</b>	191.8	191.8
Refund of previous year's expenditures	—	—	—	—
Return on investment	10.1	<b>9.8</b>	9.4	9.4
Development	1.4	<b>1.0</b>	0.8	0.8
<i>Small Business Loans Act</i> service fees	20.0	<b>17.0</b>	12.0	12.0
<b>Sub-total Non-respendable Revenue</b>	<b>227.2</b>	<b>235.7</b>	<b>230.1</b>	<b>229.6</b>
<b>Total Respendable and Non-respendable Revenue</b>	<b>314.6</b>	<b>323.1</b>	<b>317.5</b>	<b>317.0</b>



### 5.3 Net Cost of Program for the Estimates Year

(millions of dollars)	<b>Industry Canada</b>
Net Planned Spending	1,208.9
Plus:	
<i>Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	36.4
Contributions covering employees' share of insurance premiums and expenditures paid by Treasury Board Secretariat	14.1
Workers' compensation coverage provided by Human Resources Development Canada	0.6
Salary and associated expenditures of legal services provided by Justice Canada	3.3
<b>Sub-total</b>	<b>54.4</b>
<b>Total Cost of Program</b>	<b>1,263.3</b>
Less: Non-responsible Revenue	235.7
<b>2000–2001 Net Cost of Program</b>	<b>1,027.6</b>



**5.4 Revolving Fund Financial Statements**  
**Canadian Intellectual Property Office (CIPO)**  
**Revolving Fund Statement of Operations**

(millions of dollars)	Forecast 1999-2000	Planned 2000-2001	Planned 2001-2002	Planned 2002-2003
<b>Respendable Revenue</b>	<b>66.4</b>	<b>57.0</b>	<b>57.0</b>	<b>57.0</b>
<b>Expenses</b>				
Operating:				
Salaries and employee benefits	36.2	34.4	34.4	34.4
Depreciation	14.4	11.0	11.0	11.0
Repairs and maintenance	0.4	0.7	0.7	0.7
Administrative and support services	16.7	13.6	13.6	13.6
Utilities, materials and supplies	1.6	1.2	1.2	1.2
Marketing	—	—	—	—
Interest	—	—	—	—
<b>Total Expenses</b>	<b>69.3</b>	<b>60.9</b>	<b>60.9</b>	<b>60.9</b>
<b>Sub-total Surplus (Deficit)</b>	<b>(2.9)</b>	<b>(3.9)</b>	<b>(3.9)</b>	<b>(3.9)</b>
Deferred Capital Assistance	6.4	—	—	—
<b>Surplus (Deficit)</b>	<b>3.5</b>	<b>(3.9)</b>	<b>(3.9)</b>	<b>(3.9)</b>

**5.5 Revolving Fund Financial Statements (cont'd)**  
**Statement of Changes in Financial Position**

(millions of dollars)	Forecast 1999-2000	Planned 2000-2001	Planned 2001-2002	Planned 2002-2003
<b>Surplus (Deficit)</b>	<b>3.5</b>	<b>(3.9)</b>	<b>(3.9)</b>	<b>(3.9)</b>
Add non-cash items:				
Depreciation/amortization	14.4	11.0	11.0	11.0
Deferred Capital Assistance	(6.4)	—	—	—
Investing Activities:				
Acquisition of depreciable assets	(0.9)	(0.9)	(0.9)	(0.9)
Changes in short- and long-term assets/liabilities	(1.2)	(1.2)	(1.2)	(1.2)
<b>Cash surplus (requirement)</b>	<b>9.4</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>



5.6 Revolving Fund Financial Statements (cont'd)

Projected Use of Authority

(millions of dollars)	Forecast 1999-2000	Planned 2000-2001	Planned 2001-2002	Planned 2002-2003
Authority*	15.0	15.0	15.0	15.0
Drawdown:				
Balance as of April 1	7.5	16.9	21.9	26.9
Projected surplus (Drawdown)	9.4	5.0	5.0	5.0
	16.9	21.9	26.9	31.9
<b>Projected Balance at March 31</b>	<b>31.9</b>	<b>36.9</b>	<b>41.9</b>	<b>46.9</b>

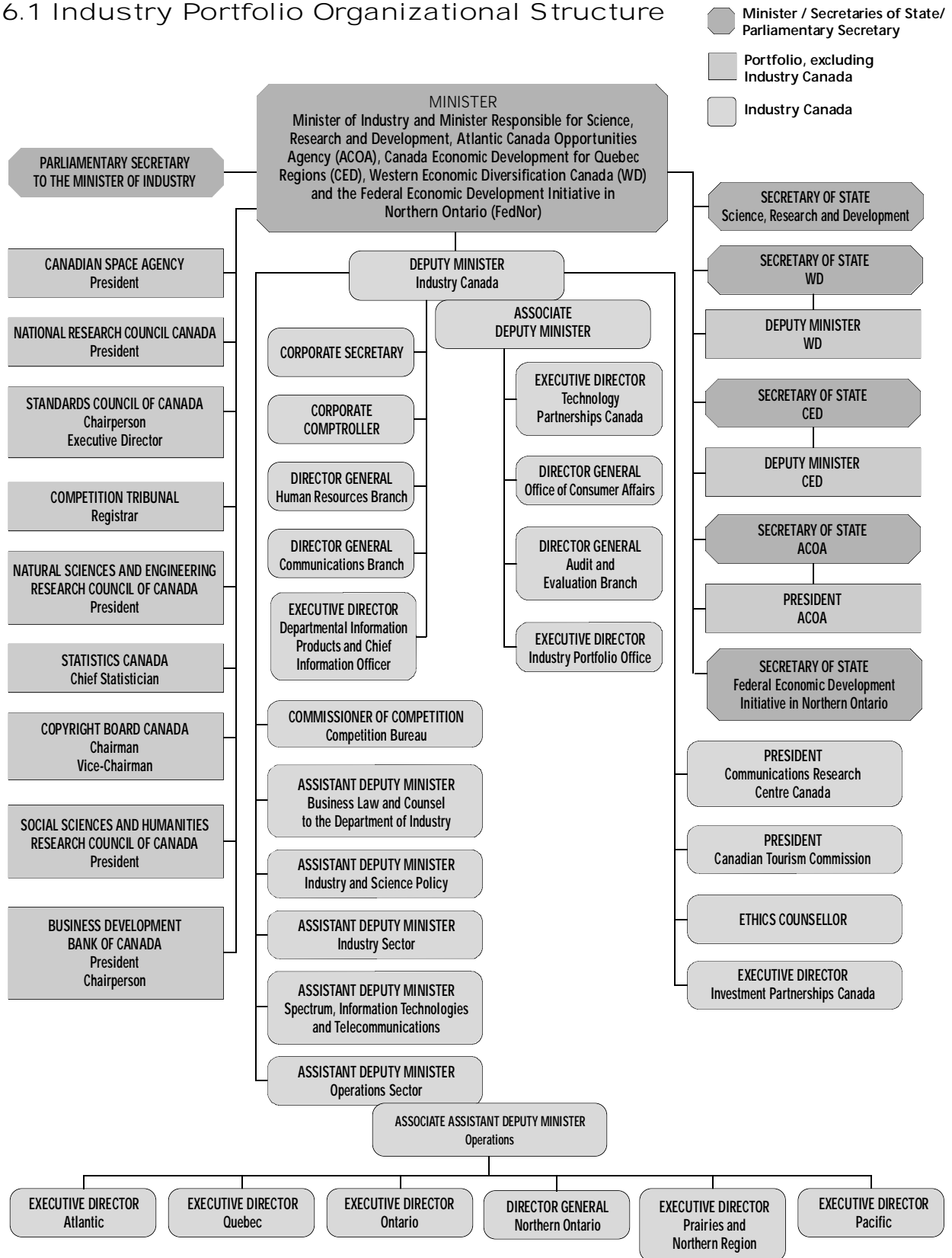
\* Note: \$15 million is the maximum amount that may be drawn down from the Consolidated Revenue Fund (CRF) at anytime.

5.7 Loans, Investments and Advances

(millions of dollars)	Forecast Spending 1999-2000	Planned Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003
<b>Industry Sector Development</b>				
Payment pursuant to subsection 14(2) of the <i>Department of Industry Act</i>	—	0.3	0.3	0.3
Loans pursuant to paragraph 14(1)(a) of the <i>Department of Industry Act</i>	—	0.5	0.5	0.5
<b>Total</b>	<b>—</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>

# Section 6: Supplementary Information

## 6.1 Industry Portfolio Organizational Structure



## 6.2 Acts and Regulations

### Acts Under the Responsibility of the Minister of Industry

#### DEPARTMENTAL LEGISLATION

*Department of Industry Act*, S.C. 1995, c. 1

#### TELECOM LEGISLATION

*Radiocommunication Act*, R.S. 1985, c. R-2  
*Telecommunications Act*, S.C. 1993, c. 38  
*Teleglobe Canada Reorganization and Divestiture Act*, S.C. 1987, c. 12 (specified functions)  
*Telesat Canada Reorganization and Divestiture Act*, S.C. 1991, c. 52 (policy role)

#### MARKETPLACE AND TRADE REGULATION

*Agreement on Internal Trade Implementation Act*, S.C. 1996, c. 17  
*Bankruptcy and Insolvency Act*, R.S. 1985, c. B-3  
*Boards of Trade Act*, R.S. 1985, c. B-6  
*Canada Business Corporations Act*, R.S. 1985, c. C-44  
*Canada Cooperatives Act*, S.C. 1998, c. 1  
*Canada Corporations Act*, R.S. 1970, c. C-32  
*Companies' Creditors Arrangement Act*, R.S. 1985, c. C-36  
*Competition Act*, R.S. 1985, c. C-34  
*Government Corporations Operation Act*, R.S. 1985, c. G-4  
*Investment Canada Act*, R.S. 1985, c. 28 (1st supp.)  
*Lobbyists Registration Act*, R.S. 1985, c. 44 (4th supp.)  
*Canada Small Business Financing Act*, S.C. 1998, c. 36  
*Winding-Up and Restructuring Act*, R.S. 1985, c. W-11 (Part I only)

#### CANADIAN INTELLECTUAL PROPERTY OFFICE (CIPO) LEGISLATION

*Copyright Act*, R.S. 1985, c. C-42  
*Patent Act*, R.S. 1985, c. P-4  
*Trade-marks Act*, R.S. 1985, c. T-13  
*Industrial Design Act*, R.S. 1985, c. I-9

*Integrated Circuit Topography Act*, S.C. 1990, c. 37  
*Public Servants Inventions Act*, R.S. 1985, c. P-32

#### CONSUMER LEGISLATION

*Bills of Exchange Act*, R.S. 1985, c. B-4 (Part V: Consumer Bills and Notes)  
*Consumer Packaging and Labelling Act*, R.S. 1985, c. C-38  
*Electricity and Gas Inspection Act*, R.S. 1985, c. E-4  
*Precious Metals Marking Act*, R.S. 1985, c. P-19  
*Textile Labelling Act*, R.S. 1985, c. T-10  
*Timber Marking Act*, R.S. 1985, c. T-11  
*Weights and Measures Act*, R.S. 1985, c. W-6

#### REGISTRAR GENERAL FUNCTIONS

*Public Documents Act*, R.S. 1985, c. P-28  
*Public Officers Act*, R.S. 1985, c. P-31  
*Seals Act*, R.S. 1985, c. S-6  
*Trade Unions Act*, R.S. 1985, c. T-14

#### PORTFOLIO AND AGENCY LEGISLATION

*Business Development Bank of Canada Act*, S.C. 1995, c. 28  
Canada Foundation for Innovation: Part I and XI of the *Budget Implementation Act, 1997*, S.C. 1997, c. 26  
*Canadian Space Agency Act*, S.C. 1990, c. 13  
Copyright Board: sections 66 ff. of the *Copyright Act*, R.S. 1985, c. C-42  
*Competition Tribunal Act*, R.S. 1985, c. 19 (2nd supp.)  
*National Research Council Act*, R.S. 1985, c. N-15  
*Natural Sciences and Engineering Research Council Act*, R.S. 1985, c. N-21

*Social Sciences and Humanities Research Council Act*, R.S. 1985, c. S-12  
*Standards Council of Canada Act*, R.S. 1985, c. S-16  
*Statistics Act*, R.S. 1985, c. S-19

## **LARGELY INACTIVE OR MINIMAL INVOLVEMENT**

*Atlantic Fisheries Restructuring Act*, R.S. 1985, c. A-14 (in respect of certain companies)  
*Agricultural and Rural Development Act*, R.S. 1985, c. A-3  
*Bell Canada Act*, S.C. 1987, c. 19 (private act)  
*British Columbia Telephone Company Act*, S.C. 1916, c. 66 (private act)  
*Corporations and Labour Unions Returns Act*, R.S. 1985, c. C-43  
*Employment Support Act*, S.C. 1970-71-72, c. 56  
*Industrial and Regional Development Act*, R.S. 1985, c. I-8  
*Pension Fund Societies Act*, R.S. 1985, c. P-8 (ss. 4, 6 and 7)  
*Regional Development Incentives Act*, R.S.C. 1970, c. R-3  
*Small Business Investment Grants Act*, S.C. 1980-81-82-83, c. 147  
*Special Areas Act*, R.S. 1985, c. S-14 (Ontario and Quebec)

## **REGIONAL AGENCY LEGISLATION**

### **Atlantic Canada Opportunities Agency**

The Minister of Industry is also currently the Minister for the Atlantic Canada Opportunities Agency and is responsible for the following:

*Atlantic Canada Opportunities Agency Act*, Part I of the *Government Organization Act*, *Atlantic Canada, 1987*, R.S. 1985, c. 41 (4th supp.)  
*Enterprise Cape Breton Corporation Act*, Part II of the *Government Organization Act*, *Atlantic Canada, 1987*, R.S. 1985, c. 41 (4th supp.)  
*Canada Small Business Financing Act*, S.C. 1998, c. 36 (Atlantic provinces)

### **Western Economic Diversification Canada**

The Minister of Industry is also currently the Minister of Western Economic Diversification Canada and is responsible for the following:

*Western Economic Diversification Act*, R.S. 1985, c. 11 (4th supp.)  
*Canada Small Business Financing Act*, S.C. 1998, c. 36 (Western provinces)

### **Canada Economic Development for Quebec Regions**

The Minister of Industry is also currently the Minister responsible for Canada Economic Development for Quebec Regions and is responsible for the following:

Part II of the *Department of Industry Act*, S.C. 1995, c. 1 (Regional Economic Development in Quebec)  
*Canada Small Business Financing Act*, S.C. 1998, c. 36 (Quebec)

## 6.2 Acts and Regulations

### Regulations Currently in Force\*

#### ***Bankruptcy and Insolvency Act***

- Bankruptcy and Insolvency Rules  
C.R.C., c. 368
- Orderly Payment of Debts Regulations  
C.R.C., c. 369

#### ***Canada Business Corporations Act***

- Canada Business Corporations Regulations  
SOR/79-316

#### ***Canada Cooperatives Act***

- Canada Cooperatives Regulations SOR/99-256

#### ***Canada Corporations Act***

- Canada Corporations Regulations C.R.C.,  
c. 424

#### ***Canada Small Business Financing Act***

- Canada Small Business Financing  
Regulations SOR/99-141

#### ***Competition Act***

- Notifiable Transactions Regulations  
SOR/87-348

#### ***Consumer Packaging and Labelling Act***

- Consumer Packaging and Labelling  
Regulations C.R.C., c. 417

#### ***Copyright Act***

- Book Importation Regulations SOR/99-324
- Certification of Countries Granting Equal  
Copyright Protection Notice C.R.C., c. 421
- Cinematographic Works (rights to remunera-  
tion) Regulations SOR/99-194
- Copyright Regulations SOR/97-457
- Definition of Local Signal and Distant Signal  
Regulations SOR/89-254

- Definition of Small Cable Transmission  
System Regulations SOR/94-755
- Definition of Small Retransmission Systems  
Regulations SOR/89-255
- Definition of Wireless Transmission System  
Regulations SOR/98-307
- Exceptions for Educational Institutions,  
Libraries, Archives and Museums Regulations  
SOR/99-325
- Programming Undertaking Regulations  
SOR/93-436
- Regulations Prescribing Networks  
SOR/99-348
- Retransmission Royalties Criteria Regulations  
SOR/91-690

#### ***Electricity and Gas Inspection Act***

- Electricity and Gas Inspection Regulations  
SOR/86-131

#### ***Industrial Design Act***

- Industrial Designs Regulations SOR/99-460

#### ***Integrated Circuit Topography Act***

- Integrated Circuit Topography Regulations  
SOR/93-212
- List of Countries to which Canada Accords  
Reciprocal Protection under the Act  
SOR/93-282
- Order According Reciprocal Protection  
to Australia, Japan and the United States  
under the Act SOR/94-677
- Order According Reciprocal Protection to  
Switzerland under the Act SOR/94-27

#### ***Investment Canada Act***

- Investment Canada Regulations SOR/85-611

\*This list of regulations reflects only those for which Industry Canada has direct responsibility to administer and does not incorporate those pertaining to the Industry Portfolio. Information regarding regulations to Acts for which Industry Portfolio members have administrative responsibility can be found in the Report on Plans and Priorities produced by that department or agency.

***Lobbyists Registration Act***

- Lobbyists Registration Regulations  
SOR/95-579

***Patent Act***

- Manufacturing and Storage of Patented Medicines Regulations SOR/93-134
- Patented Medicines (Notice of Compliance) Regulations SOR/93-133
- Patented Medicines Regulations, 1994 SOR/94-688
- Patent Rules SOR/96-423

***Precious Metals Marking Act***

- Precious Metals Marking Regulations  
C.R.C., c. 1303

***Public Servants Inventions Act***

- Public Servants Inventions Regulations  
C.R.C., c. 1332

***Radiocommunication Act***

- Radiocommunication Regulations  
SOR/96-484

***Seals Act***

- Formal Documents Regulations  
C.R.C., c. 1331

***Telecommunications Act***

- Canada Telecommunications Common Carrier Ownership and Control Regulations  
SOR/94-667
- International Submarine Cable Licences  
Regulations SOR/98-488

***Textile Labelling Act***

- Textile Labelling and Advertising Regulations  
C.R.C., c. 1551

***Trade-marks Act***

- Trade-marks Regulations (1996) SOR/96-195

***Trade Unions Act***

- Trade Unions Regulations C.R.C., c. 1560

***Weights and Measures Act***

- Weights and Measures Regulations  
C.R.C., c. 1605



## 6.2 Acts and Regulations

### Regulatory Proposals

#### **Bankruptcy**

Bankruptcy and Insolvency Rules – Rules pertaining to the amounts of fees and levy charges...to be pre-published in *Canada Gazette*, Part I in 2000

#### **Competition**

New regulations to specify acts or conducts deemed to be an “anti-competitive act” when carried out by an air carrier...to be pre-published in *Canada Gazette*, Part I in 2000

#### **Corporations**

New regulations under the *Canada Business Corporations Act*...to be pre-published in *Canada Gazette*, Part I in 2000

#### **Electronic Commerce**

Regulations specifying what is a government institution...to be pre-published in *Canada Gazette*, Part I in 2000

Regulations specifying what is publicly available information...to be pre-published in *Canada Gazette*, Part I in 2000

Regulations specifying what is an investigative body...to be pre-published in *Canada Gazette*, Part I in 2000

#### **Measurement**

Electricity and Gas Inspection Regulations – Fees for Dispute Investigations...to be pre-published in *Canada Gazette*, Part I in 2001

Electricity and Gas Inspection Regulations – Regulation 25 – Conditions of Accreditations...to be pre-published in *Canada Gazette*, Part I in 2001

Electricity and Gas Inspection Regulations – Section 40 – Supercompressibility Factor...to be pre-published in *Canada Gazette*, Part I in 2000

Electricity and Gas Inspection Regulations – Technical Amendments...to be pre-published in *Canada Gazette*, Part I in 2000

Weights and Measures Regulations – Automatic Temperature Compensation of Petroleum Products...to be pre-published in *Canada Gazette*, Part I in 2001

Weights and Measures Regulations – Diamonds and Gemstones...to be pre-published in *Canada Gazette*, Part I in 2001

Weights and Measures Regulations – Minor and Technical Amendments...to be pre-published in *Canada Gazette*, Part I in 2000

*Weights and Measures Act* – Order Amending Schedule IV of the *Weights and Measures Act*...to be published in *Canada Gazette*, Part II in 2000

Weights and Measures Regulations – Specifications for Mass Flow Meters...to be pre-published in *Canada Gazette*, Part I in 2001

Weights and Measures Regulations – Specifications for Metrological Software...to be pre-published in *Canada Gazette*, Part I in 2001

Weights and Measures Regulations – Specifications Relating to the Design, Composition, Construction, Performance, Installation and Use of On-board Waste Weighing Systems...to be pre-published in *Canada Gazette*, Part I in 2001

Weights and Measures Regulations – Specifications Relating to Multiple Dimension Measuring Devices...to be pre-published in *Canada Gazette*, Part I in 2001



**Radiocommunications**

Regulations Amending the Radiocommunication Regulations to Modify the Licensing of Amateur Radio Stations...to be promulgated in 2000

Regulations Amending the Radiocommunication Regulations II...to be promulgated in 2000

Radiocommunication Regulations –  
Broadcasting Technical Data Services Fees  
Order...to be promulgated in 2000

\*Radiocommunication Regulations –  
Non-broadcast Radio Licensing Fee Reform...  
to be promulgated in 2001

**Small Business Loans**

Canada Small Business Financing Regulations –  
Pilot Projects for the Voluntary Sector and  
Capital Leasing...to be pre-published in *Canada  
Gazette*, Part I in 2001

**Telecommunications**

Telecommunications Apparatus Regulations...  
to be promulgated in 2000

Telecommunications Regulations –  
Telecommunication Apparatus Assessment and  
Testing Order Fees...to be promulgated in 2000

\*This is a significant regulatory proposal; please see the explanation on page 76.



## 6.2 Acts and Regulations

### Significant Regulatory Proposal

<b>Regulation</b>	<b>Expected Result</b>
<i>Radiocommunication Regulations — Non-broadcast Radio Licensing Fee Reform</i> — A new licence fee structure for non-broadcast spectrum must be put in place because new technology has dictated the need for a change.	There will be a new licence fee structure for non-broadcast spectrum that is simple, flexible and fair for all applicants.



<http://info.ic.gc.ca>



## 6.2 Acts and Regulations

### Regulations Contact List

#### **Bankruptcy**

Office of the Superintendent of Bankruptcy  
Canada  
Deputy Superintendent — Programs,  
Standards and Regulatory Affairs  
Jean Edmonds Tower South  
365 Laurier Avenue West  
Ottawa ON K1A 0C8  
Tel.: (613) 946-2166  
Fax: (613) 946-2168

#### **Canadian Intellectual Property Office**

Canadian Intellectual Property Office  
Planning, International and Regulatory Affairs  
Chief, International and Regulatory Affairs  
Place du Portage, Phase I  
50 Victoria Street  
Hull QC K1A 0C9  
Tel.: (819) 997-7243  
Fax: (819) 997-5052

#### **Competition**

Competition Bureau  
Amendments Unit  
Assistant Deputy Commissioner of Competition  
Place du Portage, Phase I  
50 Victoria Street  
Hull QC K1A 0C9  
Tel.: (819) 997-2868  
Fax: (819) 953-8535

Fair Business Practices Branch  
Deputy Director of Investigation and Research  
Place du Portage, Phase I  
50 Victoria Street  
Hull QC K1A 0C9  
Tel.: (819) 997-1705  
Fax: (819) 994-2240

#### **Corporations**

Corporations Directorate  
Compliance Branch  
Manager, Policy Sector  
Jean Edmonds Tower South  
365 Laurier Avenue West  
Ottawa ON K1A 0C8  
Tel.: (613) 941-5720  
Fax: (613) 941-5781

#### **Intellectual Property Policy**

Corporate Governance Branch  
Intellectual Property Policy Directorate  
Director  
5th Floor, West Tower  
C.D. Howe Building  
235 Queen Street  
Ottawa ON K1A 0H5  
Tel.: (613) 952-2527  
Fax: (613) 952-1980

#### **Investment**

Investment Review Division  
Director  
C.D. Howe Building  
235 Queen Street  
Ottawa ON K1A 0H5  
Tel.: (613) 954-1887  
Fax: (613) 996-2515

#### **Lobbyists Registration**

Ethics Counsellor  
Lobbyists Registration Branch  
Director  
66 Slater Street  
Ottawa ON K1A 0C9  
Tel.: (613) 957-2761  
Fax: (613) 957-3078



**Measurement**

Measurement Canada  
Program Development  
Vice President  
Suite 513, Tower A  
Holland Cross Building  
11 Holland Avenue  
Ottawa ON K1A 0C9  
Tel.: (613) 941-8918  
Fax: (613) 946-8177

**Radiocommunications**

Spectrum, Information Technologies and  
Telecommunications  
Radiocommunications and Broadcasting  
Regulations Branch  
Regulatory Policy and Planning  
Director  
Jean Edmonds Tower North  
300 Slater Street  
Ottawa ON K1A 0C8  
Tel.: (613) 990-4805  
Fax: (613) 993-4433

**Small Business Loan**

Programs and Services Branch  
Small Business Loans Administration  
Director  
C.D. Howe Building  
235 Queen Street  
Ottawa ON K1A 0H5  
Tel.: (613) 946-3391  
Fax: (613) 952-0290

**Telecommunications**

Spectrum, Information Technologies and  
Telecommunications  
Telecommunications Policy Branch  
Industry Framework Policy  
Director  
Jean Edmonds Tower North  
300 Slater Street  
Ottawa ON K1A 0C8  
Tel.: (613) 998-4298  
Fax: (613) 952-0567

## 6.3 Industry Canada Regional Offices

### Headquarters

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#### **Industry Canada**

235 Queen Street  
Ottawa ON K1A 0H5  
Tel.: (613) 954-2788  
Fax: (613) 954-1894

### Atlantic Region

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#### **Industry Canada**

10th Floor  
John Cabot Building  
10 Barter's Hill  
P.O. Box 8950  
St. John's NF A1B 3R9  
Tel.: (709) 772-4866  
Fax: (709) 772-5093

#### **Industry Canada**

2nd Floor  
75 Fitzroy Street  
P.O. Box 1115  
Charlottetown PE C1A 7M8  
Tel.: (902) 566-7382  
Fax: (902) 566-7450

#### **Industry Canada**

1801 Hollis Street  
P.O. Box 940, Station M  
Halifax NS B3J 2V9  
Tel.: (902) 426-3458  
Fax: (902) 426-2624

#### **Industry Canada**

4th Floor, Unit 103  
1045 Main Street  
Moncton NB E1C 1H1  
Tel.: (506) 851-6517  
Fax: (506) 851-6502

### Quebec Region

---

#### **Industry Canada**

7th Floor  
5 Place Ville-Marie  
Montréal QC H3B 2G2  
Tel.: (514) 496-1797  
Fax: (514) 283-2247

### Ontario Region

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#### **Industry Canada**

4th Floor  
151 Yonge Street  
Toronto ON M5C 2W7  
Tel.: (416) 973-5000  
Fax: (416) 973-8714

### Northern Ontario Region

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#### **FedNor**

Suite 307  
19 Lisgar Street  
Sudbury ON P3E 3L4  
Tel.: (705) 671-0711  
Toll-free: 1-877-333-6673  
Fax: (705) 671-0717

#### **FedNor**

Suite 600  
Roberta Bondar Place  
70 Foster Drive  
Sault Ste. Marie ON P6A 6V4  
Tel.: (705) 941-2014  
Toll-free: 1-877-333-6673  
Fax: (705) 941-2085

#### **FedNor**

1st Floor  
33 Court South Street  
Thunder Bay ON P7B 2W6  
Tel.: (807) 766-1800  
Toll-free: 1-877-333-6673  
Fax: (807) 346-8474

Prairies and  
Northern Region

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**Industry Canada**

4th Floor  
400 St. Mary Avenue  
Winnipeg MB R3C 4K5  
Tel.: (204) 983-5851  
Fax: (204) 983-3182

**Industry Canada\***

Government of Canada Building  
Iqaluit NT X0A 0H0

\*Telephones to be installed summer 2000

**Industry Canada**

7th Floor  
123 Second Avenue South  
Saskatoon SK S7K 7E6  
Tel.: (306) 975-4400  
Fax: (306) 975-6727

**Industry Canada**

Suite 1020  
2002 Victoria Avenue  
Regina SK S4P 0R7  
Tel.: (306) 780-5010  
Fax: (306) 780-6506

**Industry Canada**

Suite 725  
9700 Jasper Avenue  
Edmonton AB T5J 4C3  
Tel.: (403) 495-4782  
Fax: (403) 495-4507

**Industry Canada**

Suite 400  
639-5th Avenue SW  
Calgary AB T2P 0M9  
Tel.: (403) 292-4575  
Fax: (403) 292-4295

**Industry Canada**

Suite 1006  
4920-52nd Street  
Yellowknife NT X1A 3T1  
Tel.: (867) 920-6604  
Fax: (867) 920-6601

Pacific Region (British  
Columbia and Yukon)

---

**Industry Canada**

Suite 2000  
300 West Georgia Street  
Vancouver BC V6B 6E1  
Tel.: (604) 666-5000  
Fax: (604) 666-8330

**Industry Canada**

Suite 205  
300 Main Street  
Whitehorse YT Y1A 2B5  
Tel.: (867) 667-5102  
Fax: (867) 383-6711



## Appendix A

### Industry Canada Crosswalk: Strategic Objectives to Business Lines\*

#### Innovation: Improving Canada's innovation performance

Key Results	Activities	MP	ISD	MRS
<b>Increased recognition of innovation as a critical success factor in all sectors</b>	• Commercialization of university research			✓
	• Coordination of federal S&T policy development	✓	✓	
	• Creation of information products	✓		
	• Development of new S&T indicators	✓		
	• Analysis of the determinants of innovation	✓		
	• Priority sectors — Technology Roadmaps			✓
	• Radio frequency spectrum research			✓
<b>Expanded knowledge base, especially in fields with good opportunities</b>	• Technology Partnerships Canada		✓	
	• Canadian Biotechnology Strategy		✓	
	• Understanding of factors prompting migration of skilled workers to and from Canada	✓		
	• 21st Century Chairs for Research Excellence			✓
	• Clean-production and enabling technologies		✓	
	• Understanding of costs and benefits associated with reducing greenhouse gas emissions		✓	
	• CANARIE		✓	
	• PRECARN		✓	
	• Collaboration with Software Human Resource Council to ensure availability of skilled workers		✓	
	• National Capital Institute of Technology		✓	
<b>Accelerated commercialization and adoption of innovative processes and products by Canadian organizations</b>	• Policies that assure effective commercialization and diffusion of innovation for Canadians	✓		✓
	• Design of High Growth Opportunity Sector industrial strategies		✓	
	• Support for the development of innovative processes and products among Aboriginal businesses and clients in Northern Ontario		✓	
	• Access to intellectual property information and awareness of intellectual property management strategies	✓		✓
	• On-site technology incubation at the Communications Research Centre's Innovation Centre		✓	

\*Refer to the last page of this appendix for details regarding the business line objectives.

MP = Micro-economic Policy    ISD = Industry Sector Development    MRS = Marketplace Rules and Services



Connectedness: Making Canada the most connected country in the world

Key Results	Activities	MP	ISD	MRS
<b>Canadians connected to each other and to the world in a way that is affordable and accessible</b>	• Community Access Program		✓	
	• SchoolNet		✓	
	• Computers for Schools program		✓	
	• VolNet		✓	
	• Digital wireless access facilities in under-served areas		✓	
	• Canadian Youth Connection		✓	
	• Smart Communities		✓	
	• Connections to U.S. advanced research networks through CANARIE		✓	
	• Global governance issues affecting the Internet	✓		
	• Cross-border agreements with the U.S. for new multipoint communications systems and fixed wireless access services			✓
<b>A world-leading environment for electronic commerce</b>	• Electronic commerce policy framework — Bill C-6	✓		
	• Sector-specific research and analysis of electronic business applications		✓	
	• Canadian E-Business Opportunities Roundtable	✓		
	• <i>Principles of Consumer Protection for Electronic Commerce: A Canadian Framework</i>			✓
	• E-Commerce First Step		✓	
	• Information security on computer networks and modernization of intellectual property legislation	✓		
	• Promotion of growth and creation of a favourable trading environment for electronic commerce			✓
<b>Canadian digital content and applications on-line maximized</b>	• Canada's Digital Collections Web site		✓	
	• SchoolNet GrassRoots projects		✓	
	• SchoolNet's Multimedia Learnware and Public Access Applications Program		✓	
	• SkillNet.ca		✓	
	• Franccommunautés virtuelles		✓	
	• Generations CanConnect		✓	
<b>Key federal government information and services available to Canadians on-line</b>	• Key client information and services on-line by 2002			✓
	• 24-hour, seven-days-a-week service			✓
	• Electronic filing of Corporation documents			✓
	• Close work with Treasury Board of Canada, Secretariat and other departments			✓

MP = Micro-economic Policy    ISD = Industry Sector Development    MRS = Marketplace Rules and Services



## Marketplace: Building a fair, efficient and competitive marketplace

Key Results	Activities	MP	ISD	MRS
<b>A marketplace framework for business, consumers and investors that is fair, efficient, competitive and world-class</b>	• Reform of the <i>Canada Business Corporations Act</i>	✓		
	• Opening of new radio frequency spectrum through an auction process			✓
	• Licensing of domestic satellite systems			✓
	• Consultation on amendments to the <i>Competition Act</i>	✓		✓
	• Review of <i>Consumer Packaging and Labelling Act</i> , <i>Textile Labelling Act</i> and <i>Precious Metals Marking Act</i> regulations			✓
	• World Intellectual Property Organization			✓
	• New technical requirements in response to emerging measurement technologies			✓
	• Adaptation of intellectual property legislation			✓
	• Technical assistance to other countries regarding competition and labelling laws			✓
	• Implementation of the Agreement on Internal Trade	✓		
<b>A marketplace that operates in accordance with the framework statutes, regulations, policies and procedures</b>	• Global transition from monopoly to competitive telecommunications markets	✓		
	• Environmental management standards	✓		✓
	• World Radiocommunication Conference			✓
	• Compliance with marketplace rules			✓
	• Harmonization of standards			✓
	• Voluntary codes			✓
	• Enforcement of laws related to illegal content on the Web	✓		✓
	• Bankruptcy trustee compliance strategy			✓
	• Debtor compliance strategy			✓
• Market-driven redress techniques			✓	
<b>Confidence in the marketplace</b>	• Radio licensing fee reform			✓
	• Public awareness of competition matters			✓
	• Information products about marketplace framework policies and services			✓
	• Redress mechanisms			✓
	• Conflict of Interest Public Registry and Lobbyists Remote Registration System <sup>1</sup>			
<b>A competitive advantage through leading-edge services</b>	• Innovative and leading-edge marketplace laws and services			✓
	• Electronic commerce initiatives			✓
	• Service improvement plan for the Canadian Intellectual Property Office			✓

1. Resources associated with this activity appear in the financial tables in Corporate and Management Services.

MP = Micro-economic Policy    ISD = Industry Sector Development    MRS = Marketplace Rules and Services

Investment: Improving Canada's position as a preferred location for domestic and foreign investment

Key Results	Activities	MP	ISD	MRS
<b>Improved domestic and international investment climate</b>	• International investment agreements	✓		
	• Investment research	✓		
	• Modernization of federal policies, programs and procedures	✓		
	• New partnership initiatives for SMEs to access capital		✓	
	• Government ethics	✓		
<b>Canada branded and recognized as an investment location of choice</b>	• Investment Team Canada		✓	
	• Brand image for strategic positioning		✓	
	• Investment information products		✓	
	• World Telecommunication Standardization Assembly		✓	
<b>Increased attraction and retention of multinational investment in Canada</b>	• Administration of the <i>Investment Canada Act</i>		✓	
	• Sectoral and corporate intelligence to attract and retain foreign direct investment		✓	
	• Investment priority sector initiative		✓	
	• Training on company relationship management and business intelligence		✓	
	• Aftercare guide		✓	
<b>Increased investment by SMEs and by Aboriginal businesses</b>	• Infrastructure Program		✓	
	• Statistical survey and report on the financing of Canadian SMEs		✓	
	• Canadian micro-credit Web site		✓	
	• Voluntary sector and capital-leasing pilot programs under the <i>Canada Small Business Financing Act</i>		✓	
	• Enhancement of Industry Canada's Web sites		✓	
	• Support of the Business Development Bank of Canada's mandatory review	✓		
	• Aboriginal Business Service Network		✓	
	• Information on international opportunities and contacts for partnership-ready SMEs		✓	
	• Loan insurance — SMEs		✓	
	• Targeted outreach program in Ontario		✓	
	• Canadian Rural Partnership		✓	
	• Leveraging of private sector investment by Northern Ontario and rural Southern Ontario businesses		✓	
	• Aboriginal Business Development Initiative		✓	

MP = Micro-economic Policy    ISD = Industry Sector Development    MRS = Marketplace Rules and Services

Trade: Working with Canadians to increase Canada's share of global trade

Key Results	Activities	MP	ISD	MRS
<b>Secure market access maintained and improved</b>	• International trade negotiations		✓	
	• Bilateral cooperative agreements	✓	✓	
	• Defence of Canada's interests in disputes with trading partners	✓		
	• International environmental agreements	✓		
	• Implementation of bilateral and multilateral agreements		✓	✓
	• Sector-specific MRAs and MOUs		✓	✓
	• International ethics and anti-corruption forums <sup>1</sup>			
<b>A more coordinated and cohesive approach to international trade development</b>	• Post-market surveillance regime		✓	
	• Telecommunications Standards Advisory Council of Canada	✓		
	• Sectoral priorities for export		✓	
	• Sector-specific trade strategies and action plans		✓	
<b>Export capability and preparedness</b>	• "Trade and Investment Monitor"	✓		
	• Promotional and outreach activities for SMEs		✓	
	• Community-level local trade networks of export service providers		✓	
	• Export training and skills development		✓	
<b>International market development</b>	• Canadian presence at key global trade shows		✓	
	• Trade services and market information and intelligence on-line		✓	
	• Helping Canadian companies win new contracts abroad		✓	
	• International Business Opportunities Centre		✓	
	• Virtual Trade Show		✓	
	• Canada as a premier tourist destination <sup>2</sup>			

1. Resources associated with this activity appear in the financial tables in Corporate and Management Services.

2. Resources associated with this activity appear in the financial tables in the tourism business line.

MP = Micro-economic Policy    ISD = Industry Sector Development    MRS = Marketplace Rules and Services



The objectives of the three principal business lines shown in the Crosswalk are as follows:

*Micro-economic Policy*

To address the major structural economic development issues in the Canadian economy in a manner that will help increase productivity and competitiveness, thereby enhancing growth and job creation.

*Industry Sector Development*

To help business compete, through strategic approaches to trade, investment, technology, human resource development and sustainable development, and to provide focussed support for Aboriginal businesses, Northern Ontario, small businesses and the Information Highway.

*Marketplace Rules and Services*

To promote a fair, efficient and competitive marketplace for business and consumers in Canada, and to promote Canadian marketplace standards globally.



## Appendix B

### Performance Management

Industry Canada has adopted a results-based management approach to ensure that clients, stakeholders, beneficiaries, parliamentarians and the general public understand how the department is making a difference for Canadians. This approach also ensures that management decision making is based more extensively on performance information that distinguishes between program strengths and weaknesses, and provides guidance on what does and does not work. This in turn supports a culture of learning and continual improvement.

A corporate-level performance framework has been developed to demonstrate how the Department's programs and activities contribute to the strategic objectives of the Department and ultimately to the broader government agenda. Performance indicators have been identified to track progress toward the expected results. The performance framework responds to the following three questions:

- **WHY** the Department wants to achieve the targeted results (long-term impacts or outcomes);
- **WHAT** change Industry Canada wants to achieve in marketplace behaviour (direct impacts or outcomes); and
- **HOW** the Department will achieve its objectives (activities and outputs).

Departmental effort is now being directed at developing a corporate results measurement and reporting strategy that will identify the operational requirements for gathering and reporting performance information for both internal and external use. This will be

followed by an implementation phase to produce timely and meaningful information for management purposes.

In developing the performance framework, it was recognized that Industry Canada can exert only an indirect influence over certain elements of the economy and that many other factors determine innovation levels, trade and investment flows, the degree of connectedness in Canada, and general marketplace behaviours. The Department exerts more direct influence over the constituencies with which it deals and can encourage certain determinants of marketplace behaviour. It does this in the following four key areas:

1. **Setting and adjusting the *business climate*:** by changing legislation, regulations, policies, rules and practices that govern marketplace transactions.
2. **Increasing *awareness*:** by heightening awareness among businesses and Canadians of opportunities, threats and responsibilities with respect to the five strategic objectives.
3. **Developing *ability*:** by helping to improve clients' capability in order for them to seize opportunities, meet their marketplace responsibilities and respond to identified threats.
4. **Facilitating *action/adoption*:** by influencing and supporting clients to take specific actions and to adopt new practices and processes that equip them to prosper in the knowledge-based economy.

It is expected that, over the coming years, corporate-level performance management efforts will position the Department to better fulfil its management and external reporting responsibilities.

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