

THE CANADIAN TRADE COMMISSIONER SERVICE



PEMD Annual Report

2000/2001



Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Canada

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The Program for Export Market Development (PEMD) assists smaller companies that are new to exporting or that are expanding their business into a new market by helping them identify and exploit sales and capital project opportunities abroad. The program does this by sharing the cost and risk of implementing their export development plans in new markets. It also shares the cost of preparing bids on major capital projects outside Canada. National trade associations are assisted in representing their member companies and generically promoting their products and services in the international marketplace.

Summary Highlights

APPLICATIONS/ASSISTANCE

In 2000-2001, a total of 495¹ applications submitted by Canadian companies were approved for PEMD assistance down from 568 received in 1999-2000. Authorized assistance was valued at \$9.97 million. Additionally, 23 applications were approved for trade associations and totalled \$2.12 million in assistance.

Of the total authorized assistance, Canadian companies expended \$7.95 million in 2000-2001 compared to \$9.36 million in 1999-2000. Trade associations spent \$1.14 million down from \$1.44 million last fiscal year.

The PEMD program is designed to assist small companies in export markets. Of the 478 companies approved for PEMD assistance in 2000-2001, 352 were very small (less than \$2 million in annual sales), 84 had annual sales of \$2 million to less than \$5 million, and 42 had annual sales of \$5 million or more.

Ontario and British Columbia-based firms received the highest amounts of total authorized assistance followed by Alberta and Quebec. A similar distribution was reported in 1999-2000. Ontario expended the most assistance followed by Quebec and British Columbia. A table outlining the amount of assistance and expenditures by province can be found in the industry section of this report.

The manufacturing sector and the professional, scientific, technical and educational sectors received the most approved applications as well as the highest amounts of authorized assistance.



¹ Since there are three different elements to the industry related component of the PEMD Program, a company may have more than one application approved in the same year.

EXPENDITURES/SALES

On the industry side, North America, including Mexico, was the most targeted market area and accounted for the majority (69%) of PEMD expenditures by Canadian companies on market development activities. This was followed distantly by Western Europe and Asia at 9 and 5% respectively.

On the trade association side, almost one half (45%) of total expenditures were incurred on PEMD-related activities in the North American market while Western Europe and Asia ranked second and third with 19% each.

The highest expenditures, by country, for the PEMD-assisted activities of **Canadian companies** was the United States with \$5.4 million or 68% of total expenditures incurred. Both France and the United Kingdom accounted for 3% of total company expenditures. The country most targeted by **trade associations** was the U.S. with 44% of total expenditures, followed by Brazil, Indonesia, Taiwan and the United Kingdom (6% each).

The highest export revenue/sales reported by PEMD companies in a target market, as a result of PEMD assistance, were to the U.S. (\$109.2 million), Japan (\$5.5 million) and India (\$3.9 million).

SURVEY

A survey of program users showed high levels of satisfaction with PEMD. Almost all of the industry clients surveyed (93%) indicated that PEMD contributed to increasing the exposure of their products abroad, while all of the trade associations (100%) felt that PEMD contributed to generating market intelligence and improving market access for their members.

The lion's share of industry clients (92%) and trade associations (88%) indicated that they would recommend the PEMD program to other organizations.

As was the case last year, the most common strength of the PEMD program in the minds of survey respondents was the program's ability to help small business, while the most common weakness continued to be the limited funding of the program.

Most improvements suggested by survey participants to the PEMD program revolved around financial support and flexibility.



Introduction

The Program for Export Market Development

(PEMD) is an element of the Canadian government's international business development strategy. Its mandate is to contribute to the improvement of Canada's performance in international markets by introducing smaller companies to exporting as well as to new markets. As a consequence, the program contributes to increased domestic production and employment growth.

The PEMD partnership with Canadian business is an investment in a company's commitment to develop international export markets. It is not a grant, loan or

entitlement, but rather a conditionally repayable contribution. Repayment of the contribution is based on contracts obtained or on incremental sales made by the recipient company as a result of the PEMD supported activities in the target market.

PEMD is managed by the Export Development Division (TCE), Trade Commissioner Service Overseas Programs and Service Bureau, of the

Department of Foreign Affairs and International Trade (DFAIT), and jointly administered with Industry Canada (IC), through the regional International Trade Centres. In Quebec, the regional offices of the Canada Economic Development for Quebec regions assist with the delivery of the program.

The Department of Agriculture and Agri-Food also assists with the delivery of the Program through its regional offices across Canada.

The PEMD Program is comprised of four major elements: Market Development Strategies (MDS), New-to-Exporting Companies, Capital Projects Bidding and Trade Association Activities.

This report looks at the performance of all elements of the program in 2000-2001 and is divided into four sections. The first section describes the elements of the program's assistance in general. The second presents results of the program's performance with regard to Industry. The third focusses on the performance of the program with respect to trade associations. The final section presents summary findings from the 2000-2001 PEMD client survey.

EXPORT AWARD WINNERS

The "Canada Export Awards" are presented annually in October by the Department of Foreign Affairs and International Trade to Canadian companies in recognition of their achievements in exporting their products and/or services to markets around the world. Winning firms receive national publicity that recognizes their success and encourages others to emulate their performance as exporters. Of the 194 companies that were Canada Export Award Winners over the past 18 years, 165 were PEMD users.

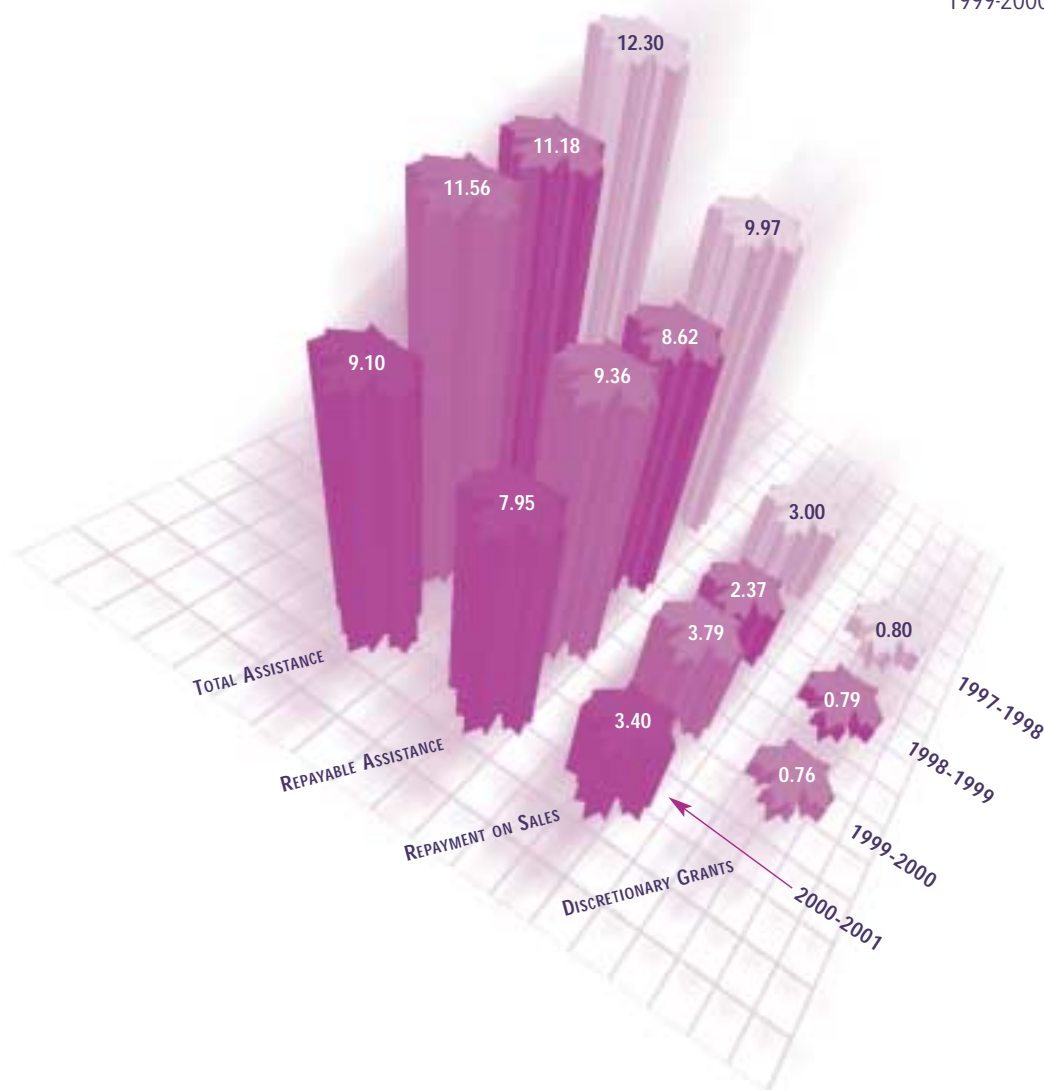


PEMD Program General

In 2000-2001, total program expenditures for Canadian companies and trade associations were \$9.10 million, almost two million below the \$11.56 million reported last year. Company expenditures decreased from \$9.36 million in 1999-2000 to \$7.95 million in 2000-2001 and trade association expenditures decreased from \$1.44 million in 1999-2000 to \$1.14 million in 2000-2001.

Repayment of PEMD assistance by a Canadian company for export-related activities is based on contracts obtained or any incremental export sales made by the company in a target market over a four year reporting period. Company repayments in 2000-2001 totalled \$3.40 million, which was slightly lower than the \$3.79 million reported in 1999-2000, leaving a net government investment in Canadian industry of \$4.55 million. When compared to conditionally repayable assistance expenditures for 2000-2001, this represents a rate of repayment of 42.8% which is substantially higher than the 40.5% reported in 1999-2000.

PEMD ASSISTANCE EXPENDITURES AND REPAYMENTS (\$ MILLIONS)



PEMD SUCCESS STORY

Ms. Sandra Wilson,
President,
Robeez Footwear Ltd.,
Burnaby, British Columbia

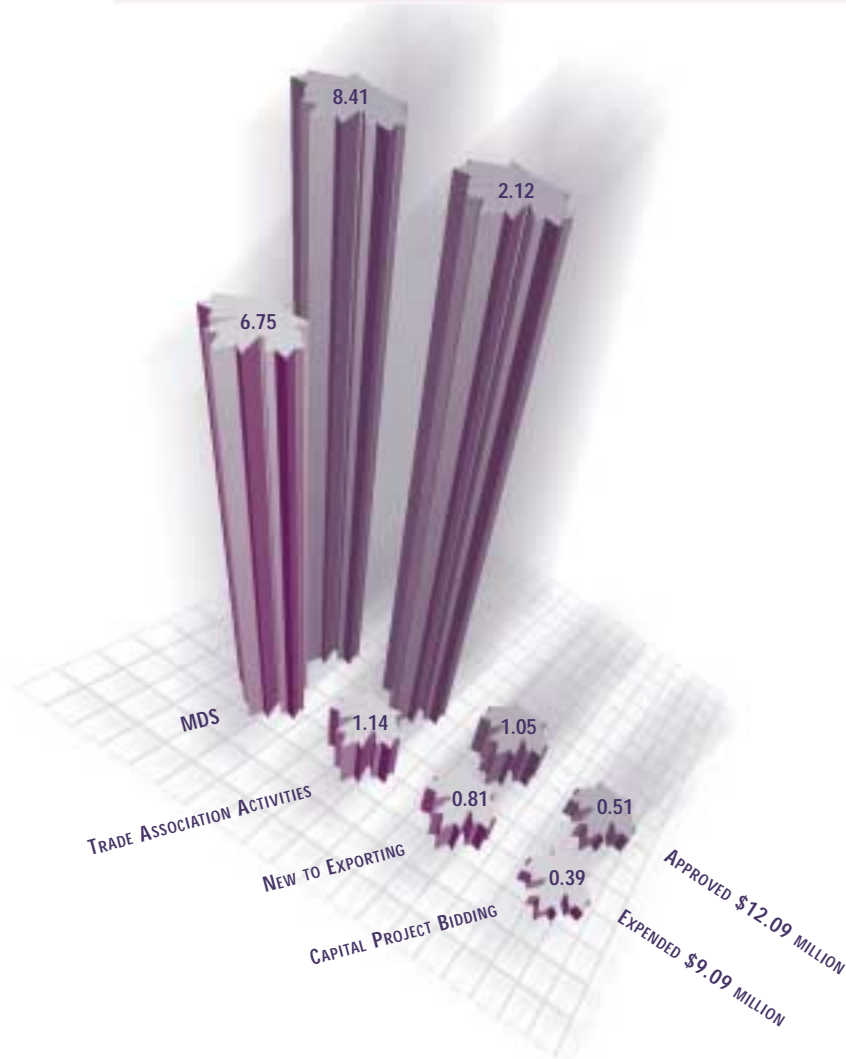
"The PEMD program enabled us to attend USA trade shows. Attending these shows allowed us to network and connect with sales reps interested in representing our product line as well as increase our sales in the eastern seaboard area of the USA. The success we achieved in hiring the sales reps, resulted in significant growth in the USA market."

PEMD PROGRAM GENERAL

PEMD ASSISTANCE BY PROGRAM ELEMENT

In 2000-2001, the total amount of approved assistance for company and trade association export market-related activities was \$12.09 million. Approved assistance pertains to applications which were approved in the current fiscal year.

ASSISTANCE BY PROGRAM ELEMENT 2000-2001 (\$ MILLIONS)



The \$9.09 million in assistance expenditures shown above pertains to claims against PEMD applications which were approved in previous fiscal years and in the current fiscal year.

It should be pointed out that the total amount of assistance expended (or claimed) by PEMD applicants can exceed or be less than the amount of assistance actually approved in the current fiscal year for two reasons. Firstly, the amount of assistance approved is based on an estimate of the amount of money that the applicant company proposes to spend and the amount spent is usually less than anticipated. Secondly, since an applicant can have a one or two year marketing plan with activities occurring over a 24 month period, PEMD assistance may have been approved in the 1999-2000 fiscal year but the claims only filed in the 2000-2001 fiscal year. Therefore, there is no direct correlation between the total amount of assistance approved and the total amount of assistance expended in the same fiscal year.

PEMD SUCCESS STORY

Mr. Brian Winters,
President,
Proeco Corporation, Edmonton, Alberta

“Proeco Corporation has been using PEMD in our marketing efforts in the U.S. This is a new market for us and as a result of PEMD we have been able to enter the market place and have sold services in the first year of about \$200,000 US, and in the second year increased our sales by another \$100,000 US over the previous year.”

ASSISTANCE BY PROGRAM ELEMENT 2000-2001

| <i>SECTION</i> | <i>APPROVED</i> | <i>EXPENDED</i> |
|-------------------------------------|-----------------|-----------------|
| Market Development Strategies (MDS) | \$8,412,612 | \$6,750,169 |
| New to Exporting | \$1,047,963 | \$811,300 |
| Capital Project Bidding | \$508,910 | \$388,323 |
| Trade Association Activities | \$2,116,764 | \$1,144,667 |

INDUSTRY**MARKET DEVELOPMENT STRATEGIES (MDS)**

In total, \$8.41 million of MDS assistance was approved in 2000-2001. Over the same period, \$6.75 million was expended, which accounted for 74% of the total \$9.09 million in PEMD assistance expended by companies and trade associations.

NEW TO EXPORTING COMPANIES (NEC)

This program component focusses on the specific needs of smaller companies with little or no export experience. Such a company can receive up to \$7,500 in assistance for a market visit or for participating in a trade fair in an export market that it wishes to investigate. In 2000-2001, \$1.05 million was approved for these companies and \$811 thousand was expended which represented 8.9% of the \$9.09 million PEMD budget.

CAPITAL PROJECT BIDDING (CPB)

PEMD assists companies by sharing the costs associated with bidding on major capital projects outside Canada. This element accounted for \$509 thousand in approved PEMD assistance and \$388 thousand in expenditures in 2000-2001. The company size eligibility criterion applies to companies with sales of \$10 million or less.

TRADE ASSOCIATIONS**TRADE ASSOCIATION ACTIVITIES**

The trade association activities component of PEMD provides non-repayable support to non-profit national trade or industry organizations that undertake generic promotional, market intelligence or market access improvement activities on behalf of their member companies. In 2000-2001, \$2.12 million in assistance was approved for twenty-three trade associations and \$1.14 million was expended.

Industry

PEMD Applications

In 2000-2001, PEMD received 690 applications from 660 companies, compared to 764 applications in 1999-2000. A total of 495 applications filed by 478 companies were actually approved for assistance in 2000-2001, compared to 568 applications which were approved last year. A total of \$9.97 million in assistance was approved for PEMD companies and \$7.95 million was expended in 2000-2001.

PEMD APPLICATIONS BY PROVINCE

As in 1999-2000, Ontario-based firms represented the largest percentage of applications approved for the 2000-2001 fiscal year. Two hundred and five Ontario companies accounted for 207 or 42% of the 495 applications which were approved. This was followed by 91 British Columbia-based companies with 98 or 20% of the approved applications, 50 Alberta-based companies with 53 or 11% of the approved applications, and Quebec-based companies with 45 or 9%.

PEMD SUCCESS STORY

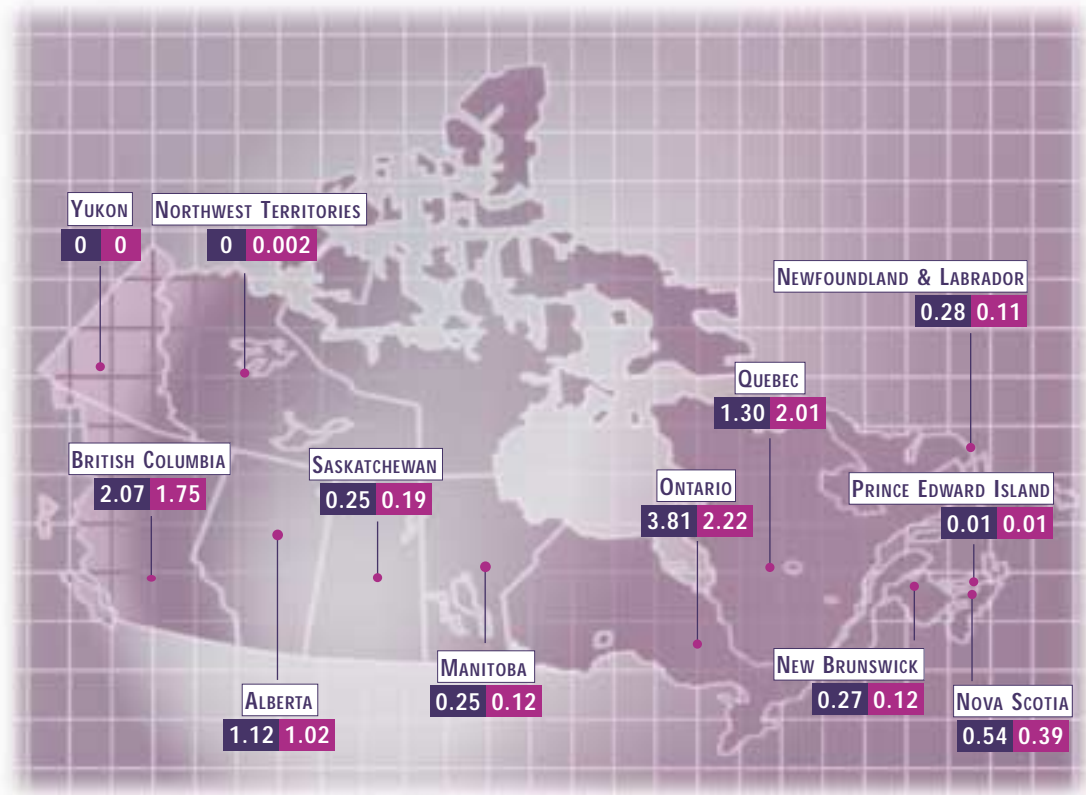
Mr. Shruti Prakash,
President,
Global Quality Institute, Inc.,
Brampton, Ontario

"Funding provided by PEMD to GQI was extremely helpful in obtaining a few clients. PEMD funding program has helped to attend more conferences whereby gaining much more exposure than would otherwise be obtained. This program is an excellent one..."

NUMBER OF PEMD APPLICATIONS APPROVED BY PROVINCE AND TERRITORY



ASSISTANCE APPROVED AND EXPENDED BY PROVINCE AND TERRITORY 2000-2001 (\$ MILLIONS)



**PEMD
SUCCESS STORY**

Mr. Robert Dohery,
President,
Canada North Projects, Ltd.,
Yellowknife, N.W.T.

“The funding and other support provided under the PEMD program has been of great value in our efforts to open the Russian far east (CFE) markets for Canadian products...”

**PEMD ASSISTANCE
BY PROVINCE**

Out of a total of \$9.97 million in approved PEMD assistance for Canadian companies in 2000-2001, a total of \$7.95 million was expended. Ontario-based firms had \$3.81 million in assistance approved and expended \$2.22 million. This was followed by British Columbia-based firms with \$2.07 million in assistance approved and \$1.75 million expended. Total approved assistance for Quebec-based firms was \$1.30 million while \$2.01 million was expended. Alberta companies had \$1.12 million in assistance approved and expended \$1.02 million.



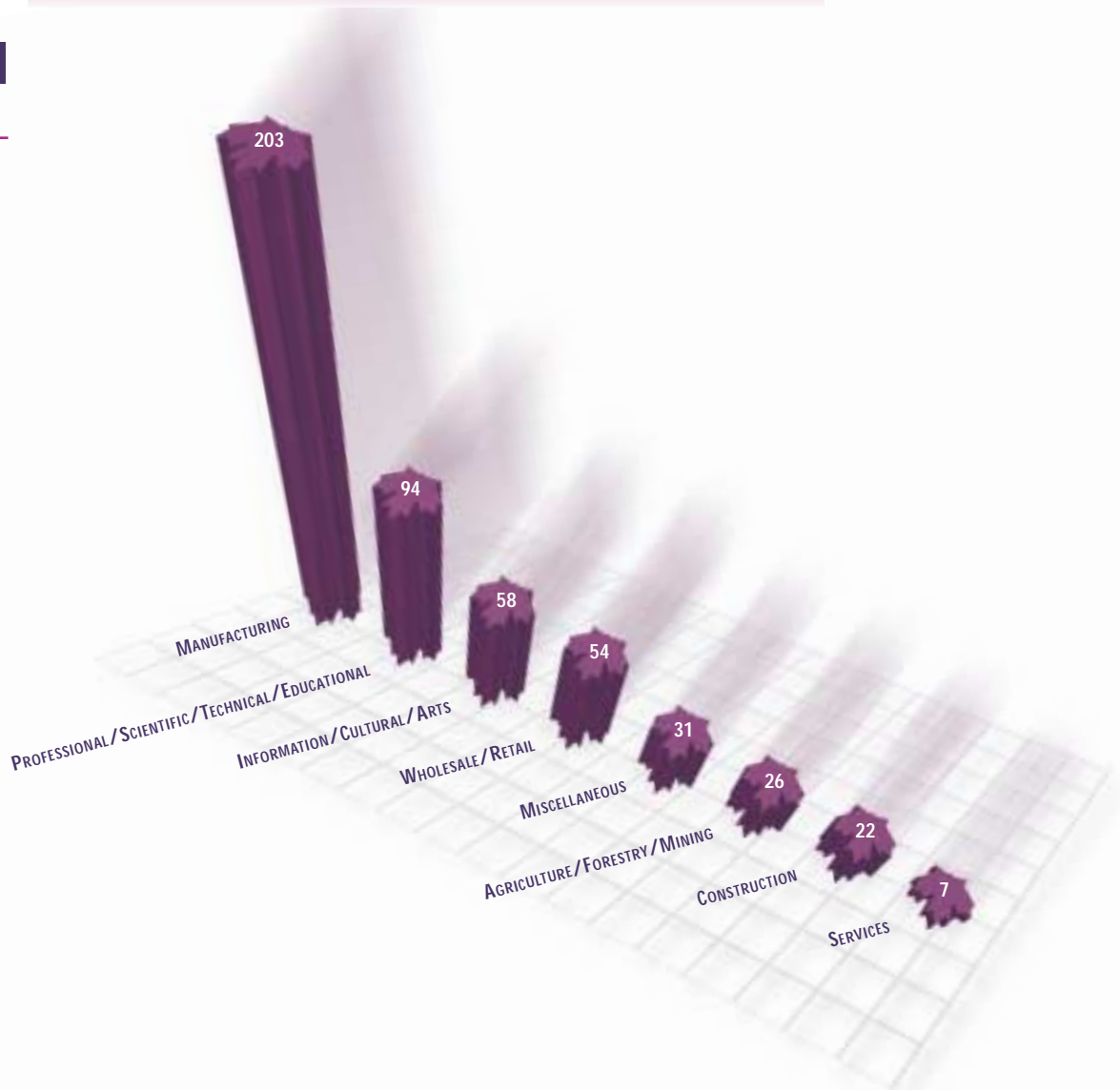
PEMD APPLICATIONS BY INDUSTRY SECTOR

The 495 applications that were approved in 2000-2001 were submitted by 478 companies which represented the full range of Canada's industry sectors.

Of all Canadian industry sectors, the manufacturing sector had the highest number of approved applications with 203. This was followed by the professional,

scientific, technical and educational sectors with 94 approved applications. Next was the information, cultural and arts sectors with 58 approved applications followed closely by the wholesale/retail sector with 54. Another 31 applications were approved for the miscellaneous services sector. The agriculture, forestry and mining sectors had 26 applications approved, the construction sector had 22, and the services sector had 7.

APPROVED APPLICATIONS BY INDUSTRY SECTOR 2000-2001



PEMD SUCCESS STORY

Mr. Jonathan Potash,
Vice-President,
Milton Selections, Inc.,
Montreal, Quebec

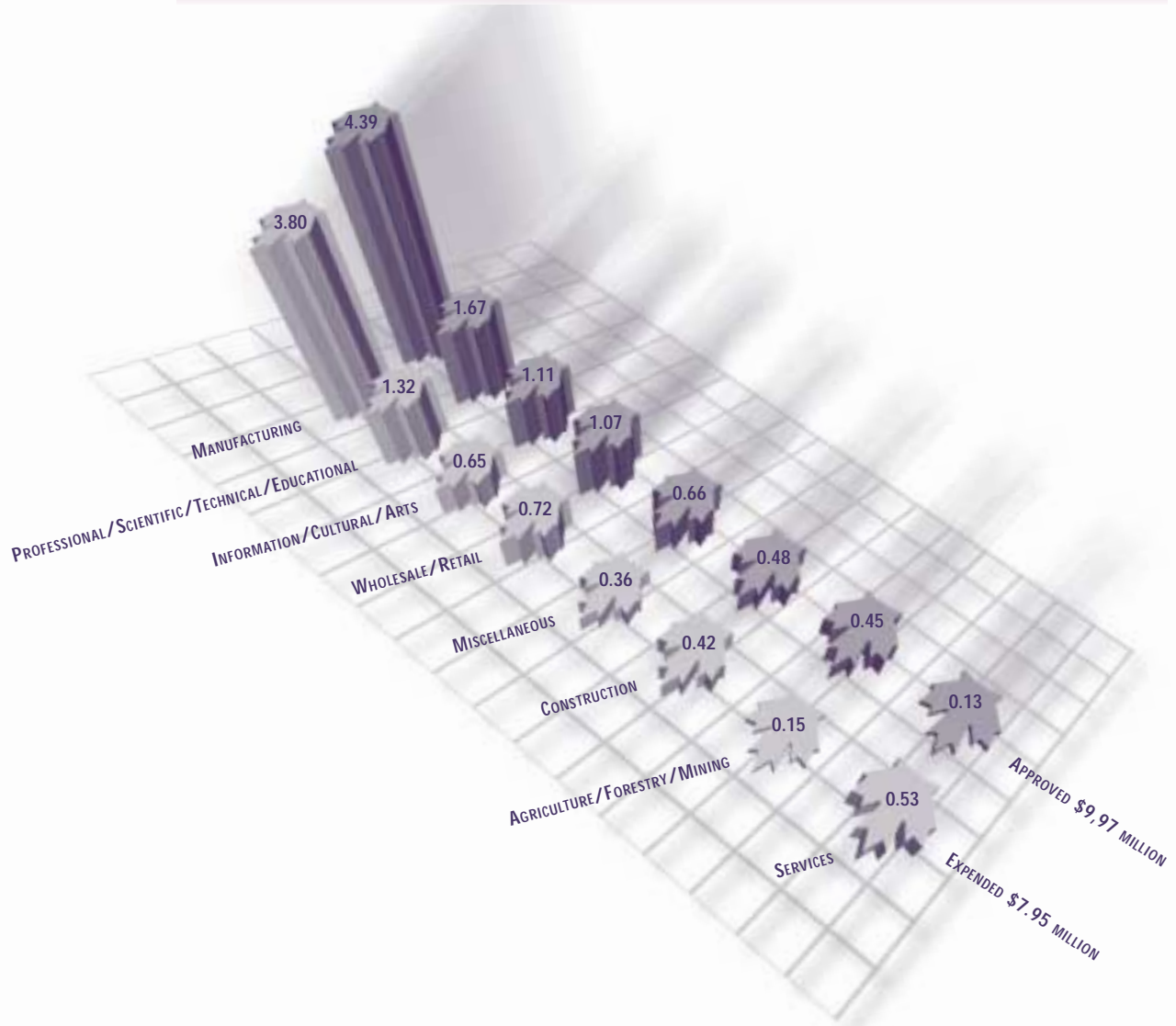
"We participated in 15 US trade shows with numerous follow-up visits to prospective customers. We added over 250 new customers and increased sales by 1 million US dollars."

PEMD ASSISTANCE BY INDUSTRY SECTOR

In the manufacturing sector, \$4.39 million in PEMD assistance was approved and \$3.80 million expended. Within the professional, scientific, technical and educational sectors, \$1.67 million was approved and \$1.32 million was expended. The information, cultural and arts sector was approved for \$1.11 million in assistance and spent \$648 thousand. The information, cultural and arts sector was approved for \$1.11 million in assistance and spent \$648 thousand. The wholesale/retail sector had \$1.07 million approved

and expended \$720 thousand. The miscellaneous services sector had \$662 thousand approved and spent \$357 thousand, followed by the construction sector which had \$482 thousand approved and expended \$425 thousand. The agriculture, forestry and mining sectors had \$449 thousand in authorized assistance and expended \$146 thousand. Finally, the services sector had \$134 thousand approved and expended \$534 thousand.

AUTHORIZED ASSISTANCE AND EXPENDITURES BY INDUSTRY SECTOR 2000-2001 (\$ MILLIONS)

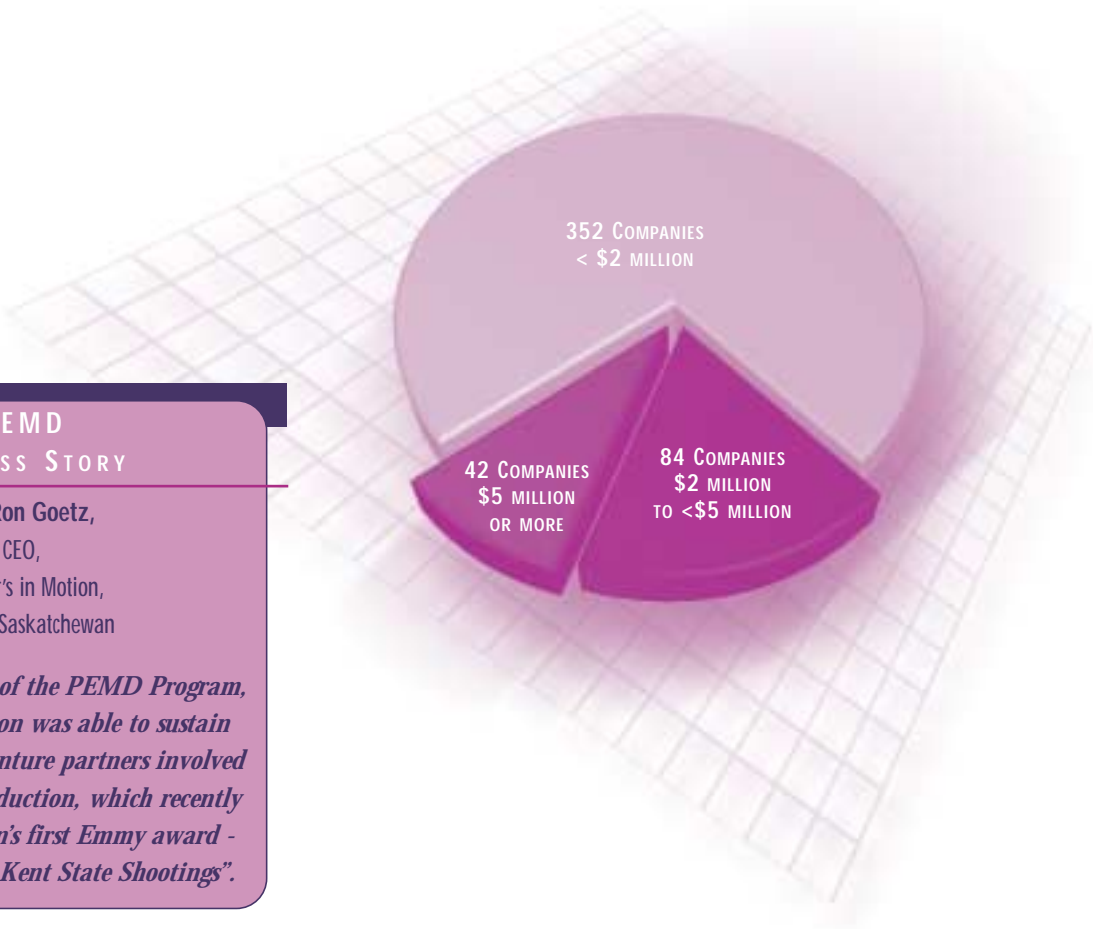


**PEMD ASSISTANCE
BY COMPANY SIZE**

As in 1999-2000, the majority (74%) of companies receiving assistance were very small. Of the 478 companies approved for PEMD assistance in 2000-2001, 352 companies had less than \$2 million in annual sales, 84 had annual sales between 2\$ million and \$5 million, and 42 had annual sales of \$5 million or more.

Out of the total \$9.97 million of approved PEMD assistance, \$6.95 million was approved for companies with annual sales of less than \$2 million. This group of companies represented 70% of total approved company assistance for 2000-2001. A further \$1.92 million in assistance was approved for companies with annual sales between \$2 million and \$5 million and, another \$1.10 million was approved for companies with annual sales of \$5 million or more. These amounts represented 19% and 11% respectively of total approved company assistance.

PEMD ASSISTANCE BY COMPANY SIZE



**PEMD
SUCCESS STORY**

Mr. Ron Goetz,
CEO,
Partner's in Motion,
Regina, Saskatchewan

“With the support of the PEMD Program, Partner’s in Motion was able to sustain contacts with co-venture partners involved in a television production, which recently won Saskatchewan’s first Emmy award - “13 Seconds; The Kent State Shootings”.



**PEMD
SUCCESS STORY**

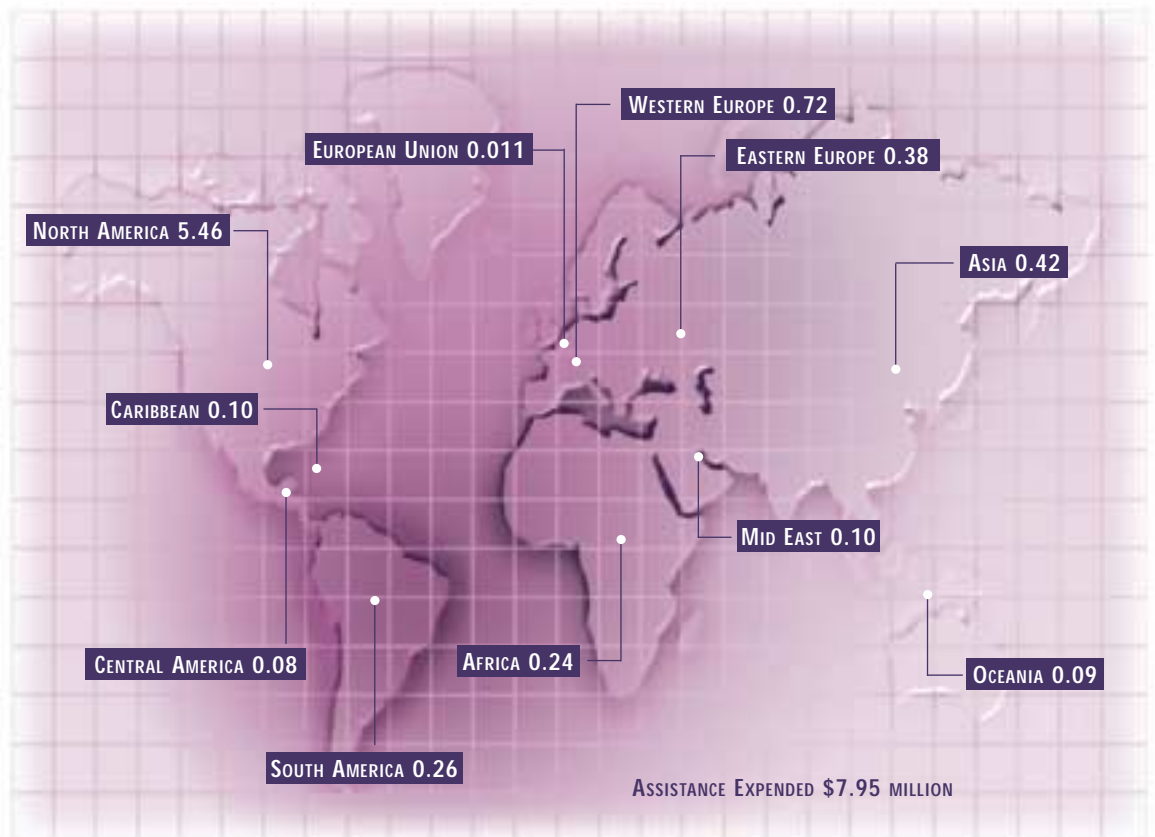
Mr. Paulin Laberge,
President,
Altus Solutions Inc.,
Burnaby, British Columbia

“Being a relatively small business of only 25 employees, we often struggle to find the funds to travel to key international markets, therefore PEMD has definately provided us with significant assistance.”

**PEMD ASSISTANCE
EXPENDITURES BY
MARKET AREA**

Similar to last year, Canadian companies expended the highest amount of PEMD assistance on market development activities in North America (including Mexico). Expenditures there totalled \$5.46 million or 69% of total company expenditures. Western Europe was second with \$717 thousand (9%) in expenditures and Asia third with \$421 thousand (5%) in expenditures.

PEMD ASSISTANCE EXPENDED BY MARKET AREA (\$ MILLIONS)



TOP TEN COUNTRIES FOR ASSISTANCE EXPENDITURES 2000-2001 (\$ MILLIONS)

PEMD
SUCCESS STORY

Mr. Mark Bédard,
President,
Montreal Technologies Inc.,
Brossard, Quebec

“The creation of our website gave us global exposure and in turn we began a business relationship with new customers in the United States.”

PEMD ASSISTANCE EXPENDITURES BY COUNTRY

The United States was the country most targeted by Canadian companies for PEMD-assisted market development activities in 2000-2001 which accounted for \$5.38 million or 68% of total expenditures, down from 72% in 1999-2000. France was second with \$249 thousand in expenditures (3.1%), followed by the United Kingdom with \$199 thousand (2.5%).

Japan and Kazakhstan followed with \$133 thousand (1.7%) and \$127 thousand (1.6%) in expenditures, respectively. Brazil was sixth with \$117 thousand in expenditures (1.5%) and the European Union, seventh, with \$107 thousand in expenditures (1.3%).

Rounding out the top ten target markets were Eastern Europe with \$97 thousand (1.2%), United Arab Emirates with \$81 thousand (1.0%) and Australia with \$78 thousand (1.0%) in expenditures.

COMPANY RESULTS

Under the program, recipients of PEMD assistance are required to report any incremental sales in the target market during the activity period and for three years thereafter. Repayment of the PEMD contribution is based on 4% of the annual sales increments.

In 2000-2001, 427 companies reported \$137 million in export sales, as a result of their PEMD-assisted activities. Export sales of \$109.17 million to the United States accounted for 80% of the total reported export sales for 2000-2001 compared to \$117.56 million (47%) reported in 1999-2000.

Japan was second with \$5.49 million (4%). Ranking third and fourth highest were India with \$3.92 million (2.9%) and the Brazil with \$2.58 million (1.9%).

The \$7.95 million invested in industry initiated activities in 2000-2001 resulted in a sales to investment ratio of 17 to 1. However, since the inception of the program in 1971, export sales or contracts, reported by companies as a result of PEMD assisted initiatives, have totalled \$14.87 billion and PEMD expenditures \$355,496,470, resulting in a sales to investment ratio over the 30 year period of 42 to 1.

**PEMD
SUCCESS STORY**

Mr. Robert E. Brown,
President,
BP Trading Inc.,
Colchester, Nova Scotia

“... PEMD assisted us by lowering the financing required for travel and marketing to this area. By essentially halving our cash expenses for market development, it made the work less costly and allowed more money for product purchases and other operating expenses. The end result was lower financing costs and some peace of mind...”

TOP TEN COUNTRIES FOR REPORTED EXPORT SALES/REVENUES 2000-2001 (\$ MILLIONS)



Trade Associations

The Trade Association Activities component of PEMD provides non-repayable support to non-profit sector specific national trade or industry organizations that undertake generic promotional, market intelligence or market access improvement activities on behalf of their member companies.



The program contributes to the cost of activities that range from developing an international web page and industry capability guides to organizing seminars and establishing trade show pavilions in key markets. The program allows associations to target niche markets for their member companies and/or provide quality promotional materials. Industry associations receiving PEMD-Trade

Associations support have mounted a variety of sectorally based export promotion initiatives on behalf of their members. These initiatives are particularly important for small and medium-sized enterprises, which could not afford such undertakings on their own.

APPLICATIONS/ASSISTANCE/EXPENDITURES

In 2000-2001, 23 trade association applications were approved for assistance. A total of \$2.12 million in assistance was authorized and \$1.14 million expended.

Over a seven year period (1994 to 2001), trade associations had an average of 25 applications approved per year, \$2.13 million in assistance authorized and spent \$1.45 million in expenditures.

OVERVIEW OF TRADE ASSOCIATIONS — 7 YEAR PERIOD

| YEAR | APPROVED APPLICATIONS | AUTHORIZED ASSISTANCE \$ | EXPENDITURES \$ |
|-----------|-----------------------|--------------------------|-----------------|
| 1994-95 | 18 | 2,595,903 | 1,450,403 |
| 1995-96 | 29 | 2,014,557 | 1,536,740 |
| 1996-97 | 25 | 1,812,303 | 1,304,646 |
| 1997-98 | 32 | 2,617,763 | 1,526,047 |
| 1998-99 | 29 | 2,188,713 | 1,758,567 |
| 1999-2000 | 22 | 1,557,882 | 1,444,380 |
| 2000-2001 | 23 | 2,116,764 | 1,144,667 |

PEMD SUCCESS STORY

Dr. Brian Whitehouse,
Executive Director,
Alliance For Marine
Remote Sensing
Halifax, Nova Scotia

“Before teaming up with PEMD, we had about 80 members, most were in Atlantic Canada. Today, we have about 800 members, across Canada and in 43 other countries. PEMD provided the association with the means to market outside of Canada, largely to the U.S., where the bulk of our members’ markets exist, but also to Europe, which is also key..”

APPLICATIONS/ASSISTANCE BY SECTOR

The 23 applications that were approved for trade associations represented the full range of Canada’s sectors.

The Table below indicates the number of projects, the amount of assistance approved and the amount of assistance spent by sector in 2000-2001.

TRADE ASSOCIATIONS BY SECTOR — 2000-2001

| SECTOR | APPROVED APPLICATIONS | AUTHORIZED ASSISTANCE \$ | EXPENDITURES \$ |
|---|-----------------------|--------------------------|-----------------|
| Manufacturing | 8 | 675,693 | 391,830 |
| Professional, Scientific, Technical and Educational | 7 | 855,577 | 294,916 |
| Transportation and Warehousing | 2 | 171,500 | 47,034 |
| Agriculture, Forestry, Mining | 2 | 128,100 | 200,542 |
| Information and Cultural | 1 | 89,327 | 59,067 |
| Accommodation and Food Services | 1 | 99,857 | 14,630 |
| Construction | 1 | 77,910 | 34,805 |
| Public Administration | 1 | 18,800 | 21,710 |
| Wholesale/Retail | 0 | 0 | 60,138 |
| Other services | 0 | 0 | 19,996 |



PEMD SUCCESS STORY

Mr. Glenn Priestley,
Vice President,
Fixed Wing, Air Taxi,
Air Transport Association,
Ottawa, Ontario

"The partnership between the Air Transport Association of Canada and PEMD has benefited the Canadian aviation industry overall by increasing the profile of Canada internationally which has opened markets to SME's (small to medium enterprises) that would not have been able to compete..."

TRADE ASSOCIATION ASSISTANCE EXPENDITURES BY COUNTRY

As in 1999-2000, the country most targeted in 2000-2001

by trade associations for PEMD-assisted market development activities was the U.S. where they spent \$507 thousand or 44% of their total expenditures.

TRADE ASSOCIATION ASSISTANCE EXPENDITURES BY COUNTRY — 2000-2001

| RANK | COUNTRY | EXPENDITURES \$ | % OF TOTAL EXPENDITURES |
|------|----------------------------|-----------------|-------------------------|
| 1 | U.S. | 507,509 | 44% |
| 2 | Brazil | 72,978 | 6% |
| 3 | Indonesia | 72,483 | 6% |
| 4 | Taiwan | 71,859 | 6% |
| 5 | UK | 64,001 | 6% |
| 6 | United Germany | 53,914 | 5% |
| 7 | Australia | 53,411 | 5% |
| 8 | Argentina | 50,447 | 4% |
| 9 | Austria | 48,124 | 4% |
| 10 | People's Republic of China | 34,626 | 3% |

ASSISTANCE EXPENDITURES BY MARKET AREA

In 2000-2001 trade association expenditures on market development activities totalled \$1.14 million down from \$1.4 million in 1999-2000. A total of \$518 thousand

or 45% of total trade association assistance was expended on markets in North America. Western Europe ranked second with \$220 thousand in expenditures, Asia was third with \$212 thousand and South America fourth with \$123 thousand.

TRADE ASSOCIATION ASSISTANCE EXPENDED BY MARKET AREA - 2000-2001

| MARKET AREA | ASSISTANCE EXPENDITURES \$ | % OF TOTAL EXPENDITURES |
|---------------|----------------------------|-------------------------|
| North America | 518,485 | 45% |
| W. Europe | 219,650 | 19% |
| Asia | 212,283 | 19% |
| South America | 123,425 | 11% |
| Oceania | 53,411 | 5% |
| Middle East | 17,413 | 2% |

PEMD Client Survey 2000–2001

With the assistance of an independent firm, the Export Development Division of the Department of Foreign Affairs and International Trade, which manages PEMD, conducted an on-line survey of industry clients (Canadian businesses) and trade associations that used the PEMD program during the 2000-2001 fiscal year. Of the 557 companies and 30 Trade Associations that were sent a survey, 225 responded for a participation rate of approximately 38%. This is considered a reasonable sample, with a margin of error of plus or minus 5.1%, 19 times out of 20.

Respondents to the survey represented all regions in Canada and, the PEMD client population as a whole. Forty-one percent of respondents were from Ontario, 22% from British Columbia, 16% from the Prairies, 11% from Quebec and 10% from the Maritimes.

PURPOSE

The purpose of the survey was twofold; namely, to obtain feedback from companies and trade associations

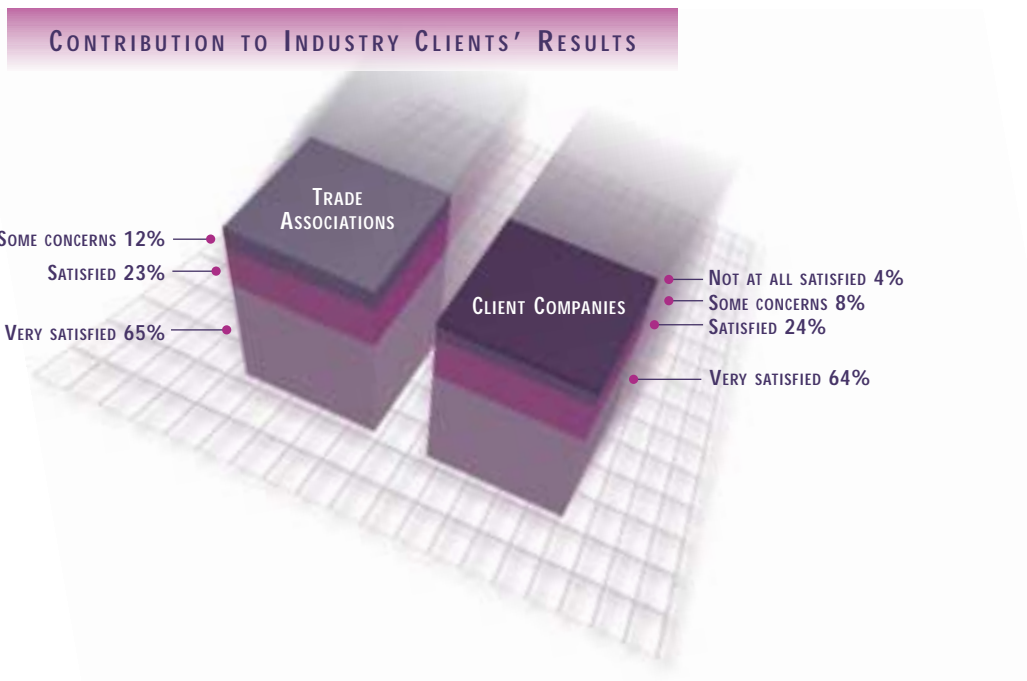
on their satisfaction with the PEMD program and its delivery and, secondly, to track program performance and service over time.

To this end, the survey examined our clients overall satisfaction with the program, their service expectations prior to using the program, their overall assessment of the PEMD program after using it, the actual and perceived value of the program's contributions to export results and their future use intentions.

It is our expectation that the information collected from this client survey will ultimately help to improve the delivery of the PEMD program to our clients.

OVERALL SATISFACTION

On a scale of 1 to 10, the respondents gave an average score of 8 to those survey questions dealing with the level of satisfaction with the program. The overall rate of satisfaction, for the two user groups, is 88%, which indicates the percentage of clients who recorded a satisfaction score of at least 6 out of 10.



PEMD CLIENT SURVEY 2000-2001

PEMD
SUCCESS STORY

Ms. Michelle Salkeld,
Office Manager,
Northern Goose Processors, Ltd.,
Teulon, Manitoba

*“PEMD, in my view,
has one major benefit.
It allows us to promote
our company on an
international level and
be perceived as a
serious player in our
given field...”*

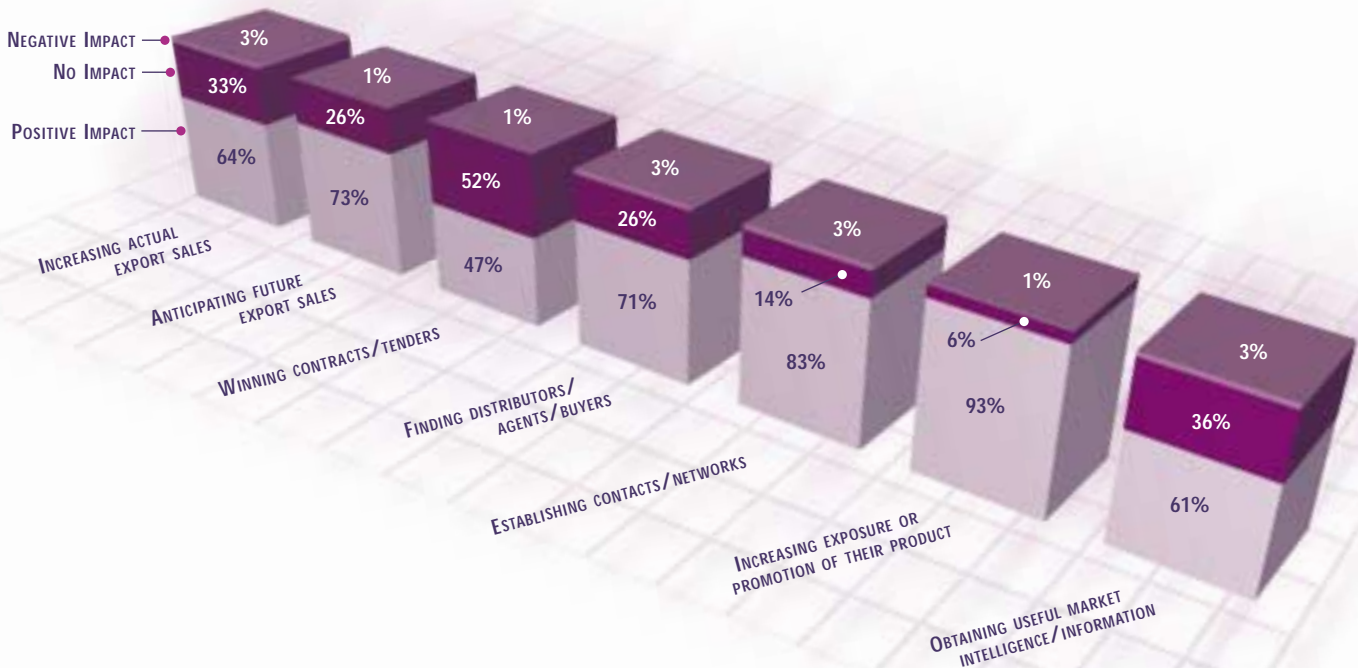
AMONG INDUSTRY CLIENTS

- 91% indicated that they would likely use the PEMD program again to pursue another market or promote a new product;
- 92% indicated that they would recommend the PEMD program to other organizations;
- 91% stated they would still consider using the PEMD program even if other program funding sources became available; and
- 82% felt that the PEMD repayment terms were reasonable.

AMONG TRADE ASSOCIATIONS:

- 100% indicated that they would likely use the PEMD program again to pursue other international business initiatives;
- 88% indicated that they would recommend the PEMD program to other organizations; and
- 94% stated they would still consider using the PEMD program even if other program funding sources became available.

CONTRIBUTION TO INDUSTRY CLIENTS' RESULTS



OVERALL VALUE AND WORTH

During the course of the survey, PEMD clients were asked to assess the overall value and worth of not only the PEMD program but also the service provided to them by those administering the program in the past fiscal year.

Eighty-five percent of all respondents stated that the service received was well worth the time and costs associated with their use of the program. Further, 88% of industry clients and 100% of trade association considered the PEMD program to be of at least some value to their respective organizations.

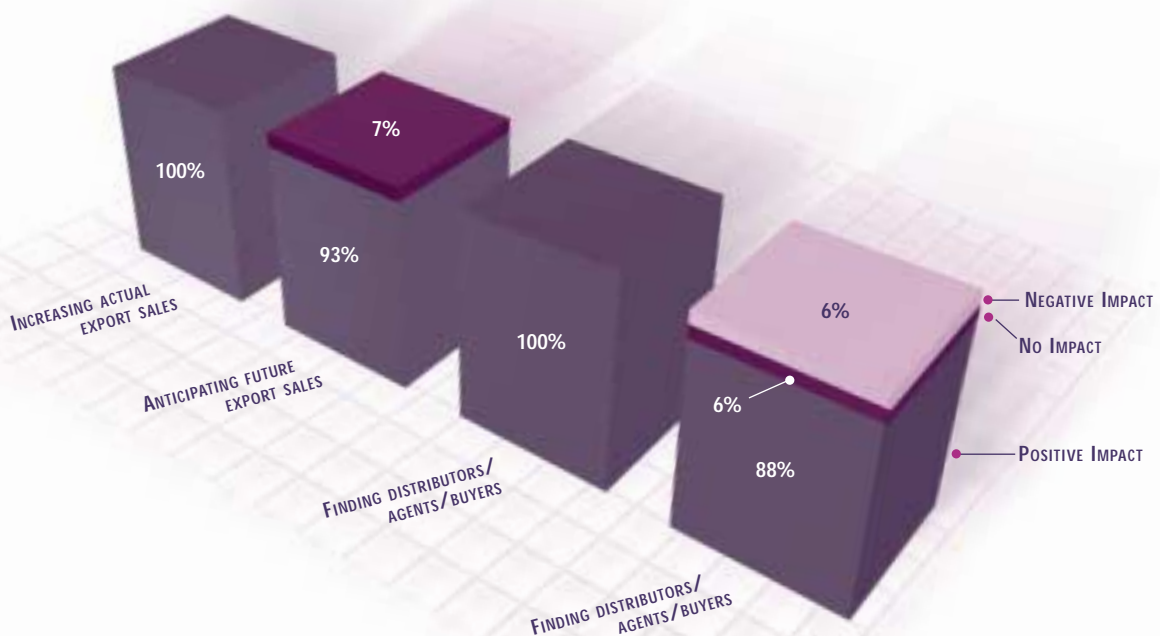
CONTRIBUTION TO CLIENT RESULTS

When asked about the impacts of the PEMD program on their operations, both industry clients and trade associations reported many positive contributions, as outlined in the chart on page 22 and the one below.

Industry clients were most positive about the program's ability to help them increase their company's exposure, establish contacts and networks and promote their products in foreign markets.

Trade associations were overwhelmingly convinced that the PEMD program improved market access for their members and increased export sales of their members' products and services.

CONTRIBUTIONS TO TRADE ASSOCIATIONS' RESULTS



PROGRAM'S STRENGTHS AND WEAKNESSES

In the minds of a majority of respondents, the major strengths of the PEMD program lie in its ability to assist small business, helpful staff, accessibility, and level of financial support.

As has been the case in the past, weaknesses offered by one third of the respondents included insufficient level of financial support to meet some clients' needs, the limited scope of the program and its restrictive eligibility criteria.

PEMD INITIATIVES

Further to the strategic review undertaken last year, the Trade Association component of the PEMD program was redesigned in order to improve its effectiveness. Significant changes, which will take effect in April 2002, include the electronic filing of newly designed Trade Association applications and claim forms, the annual review, coinciding with the government's fiscal year, of applications by a selection committee and a stronger emphasis on forecasted performance and results by trade associations.

With respect to the industry-related components of the PEMD program, consultations were also held with International Trade Centre staff across the country with a view to ameliorating and facilitating companies' access to the program within the existing framework provided by the Treasury Board of Canada. In the coming 2002/2003 fiscal year, a complete review of the Industry-related component of the program will be initiated to also improve its overall effectiveness. The views of all stakeholders who share an interest in the program will be solicited during the review process.

