

The Canada/Atlantic Provinces COOPERATION Agreement on

International Business Development



**MID-TERM REPORT ON
ACTIVITIES AND RESULTS 2000-2002**

"Building a Trading Culture Together in Atlantic Canada"

contents

- I The IBDA at Work
in Atlantic Canada**
- II International Business
Development Activities**
- III Planning and Research**
- IV Market Information
and Intelligence**
- V Training and Awareness**

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Canada



The IBDA at Work in Atlantic Canada

Global Trade and the Regional Economy

International trade is one of the world's crucial economic development drivers.

Trade means innovation – it accelerates the exchange of ideas, talent and ingenuity. Trade means stability – it shores up the foundations of commerce in both large and small communities. And trade means jobs – 11 jobs for every \$1 million worth of exports from Canada alone.

In the Atlantic provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador, trade accounts for one in three full-time jobs and more than 30 per cent of regional Gross Domestic Product. Since 1992, the value of Atlantic Canada's exports have nearly tripled – to more than \$19 billion a year.

It comes as no surprise, then, that the long-term health of the

regional economy depends on expanded trade with the rest of the world. It's also true that more than 60 per cent of all new employment in the Atlantic region stems from the determination and originality of small-and medium-sized businesses.

Equipping small, private enterprises in Atlantic Canada with the tools and skills they need to succeed in a competitive, global environment makes simple, common sense. That's what the Canada/Atlantic Provinces COOPERATION Agreement on International Business Development (IBDA) is all about.

Since 1994, the IBDA has helped hundreds of companies in Atlantic Canada establish international business contacts, access relevant market research, begin exporting in world markets and increase export sales to their current markets.

The partners in this federal/provincial agreement include



Americana 2001: A Bonanza of Opportunities

Agri Plas Systems 2001
Austin Boyd, President
Stratford, PEI

The biggest problem Austin Boyd has had since attending Americana 2001 is dealing with his growing embarrassment of riches. "It's been amazing," says the President of Agri Plas Systems 2001 based in Stratford, PEI. "It's everything I can do just to return the e-mails that keep coming in." In fact, Austin has nothing but good things to say about his company's IBDA-supported participation in one of the world's largest trade shows for the waste diversion and reclamation industries. Since the 2001 event in Montreal, Agri Plas Systems – which converts waste plastic into new, value-added products such as heavy-duty agricultural wrap – has been deluged with expressions of interest from potential trading partners around the world, including those in New England, California, and New Zealand. Now, as he prepares to attend the 2003 show, he's justifiably nervous. Still, as he likes to say, busy is a good problem to have: "Oh, man. . . I'm going out of my mind, but this sure did work out well!"

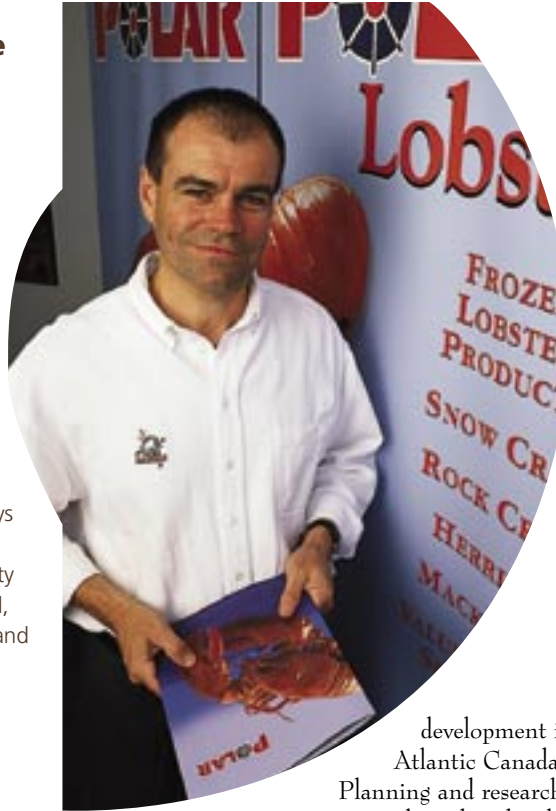


VISAS

European Seafood Show 2001: Opening the Net for Polar Foods

Polar Foods International
Dana Drummond, Vice-President
Charlottetown, PE.I.

Dana Drummond, Vice-President, Marketing of Polar Foods International, is unequivocal about the value to his firm of its IBDA-supported participation in the European Seafood Show 2001. "Hands down, the show played a significant role in maintaining and establishing additional business relationships in Europe and around the world." That's saying something for a firm that already has, since 1998, established firm business relationships in Europe, the United States, Japan, Asia and South America. Polar operates numerous seafood facilities throughout Atlantic Canada and employs a total peak seasonal workforce of 1,500. The company produces frozen lobster in the shell, lobster meat, live lobster, and a wide variety of crab, shellfish, mackerel, herring, smelt and tuna. Says Drummond, "Since 2001, we have attended the 2002 European Seafood Show, and we also plan to attend the 2003 event in Brussels."



development in
Atlantic Canada.

Planning and research

activities conducted under the IBDA include the development of sector-specific export strategies, applied research studies, and annual workshops for government sector officers.

Market Information and Intelligence – access to accurate and timely market information is essential for Atlantic companies interested in exporting internationally. The IBDA facilitates the delivery of trade-related information to Atlantic firms through activities such as information sessions hosted by international trade commissioners and opportunity studies for selected markets.

Export Training and Awareness – these activities are designed to increase awareness of exporting as a tool for business expansion and to equip companies with the information and training they need to succeed in international markets. Recent activities in this area include pre-mission training sessions and export awareness seminars for potential and new exporters in Atlantic Canada.

This report provides an overview of the activities and accomplishments of the IBDA from 2000 to 2002.

the Government of Canada – represented by the Atlantic Canada Opportunities Agency, the Department of Foreign Affairs and International Trade and Industry Canada – and the four provincial governments of Atlantic Canada – represented by Nova Scotia Business Inc., Business New Brunswick, PEI Business Development Inc. and the Newfoundland and Labrador Department of Industry, Trade and Rural Development.

First signed in 1994, the IBDA was extended in 1997 for three years, and again in 2000 for an additional four years. The funding of the

\$13 million Agreement is cost-shared by the Atlantic Canada Opportunities Agency (70%) and the four Atlantic provinces (30%).

Through this Agreement, the Government of Canada and the four provinces have worked together to coordinate export development activities on an Atlantic-wide basis. To do this, the IBDA relies on four areas of programming:

International Business Development Activities – these market development activities are designed to help support Atlantic Canadian exporters in targeted international markets and business sectors. Recent activities include sector-specific trade missions, incoming buyers' missions, and business development activities connected with international trade shows.

Planning and Research – understanding the problems and opportunities facing Atlantic firms as they develop their international business interests is key to export

This passport contains 24 pages.
Ce passeport contient 24 pages.

International Business Development Activities

Since 2000, the key programming component of the IBDA has been international business development activities.

An exporter can spend months, even years, developing a new market. An ideal way for an exporter to explore new markets and to secure new business is to participate in international trade shows and incoming buyer missions. The International Business Development component of the IBDA works to put exporters in Atlantic Canada face-to-face with potential buyers, distributors, and agents by supporting activities such as these.

In March 2002, twelve companies from Atlantic Canada exhibited

at **Oceanology International 2002**, the world's largest marine science and technology show. The IBDA provided funding for a 1000 square foot Atlantic Canada pavillion, business matchmaking services and a networking reception. The companies secured more than 200 new leads, 20 new customers, nine new agent deals and over \$700 million in new sales.

The IBDA has also supported Atlantic Canadian delegations to the **European Seafood Exhibition 2002** in Brussels, Belgium; **Americana 2001**, an international convention for environmental technologies held in Montreal; the **SIAL International**

Trade Show, a worldwide gathering of the food and beverage industry; **EnviroExpo 2002**, New England's largest environmental industry trade show and exhibition held in Boston; and **BIO 2001 and 2002**, the largest annual biotechnology trade show in the United States.



SIAL Trade Show: A Taste for International Success

Taste of Nova Scotia Quality Food Program
Murray Gouin, General Manager
Dartmouth, NS

Murray Gouin's professional purpose in life is to convince the rest of the world of what it should already know, but too frequently doesn't – that Canadian East Coast cuisine is second to none. That's why, he says, international conventions, such as the one administered by the Paris-based SIAL food and beverage organization, are so useful to his purposes. "We had one booth at the 2001 SIAL International Trade Show in Montreal," says the General Manager of the Taste of Nova Scotia Quality Food Program. "I was very pleased by the level of interest in the products of our association's members represented there." Indeed, while no deals were signed, he says the exposure of, and experience obtained by, Nova Scotia's purveyors of fine food and drink – whose participation was assisted through the IBDA – was invaluable. "We have a story to tell the rest of the world. And SIAL conferences help us tell that story as broadly and in as much detail as we like."

Planning and Research

Whether they are exporting, or just thinking about exporting, Atlantic Canadian businesspeople need a trustworthy foundation of research and information related to trading conditions, trends, and opportunities in order to make informed business decisions.

The IBDA's commitment to planning and research involves providing market information to private enterprises and enhancing its own program development activities.

Each year, the IBDA holds a **Sector Officers' Workshop** for federal and provincial trade officers. These annual sessions are designed to exchange information between federal and provincial governments, discuss ways of working together to maximize export opportunities for regional businesses, and coordinate



export development activities on a pan-Atlantic scale. These sessions have resulted in various strategies and tools for Atlantic Canada, including:

The **IT Sector Capacity and Export Strategy** is working to define the capabilities – and gaps – related to Atlantic Canada's information and communications



Oceanology 2000: Atlantic-made Ocean Technology at Home Overseas

Open Seas Instrumentation
Dan Wellwood, President
Musquodoboit Harbour, NS

Dan Wellwood couldn't have asked for a better response to his line of deep sea instruments. According to the President of Open Seas Instrumentation of Musquodoboit Harbor, NS, the international Oceanology 2000 conference he attended, with the assistance of the IBDA, has netted his company contacts in the United Kingdom, central Europe, Asia and Brazil. "Business leads with England and Germany have actually led to sales," he says. "We also signed a good contract in South America. And we now have representation for our products in Asia and Europe." Wellwood, whose company manufactures instruments designed to protect and improve the performance of oceanographic technology in deep-sea moorings, says he didn't expect the level of interest at Oceanology 2000, the world's largest trade show and conference in this industry. "It's a sophisticated event held once every two years. At least 12,000 industry professionals were there in 2000... It was definitely useful to us. And the results have been well worth the effort."



Value Added Products for the Japanese Marketplace

Steeves Maples Canada
Eugene Landry, President
Elgin, NB

Eugene Landry, President of Steeves Maples Canada of Elgin, New Brunswick, never dreamed of being successful in a market as tough as Japan's. Then, one day, he met Pat Ellis of Vancouver-based Promark Sourcing.

"That fellow said he thought we had a product that could make it in the Far East. So I said, well, let's go for it."

That was eight months ago, and since then Landry

has sold 36 cases of his high-quality maple syrup and maple-based sauces to Japanese

customers through his IBDA-supported consultant/agent. Says Landry:

"The Japanese market is not an easy market to get into. You need to create relationships first. Pat is an expert in this field, and he speaks Japanese. He knows what he's talking about when he's doing business in the Asia-Pacific rim." As for Landry, he's hopeful that his initial foray into that marketplace will result in bigger and better sales.

technology industry. A significant part of this strategy is determining trade opportunities in the IT sector for knowledge-oriented firms in the region.

The **Atlantic Plastics Strategic Export Plan** includes a scan of Atlantic Canada's plastics-producing companies to develop baseline data and an eventual export strategy for the industry.

The online **Trade Services Directory** profiles Atlantic Canadian firms and organizations that offer international trade services.



Market Information and Intelligence



To succeed in the global economy, export-oriented entrepreneurs need access to the most accurate market information and intelligence possible.

The IBDA works to provide valuable access to economic and commercial conditions in other

countries as well as to on-the-ground realities and trends that affect the growth and development of Atlantic firms venturing into the international marketplace.

As a result, the Agreement's market intelligence and information activities have been both extensive

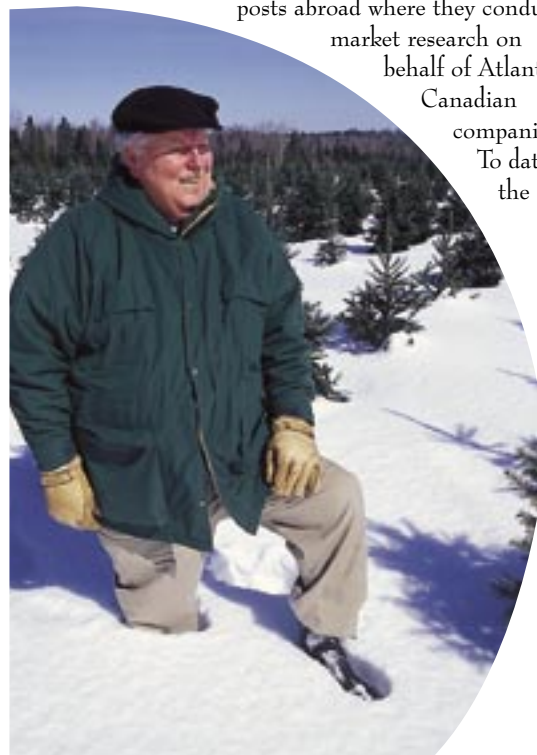
and intensive. Since 2000, these efforts have been closely aligned to the needs of businesses participating in the various international business development activities.

The university-based **Internship Program** continues to post Atlantic Canadian MBA students to short-term assignments in Canadian posts abroad where they conduct market research on behalf of Atlantic Canadian companies. To date, the

Internship 2002: Building Good Business

Keyword Enterprises
Gordon Young, President
Fredericton, NB

For Gordon Young, a 30-year veteran of the Christmas tree-for-export game, one of the best things about his business are the bright, young people on whom he's come to rely over the past three years. The latest of these is Gerry Wong, an MBA student at Dalhousie University in Halifax, who through the IBDA-supported Internship Program, spent a month in Atlanta tracking down leads for buyers of Young's rather particular commodity. "Gerry did a great job for us," says Young, President of Fredericton-based Keyword Enterprises. "His job was to do some front-line research for us in the U.S. marketplace. We sell all over the Americas – North America, Central America and South America. But we really want to expand more aggressively into the United States." According to Young, Gerry produced enough market research and contact information to help secure several valuable leads which have since led to sales. "It's been a uniformly satisfying experience for us. And I'd use the Internship Program again."



for strategic planning.

program has helped dozens of Atlantic firms better understand the opportunities and challenges in specific international markets.

In advance of Team Canada Atlantic trade missions to the United States, the IBDA has sponsored the preparation of **Sector Reports** that outline the various opportunities and challenges associated with emerging and promising markets and industry sectors.

Reconnaissance missions have also been conducted in an effort to guide the programming of specific international business development projects. In 2002, the IBDA supported a fact-finding mission to the United States to recruit potential buyers to participate in the international component of the 2003 East Coast Music Awards and Conference.

As part of the **US Consulate Program**, representatives from several Canadian posts in the United States were on hand at the Atlantic Craft Trade Show in

Halifax to provide exhibitors with up-to-the-minute market information on key US markets. In October 2001, the IBDA brought in international trade commissioners from Canadian consulates in Cameroon, Chile and Russia to participate in market information sessions for the aerospace and defence industries.

The **Value-added Products Study of the Japanese Marketplace** and the **Italian Wood Products Study** both explored the needs of these specific markets. In addition, the studies provided an analysis of the capabilities of Atlantic Canadian manufacturers in the value-added products and wood products sectors and offered recommendations

BIO 2002: Cutting Edge Bio-tech from the Region

A/F Protein Canada

**Garth Fletcher, President
St. John's, NL**

To Garth Fletcher, no place in the world is more determined to develop the cutting-edge technologies and capabilities of truly world-class aquaculture than Atlantic Canada. And he has only a few words for industry and government: "Keep it up." The president of St. John's-based A/F Protein Canada (and its affiliated company, Aqua Bounty Canada) is an unabashed fan of the sort of IBDA-supported initiatives that helped send him and four members of his staff to BIO 2002 in Toronto. "This is," he says, "the biggest and most important annual international biotechnology convention in North America." Fletcher – whose businesses develop ways to improve aquaculture through genetic engineering and feed stock development – has made contacts in Taiwan and Malaysia. But beyond this, he has landed his companies' capabilities firmly on the international stage at a time when innovation and value-added production can be all that stands between success and failure in the commercial fishery.



Export Training and Awareness

In order to succeed in international markets, exporters must be aware of the opportunities and understand how to make the best use of them.

The IBDA's commitment to export training and awareness has resulted in a number of related activities for Atlantic Canadian companies over the past two years. Since 2000, training and awareness activities have been largely integrated into the IBDA's international business development activities. Most international trade missions involving Atlantic Canadian companies, for example, now include just-in-time training for the participating companies to help them prepare for the mission.

Training and information sessions have been offered to Atlantic Canadian company delegates in advance of missions to BIO 2002, the **Enviro Expo Trade Show 2002** in Boston, and **Softworld 2002**, a premier international IT trade show held in Charlottetown, PEI. Pre-mission training was also offered to companies that participated in **Team Canada Atlantic Missions** to the United States.

As well, the IBDA has sponsored training sessions tailored to industry-specific needs, such as the **Canada-U.S. Customs Seminars** and the **International Financial Institutions Training Sessions**.

Bringing in experts from international markets to train Atlantic Canadian companies on market-specific requirements has also proven to be very useful.

In 2002, companies in the



World Education Market 2001: Raising the Regional Profile

Distance Learning Alliance

Erin Keough, Co-Chair
St. John's, NL

For Erin Keough, the objective of international trade shows is not always to ink deals on the spot. Sometimes, it's to shake hands. "I don't think you can underestimate the importance of educating the world about what we have to offer in the Atlantic provinces," says the Co-Chair of the St. John's-based Distance Learning Alliance (DLA). That was at least one of her objectives when she attended, with IBDA support, the World Education Market 2001 in Vancouver, a networking and purchasing forum for providers and funders of educational products and services. DLA, an association of four public sector groups and 10 private companies that works to develop new online learning programs for the educational sector, certainly found a receptive audience at the event. "We were able to raise our profile substantially. We now have an opportunity to participate in a \$600-million initiative established by the government of Jordan to build an e-learning capability in that country," says Erin

consumer products sector participated in an **Information Session** given by a trade commissioner from Atlanta, Georgia before travelling to Atlanta on a trade mission.

The IBDA also provided support to the international facet of the **Atlantic Film Festival** by bringing in specialists to lead seminars and workshops on the "how-to's" of exporting Atlantic Canadian talent to international markets.

