



Canadian Trade Successes 01-06

QUEBEC TOWN MOVING LUGGAGE WORLDWIDE

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Key Quotation: “The Community Investment Support Program (CISP) gave us the money for marketing that we didn’t have otherwise. So it was a big help,” said Pierre Dagenais, Director General of the Société de développement économique de Sherbrooke. “Moreover, it was an incentive for our board, since it gave 50 percent that was based on matching funds, and I could tell my board that we needed to raise the other 50 percent ourselves.”	
Story details: It may not have a huge airport, but Sherbrooke, Quebec, is helping move luggage all over the world. TLD, a French company that makes airport support equipment for customers across the globe, builds cargo loaders in Sherbrooke. TLD is a global enterprise, with factories in France, China, Taiwan, the United States and Canada. So how did TLD decide to come to Sherbrooke? It’s all thanks to an enterprising local marketing campaign and federal government support. In 1995, Sherbrooke received the first of two \$20,000 contributions from the federal government’s Community Investment Support Program (CISP), a program run by the Department of Foreign Affairs and International Trade (DFAIT) to help municipalities attract foreign direct investment. Typically, the CISP offers funding of up to 50 percent in a matching contribution system. The rest of the funds must come from the private sector and local communities.	

Sherbrooke used the federal government support to produce marketing tools, chiefly a brochure to send to foreign firms. The town also retained the services of the auditing firm KPMG to analyze and report on the benefits of investing in Sherbrooke. The work built on a study KPMG had already done that showed that Sherbrooke has lower operational prices than American markets, while the U.S. markets have higher employee turnover rates.

TLD was initially considering setting up the plant in the eastern U.S., but was swayed by the comparative advantages of Sherbrooke.

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The TLD facility in Sherbrooke has 82 employees and provides subcontracting work in the Sherbrooke area to another 200 people. The plant complements the company’s manufacturing facility in nearby Windsor, Connecticut.

Sherbrooke’s marketing efforts, aided by CISP support, have yielded numerous other benefits. Since 1997, nine foreign companies have invested in Sherbrooke, creating roughly 2,000 jobs to date. Before that, the town hadn’t had a foreign investment since 1980.

Other firms that have set up in Sherbrooke make a variety of products, including spray-can equipment and cosmetics. Cosmetic Collections is also a French company that was interested in establishing itself in the eastern U.S. and was convinced to come to Sherbrooke. A call centre has located in Sherbrooke as well.

A large German manufacturer, Hühoco, has set up shop in Sherbrooke in a joint venture with a U.S. company, Arrowhead. The facility makes a special metal that goes inside the weather stripping along the edge of car windshields and doors.

Sherbrooke has also used CISP funding to develop a specialized promotional website. The website is targeted to “site locators,” people who specialize in helping companies find the right place to invest. Dagenais sees the website as another key component of Sherbrooke’s high-flying foreign investment attraction campaign.