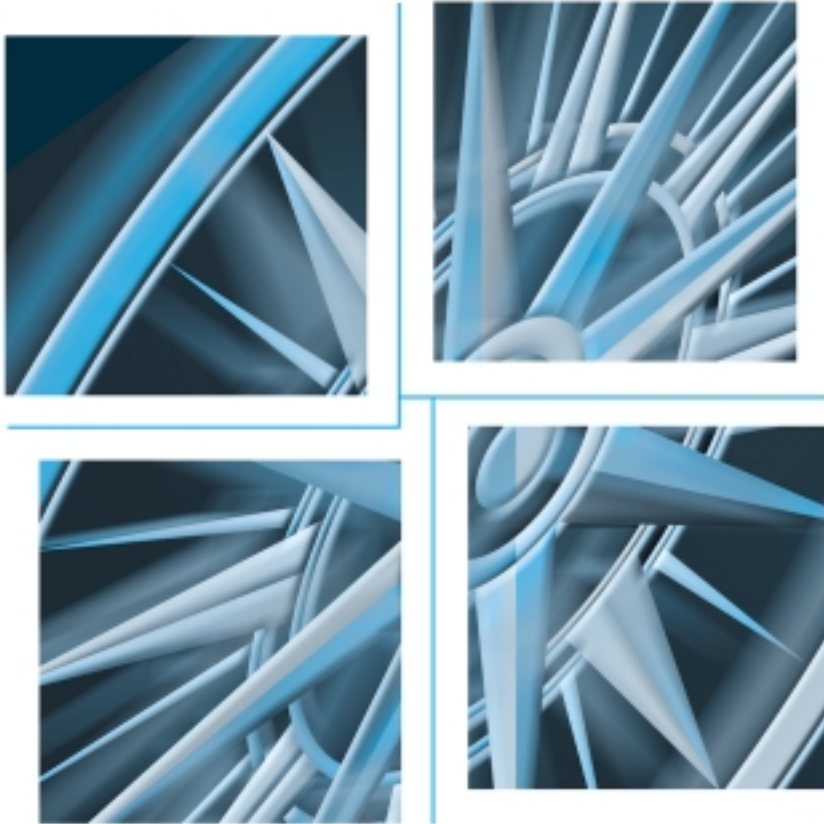


TABLE OF CONTENTS

	PAGE
Summary Highlights _____	2
Introduction _____	4
PEMD Program - General _____	5
Industry _____	9
Trade Associations _____	16
PEMD User Survey _____	19



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.

APPLICATIONS/ASSISTANCE

In 1999-2000, a total of 568⁽¹⁾ applications submitted by Canadian companies were approved for PEMD assistance.

Company authorized assistance was valued at \$14.30 million. In addition, there were 22 applications totalling \$1.56 million in assistance approved for the trade association component of the PEMD Program.



Of the total company authorized assistance, Canadian firms expended \$9.36 million in 1999-2000 compared to \$8.62 million in 1998-99. Trade associations spent \$1.44 million compared to \$1.76 million last fiscal year.

The PEMD program is designed to assist small-to-medium companies in export markets. Of the 553 companies approved for PEMD assistance in 1999-2000, 402 were very small (less than \$2 million in annual sales), 102 had annual sales between \$2 million and \$5 million, and 49 had annual sales of \$5 million or more.

Ontario and British Columbia-based firms received the highest amounts of authorized assistance followed by Alberta and Québec. A similar distribution was reported in 1998-99. The top three provinces for PEMD-company related assistance expenditures were Québec, Ontario and British Columbia. A table outlining the amount of assistance and expenditures by province can be found in the industry section of this report.

As in 1998-99, the manufacturing sector had the highest number of approved applications and received the largest amount of authorized assistance.

EXPENDITURES/SALES

On the industry side, North America, including Mexico, was the most targeted market area and accounted for the majority (73.2%) of PEMD expenditures by Canadian companies on market development activities. This was followed by Western Europe and Asia at 7.5% and 6.3% respectively.

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.

On the trade association side, almost two-thirds (61.3%) of total expenditures were incurred on PEMD-related activities in the North American market while Western Europe and Asia ranked second and third with 20.9% and 13.2% respectively.

The market with the highest expenditures for PEMD-assisted activities of Canadian companies was the United States (U.S.) with \$6.7 million or 72% of total expenditures incurred. Both Japan and France each accounted for 1.9% of total company expenditures. The country most targeted by trade associations was the U.S. with 53.2% of total expenditures, followed by Germany (13.2%), Japan (6.2%) and Mexico (5.9%).

The highest export revenue/sales reported by PEMD companies in a target market were to the U.S. (\$117.6 million), the United Kingdom (\$66.9 million) and Ecuador (\$24.6 million).

SURVEY

A survey of program users showed high levels of satisfaction with PEMD. Ninety-one percent of industry clients surveyed reported that PEMD contributed to increasing the exposure of their products abroad, while 94% of trade associations reported that PEMD contributed to promoting products or services in their sectors internationally.

The majority of survey respondents (80%) also indicated that they were impressed with the quality of service that they received from PEMD program staff.

Respondents identified both strengths and weaknesses of the program. The most frequently mentioned strength was the program's ability to help small business. The most frequently mentioned weakness was the limited funding of the program.

The majority of changes suggested by survey participants to the PEMD program revolved around financial support and program flexibility.



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. This was the fifth year of operation of a program refocused on smaller firms as a result of the International Business Development (Wilson) Committee's recommendations of 1994.

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, Trade Commissioner Service, Overseas Programs and Service Bureau, of the Department of Foreign Affairs and International Trade (DFAIT), and jointly

administered with Industry Canada, through the regional International Trade Centres. In Québec, the regional offices of Canada Economic Development 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 two broad categories: one directly targeted to Industry (Market Development Strategies/MDS, New-to-Exporting Companies/NEC, Capital Projects Bidding/CPB) and the other to national Trade/Industry Associations.

This report looks at the performance of all elements of the program in 1999-2000 and is divided into four sections. The first section describes the elements of the program's assistance in general. The second presents the 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 1999-2000 PEMD client survey.

EXPORT AWARD WINNERS

The "Canada Export Awards" are presented annually in October by the Minister for 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. Others are encouraged to emulate their performance as exporters. It is noteworthy that, over the past 17 years, 161 PEMD users, out of a total of 184 companies, have been Canada Export Award Winners.

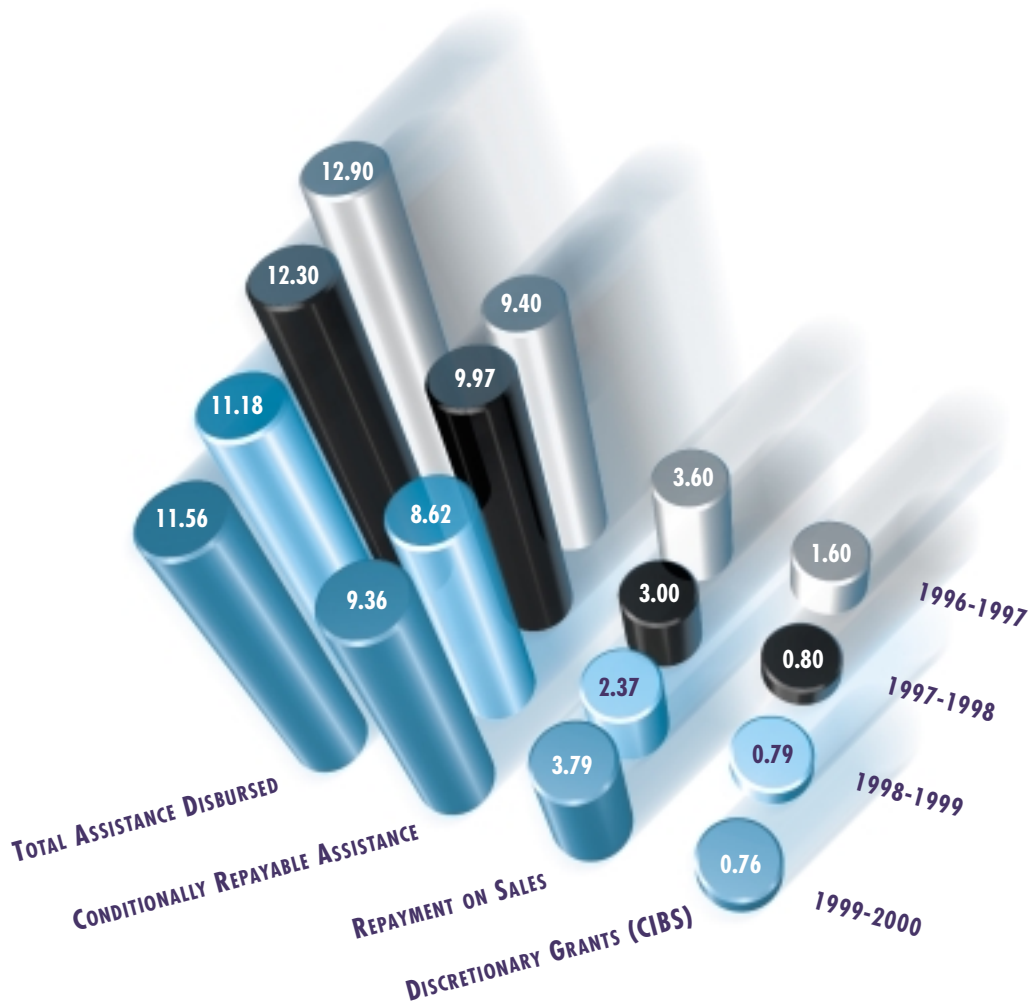


In 1999-2000, total program expenditures for Canadian companies, trade associations and the international business studies program of PEMD were \$11.56 million up slightly from \$11.18 million reported last year. Conditionally repayable PEMD contributions to companies increased from \$8.62 million in 1998-99 to \$9.36 million in 1999-2000 while trade association expenditures decreased from \$1.76 million in 1998-99 to \$1.44 million in 1999-2000. In addition, there was

\$760 thousand, in the form of non-repayable discretionary grants, disbursed to Canadian universities under the Centres for International Business Studies (CIBS) program.

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

PEMD ASSISTANCE AND REPAYMENTS (\$ MILLIONS)

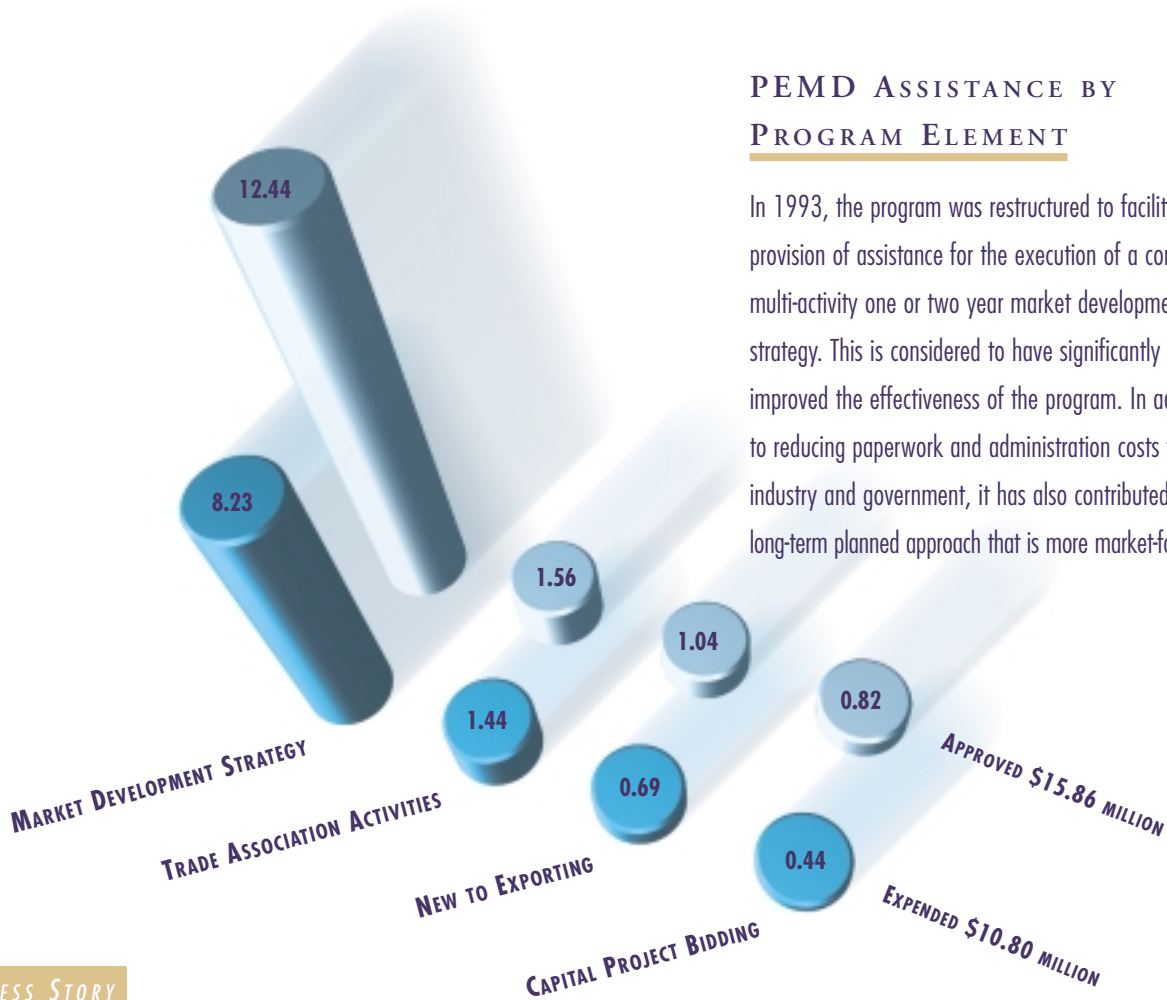


PEMD SUCCESS STORY

Mr. Tobias M. Glickman
President
Executive Promotions Inc.
Westmount, Quebec

"The PEMD program allowed us to increase our U.S. sales significantly in three years. We would not have had the funds to proceed with the U.S. market without this support. In regards to our Japan market, where things are slower, we have also seen a significant increase. This in the short term is not nearly as successful as the U.S. market, but we do project better figures for next year as we have just signed on a domestic rep in Japan."

ASSISTANCE BY PROGRAM ELEMENT 1999-2000 (\$ MILLIONS)



PEMD ASSISTANCE BY PROGRAM ELEMENT

In 1993, the program was restructured to facilitate the provision of assistance for the execution of a company's multi-activity one or two year market development strategy. This is considered to have significantly improved the effectiveness of the program. In addition to reducing paperwork and administration costs for both industry and government, it has also contributed to a long-term planned approach that is more market-focused.

PEMD SUCCESS STORY

Mr. Chris Griffiths

Griffiths Guitars Inc.
St. John's,
Newfoundland

"Griffiths guitars international has established itself in the international market with its new technology for mass producing acoustic guitars thanks to the attendance to the NAMM show in Los Angeles with PEMD assistance."

company in a target market over a four year reporting period. Company repayments in 1999-2000 totalled \$3.79 million compared to \$2.37 million reported in 1998-99, leaving a net government investment in Canadian industry of \$5.57 million. When compared to conditionally repayable assistance expenditures for 1999-2000, this represents a rate of repayment of 40.5 % which is substantially higher than the 27.4% reported in 1998-99.

In 1999-2000, the total amount of approved assistance for company and trade association export market-related activities was \$15.86 million. Approved assistance pertains to applications which were approved in the current fiscal year.

The \$10.8 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

PEMD SUCCESS STORY

Mr. Pat Harrington
Vice-Pres., Finance
Spectra Computer Services Ltd.
Winnipeg, Manitoba

"PEMD helped us penetrate a new market faster than would otherwise have been possible, and the repayment terms were not so onerous as to discourage us from applying. We were able to increase our sales to the target market 30 fold over the previous year."

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 1998-99 fiscal year but the claims only filed in the 1999-2000 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.

ASSISTANCE BY PROGRAM ELEMENT 1999-2000

SECTION	APPROVED	EXPENDED
Market Development Strategies	\$12,436,073	\$8,232,067
New to Exporting	\$1,043,154	\$685,436
Capital Project Bidding	\$821,578	\$438,443
Trade Association Activities	\$1,557,882	\$1,444,380

INDUSTRY**MARKET DEVELOPMENT STRATEGIES (MDS)**

In total, \$12.44 million of MDS assistance was approved in 1999-2000. Over the same period,

\$8.23 million was expended, which accounted for 76% of the total \$10.80 million in PEMD assistance expended by companies and trade associations.

NEW TO EXPORTING COMPANIES (NEC)

Implemented in 1993-94 with the MDS element, 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 participation in a trade fair in an export market that it wishes to investigate. In 1999-2000, \$1.04 million was approved for these companies and \$685 thousand was expended which represented 6.4% of the \$10.80 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 \$822 thousand in approved PEMD assistance and \$438 thousand in expenditures in 1999-2000. In 1995, the company size eligibility criterion was reduced from companies of any size to smaller companies with sales of \$10 million or less. The high risk and cost of bidding on international capital projects, coupled with its very competitive nature, is an activity of less interest to small firms which accounts for the decline in expenditures since 1995.



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 1999-2000, \$1.56 million in assistance was approved for twenty-two trade associations and \$1.44 million was expended.

PEMD SUCCESS STORY

Mr. Dale Robertson

*Enerscan Engineering Incorporated
Halifax, Nova Scotia*

"I am exporting to a huge multinational company in Missouri... PEMD provided assistance and guidance that ended up with me meeting and then negotiating agreements with this huge company. PEMD involvement was not just a single occurrence; it was over a period of time that the relationship developed, but clearly it would not have happened without PEMD assistance. As a result, my company is now making sales that contribute significantly to our profitability..."

PEMD APPLICATIONS

In 1999-2000, PEMD received 764 applications from 742 companies, compared to 977 applications in 1998-99. A total of 568 applications filed by 553 companies were actually approved for assistance in 1999-2000, compared to 696 applications which were approved last year. A total of \$14.30 million in assistance was approved for PEMD companies and \$9.36 million was expended in 1999-2000.

PEMD APPLICATIONS BY PROVINCE

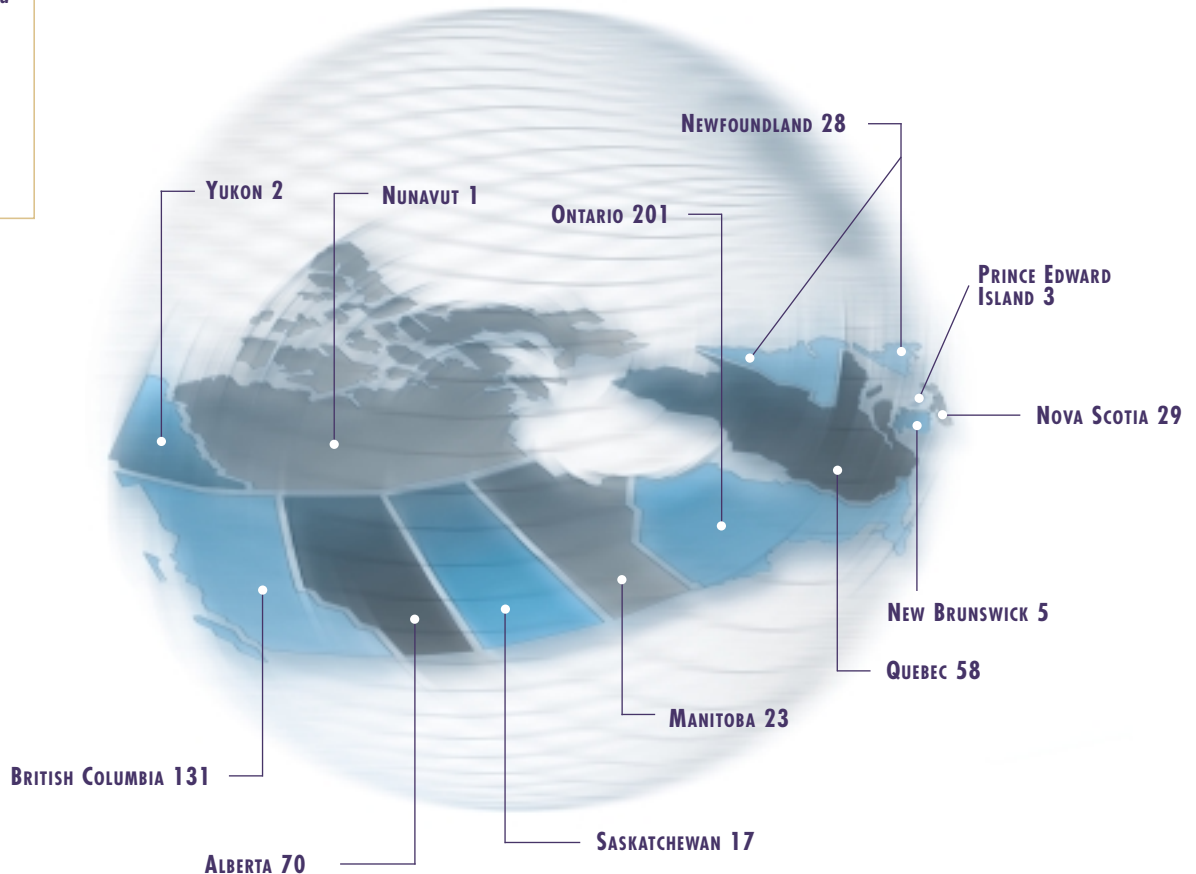
As in 1998-99, Ontario-based firms had the largest percentage of applications approved for the 1999-2000 fiscal year. One-hundred and ninety-eight Ontario companies accounted for 201 or 36% of the 568 applications which were approved. This was followed by 125 British Columbia-based companies with 131 or 23% of the approved applications, 68 Alberta-based companies with 70 or 12% of the approved applications, and Quebec-based companies with 58 or 10%.

PEMD SUCCESS STORY

Ms. Lynda King
Vice Pres. Finance
The Edge Productions Corp.
Saskatoon, Saskatchewan

"Edge entertainment, over the last three years has increased its export sales from cdn \$0 to an estimated cdn \$285,000 in 2000. Edge now has 4 full time individuals responsible for export sales and product delivery support."

NUMBER OF PEMD APPLICATIONS APPROVED BY PROVINCE AND TERRITORY



**PEMD ASSISTANCE
BY PROVINCE**

Out of a total of \$14.30 million in approved PEMD assistance for Canadian companies in 1999-2000, a total of \$9.36 million was expended. Ontario-based firms had \$4.18 million in assistance approved and expended \$2.20 million. This was followed by British

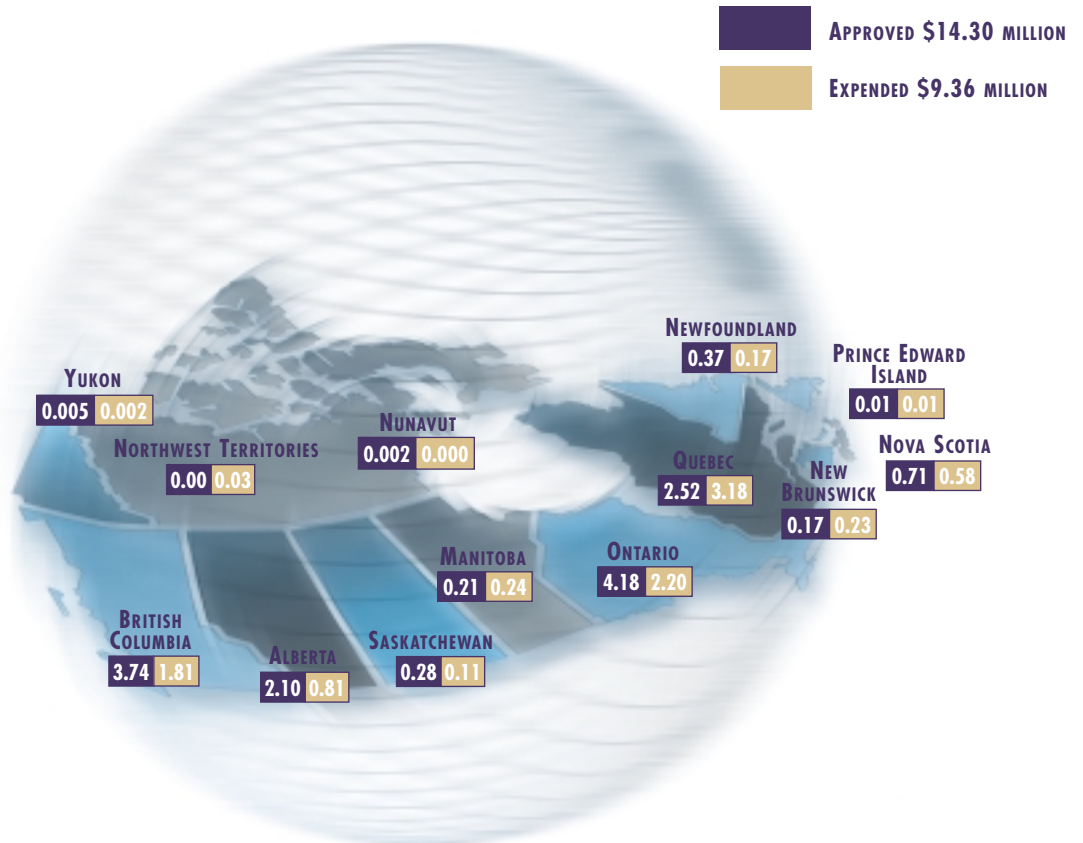
Columbia-based firms with \$3.74 million in assistance approved and \$1.81 million expended. Total approved assistance for Quebec-based firms was \$2.52 million while \$3.18 million was expended. Alberta companies had \$2.10 million in assistance approved and expended \$809 thousand.

PEMD SUCCESS STORY

Mr. Barry Meppelink
Director
Nathan Allan Glass Studios Inc.
Richmond, British Columbia

"The strongest aspect of the PEMD program is that it allowed our company to pay for advertising and trade show costs that we would not have normally been able to afford. Through this, we developed contacts and potential customers, and also produced many good orders. We also hope that these new customers will now bring future business to us, without having to spend any more money on advertising."

ASSISTANCE APPROVED AND EXPENDED BY PROVINCE AND TERRITORY 1999-2000 (\$ MILLIONS)*



* See page 7 for explanation of discrepancy between approved and expended assistance.

PEMD APPLICATIONS BY INDUSTRY SECTOR

The 568 applications that were approved in 1999-2000 were submitted by 553 companies which represented the full range of Canada's industry sectors.

Canada's manufacturing sector had the highest number of projects approved of all industry sectors with 256. Next was the professional, scientific, technical and

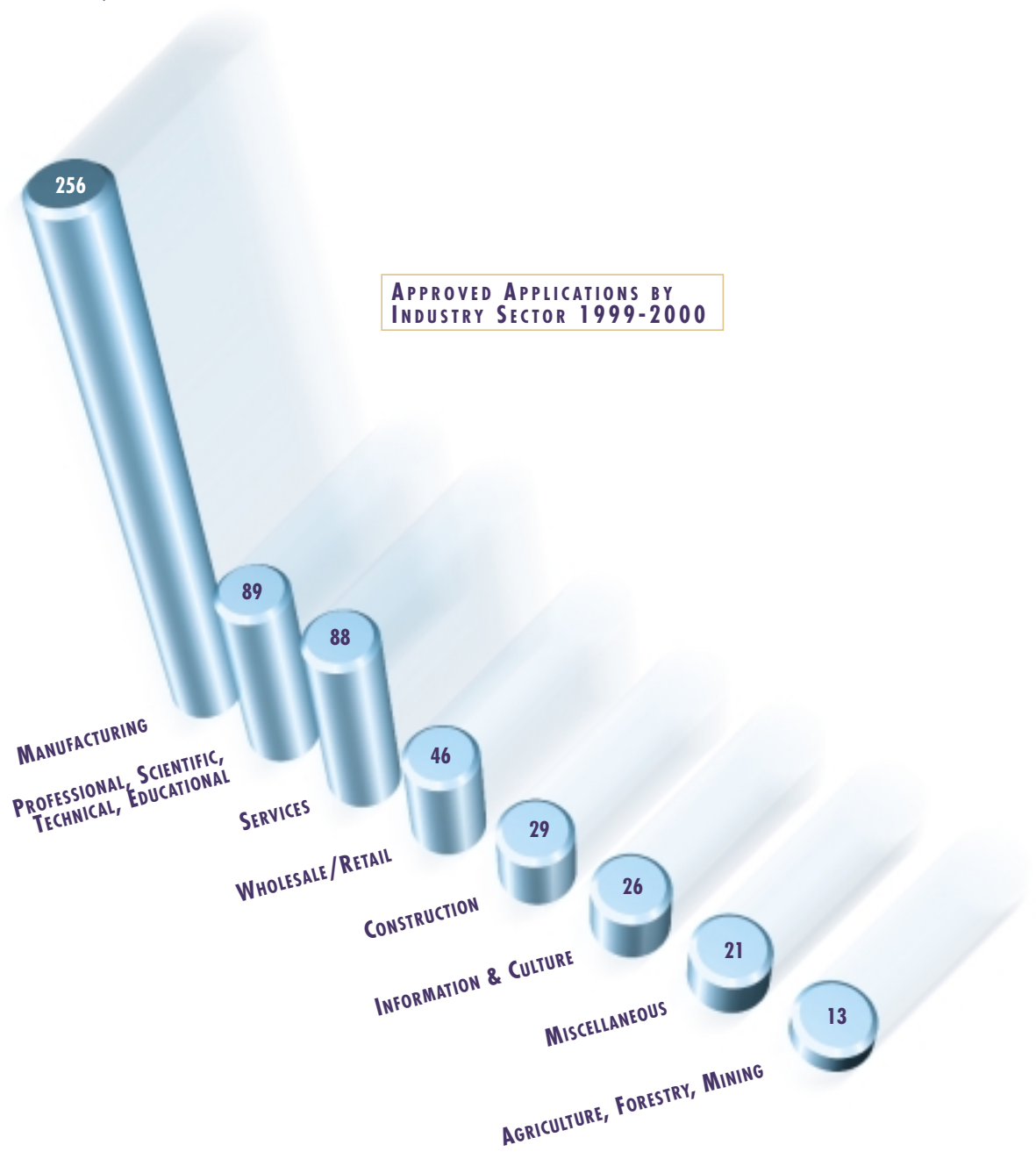
educational sector with 89 approved applications. The services sector followed closely behind with 88 approved applications. Another 46 applications were approved for the wholesale/retail sector and 29 applications for the construction sector. The information, cultural and arts sectors had 26 applications approved, miscellaneous sectors 21 and, 13 were approved for the agriculture, forestry and mining sectors.

PEMD SUCCESS STORY

Mr. Paul Reehill

Sales Manager
Therm-O-Comfort Co. Ltd.
St. Thomas, Ontario

"The PEMD program assisted in establishing six new foreign customers. Five in U.S. and one in Hong Kong. Foreign customers represented 0% of the company's business before PEMD and today sales to foreign customers represents 7 to 9 percent of total annual sales and 5 to 6 percent of increased annual sales. Thank you PEMD program."



PEMD SUCCESS STORY

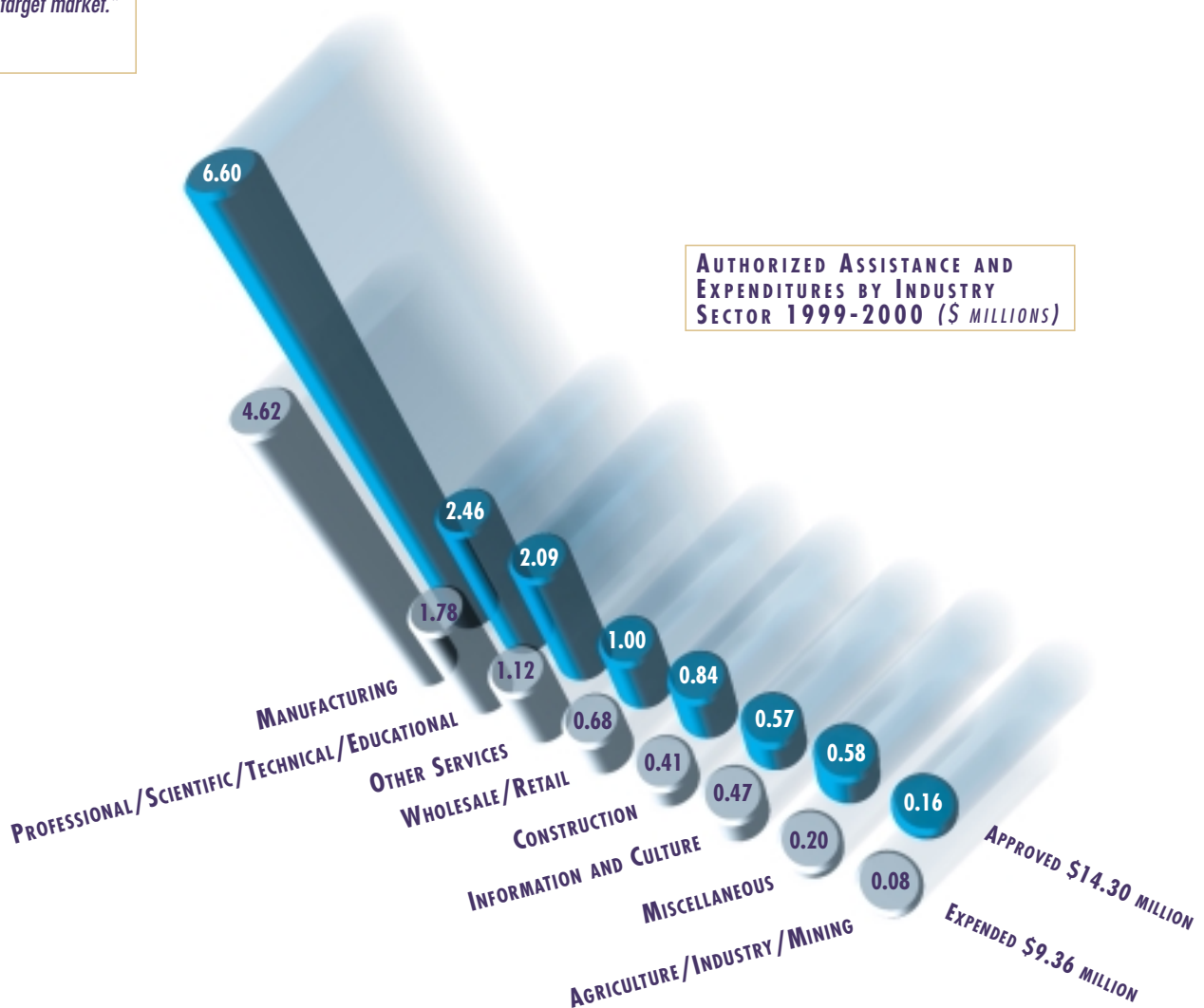
Mrs. Janine Ricard
Director General
Serres Yargeau Inc.
Deauville, QC

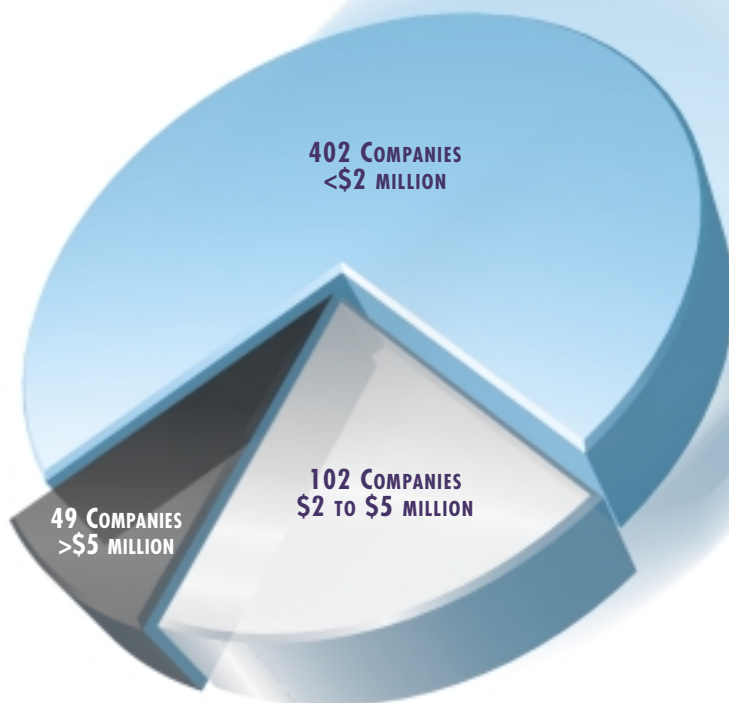
*"Great help with regard to visibility and establishing contacts in our target market."
(Translation)*

**PEMD ASSISTANCE BY
INDUSTRY SECTOR**

In the manufacturing sector, \$6.60 million in PEMD assistance was approved and \$4.62 million expended. Within the professional, scientific, technical and educational fields, \$2.46 million was approved and \$1.78 million expended. The services sector was approved for \$2.09 million and spent \$1.12 million. A total of \$997 thousand and \$839 thousand

respectively was approved for the wholesale/retail and construction sectors while \$675 thousand and \$408 thousand were spent. The information, cultural and arts sectors were approved for \$576 thousand and spent \$473 thousand. An additional \$570 thousand was approved for miscellaneous sectors and \$195 thousand was spent. Lastly, the agriculture, forestry and mining sectors were approved for \$163 thousand and incurred expenditures of \$82 thousand.



**PEMD ASSISTANCE
BY COMPANY SIZE**

assistance for 1999-2000. A further \$3.07 million in assistance was approved for companies with annual sales between \$2 million and \$5 million and, another \$1.73 million was approved for companies with annual sales of \$5 million or more. These amounts represented 21% and 12% respectively of total approved company assistance.

**PEMD ASSISTANCE BY
COMPANY SIZE****PEMD SUCCESS STORY****Mr. Karim Lalani**

President
Cultures United Ltd.
Calgary, Alberta

"PEMD allowed us to make exporting a reality. Without it we would have never ventured as aggressively into the market."

As in 1998-99, the majority (73%) of companies receiving assistance were very small. Of the 553 companies approved for PEMD assistance in 1999-2000, 402 companies had less than \$2 million in annual sales, 102 had annual sales between \$2 million and \$5 million, and 49 had annual sales of \$5 million or more.

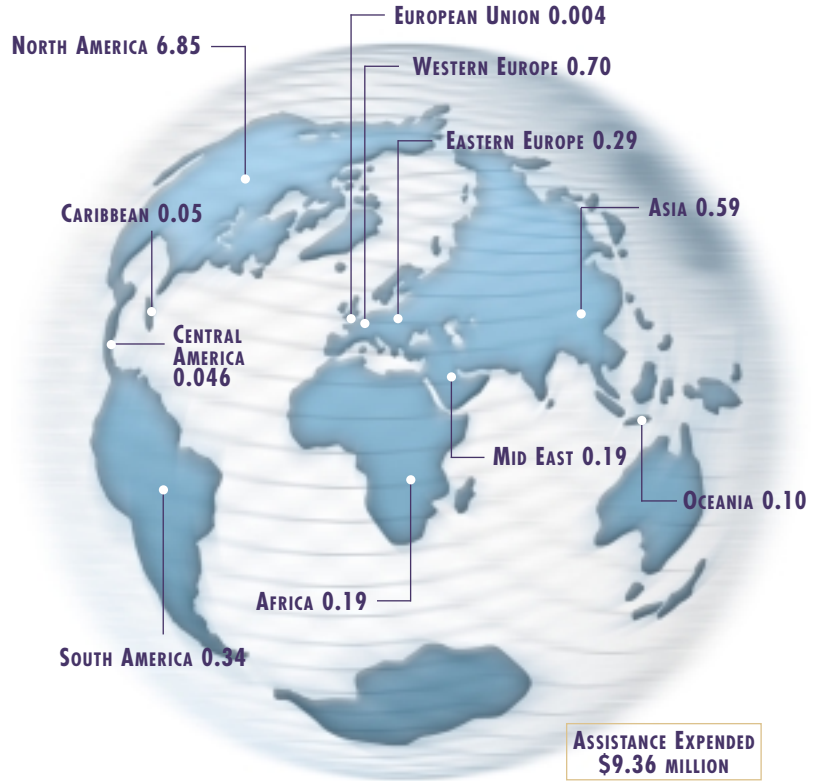
An amount of \$9.50 million in PEMD assistance, out of a total of \$14.3 million, was approved for PEMD companies with annual sales of less than \$2 million. This group of companies represented two-thirds of total approved company



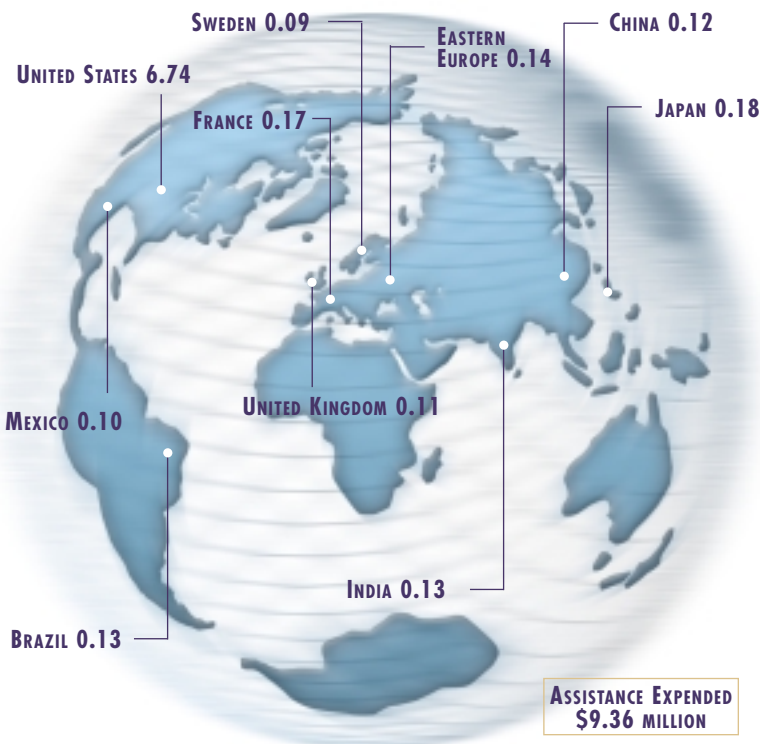
PEMD ASSISTANCE EXPENDITURES BY MARKET AREA

As was the case last year, Canadian companies expended the highest amount of PEMD assistance on market development activities in North America (including Mexico). Expenditures there totalled \$6.85 million or 73% of total company expenditures. Western Europe was second with \$701 thousand (8%) in expenditures and Asia third with \$587 thousand (6%) in expenditures.

PEMD ASSISTANCE EXPENDED BY MARKET AREA (\$ MILLIONS)

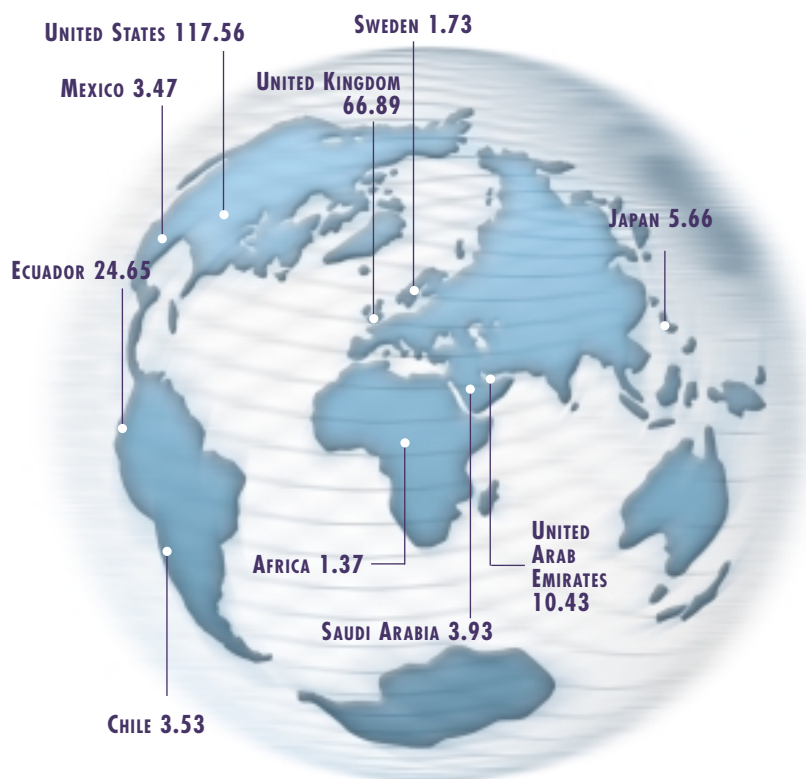


TOP TEN COUNTRIES FOR ASSISTANCE EXPENDITURES 1999-2000 (\$ MILLIONS)



PEMD ASSISTANCE EXPENDITURES BY COUNTRY

The country most targeted by Canadian companies for PEMD-assisted market development activities in 1999-2000 was the U.S. which accounted for \$6.74 million or 72% of total expenditures, up from 64% in 1998-99. Japan was second with \$177 thousand in expenditures (1.9%), followed by France with \$174 thousand (1.9%).

**TOP TEN COUNTRIES FOR REPORTED EXPORT
SALES/REVENUES 1999-2000 (\$ MILLIONS)**

TOTAL EXPORT SALES/REVENUE \$251 MILLION

Eastern Europe and Brazil followed with \$144 thousand (1.5%) and \$134 thousand (1.4%) in expenditures, respectively. India was sixth with \$129 thousand in expenditures (1.4%) and China, seventh, with \$118 thousand in expenditures (1.3%).

PEMD SUCCESS STORY
Mr. Grant Mckinnon

Partner, Pacific Homes
Cobble Hill, British Columbia

"Our first PEMD in Chile was in 1997. We received \$16,690 assistance over the term of the PEMD and we were so successful that we re-paid the entire amount within 2 years of the end of the PEMD. We have established some very good contacts and are just riding out the slow construction period the country is presently undergoing."

Rounding out the top ten target countries were the United Kingdom with \$106 thousand (1.1%), Mexico with \$99 thousand (1.1%) and Sweden with \$92 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 1999-2000, 435 companies reported \$251 million in export sales, as a result of their PEMD-assisted activities, which represented a substantial increase from the \$117 million in total sales reported in 1998-99.

Export sales of \$117.56 million to the U.S. accounted for almost half (47%) of the total reported export sales for 1999-2000 compared to \$92.16 million (79%) in 1998-99. The United Kingdom was second with \$66.89 million (27%). Ranking third and fourth highest were Ecuador with \$24.65 million (10%) and the United Arab Emirates with \$10.43 million (4%).

Since the inception of the program in 1971, export sales or contracts, reported by companies as a result of PEMD assisted initiatives, total \$14.73 billion. The \$9.36 million invested in industry initiated activities in 1999-2000 resulted in a sales to investment ratio of 27 to 1 compared to 14 to 1 in 1998-99.

TRADE ASSOCIATIONS

16 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 Association 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 1999-2000, 22 trade association applications were approved for assistance. A total of \$1.56 million in assistance was authorized and \$1.44 million expended.

Over a six year period (1994 to 2000), trade associations had an average of 26 applications approved per year, \$2.13 million in assistance authorized and \$1.50 million in expenditures.

PEMD SUCCESS STORY

Mr. Jon G. Baird

Managing Director
Camese
Markham, Ontario

"With PEMD assistance over a four-year period, the Canadian Association of Mining Equipment & Services for Export (CAMESE) has organized group participation in 47 international trade events attended by an estimated 400,000 visitors, involving more than 1,600 participations by Canadian Mining, Equipment & Services (ME & S) firms.

Each year now, there are over 100 trade shows in the world which have some interest for Canadian mining suppliers. It is important that the Canadian ME & S sector maintain the capability established by CAMESE to select the appropriate events for Canadian participation. This is indeed the heart of the work carried out by CAMESE with the assistance of funding under the PEMD Trade Association Activities program."

OVERVIEW OF TRADE ASSOCIATIONS - 6 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



APPLICATIONS/ASSISTANCE BY SECTOR

The 22 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 1999-2000. Although not specifically mentioned, the transportation, warehousing and accommodation / food service sectors have been included in the statistics shown.

17

TRADE ASSOCIATIONS BY SECTOR - 1999-2000

SECTOR	APPROVED APPLICATIONS	AUTHORIZED ASSISTANCE \$	EXPENDITURES \$
Professional, Scientific, Technical and Educational	6	406,168	301,839
Manufacturing	6	386,019	452,723
Agriculture, Forestry, Mining	5	399,650	251,010
Wholesale/Retail	2	176,195	171,539
Information, Cultural, Arts	2	148,350	166,570
Other	1	41,500	100,699

ASSISTANCE EXPENDITURES BY COUNTRY

As in 1998-99, the country most targeted in 1999-2000 by trade associations for PEMD-assisted

market development activities was the U.S. where they spent \$769 thousand or 53% of their total expenditures. The following table ranks the top 10 countries by trade association expenditures.

TRADE ASSOCIATION ASSISTANCE EXPENDITURES BY COUNTRY - 1999-2000

RANK	COUNTRY	EXPENDITURES \$	% OF TOTAL EXPENDITURES
1	U.S.	769,083	53%
2	Germany	190,598	13%
3	Japan	89,938	6%
4	Mexico	84,954	6%
5	Italy	68,525	5%
6	Indonesia	42,374	3%
7	Cuba	38,700	3%
8	United Kingdom	27,377	2%
9	Thailand	27,369	2%
10	Taiwan	23,038	2%

**ASSISTANCE EXPENDITURES
BY MARKET AREA**

In 1999-2000, trade association expenditures on market development activities totalled \$1.4 million down from \$1.8 million in 1998-99. A total of

\$885 thousand or 61% of total trade association assistance was expended on markets in North America. Western Europe ranked second with \$301 thousand in expenditures, Asia was third with \$190 thousand and the Caribbean fourth with \$39 thousand.

PEMD SUCCESS STORY

Ms. Linda McPhee
Manager, Gov't. Relations
Canadian Wood Council
Gloucester, Ontario

"The Canadian Wood Council is the lead organizer for Wood Solutions fairs in the U.S. The interest shown in Canadian wood products by architects, engineers and builders enhances our ability to maintain and expand our market access. PEMD has assisted us greatly in the past. "

TRADE ASSOCIATION ASSISTANCE EXPENDED BY MARKET AREA - 1999-2000

MARKET AREA	ASSISTANCE EXPENDITURES \$	% OF TOTAL EXPENDITURES
North America	885,273	61%
W. Europe	301,437	21%
Asia	190,151	13%
Caribbean	38,700	3%
South America	19,567	1.4%
Central America	9,252	.6%



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 1999-2000 fiscal year. Of the 618 companies and 31 trade associations that were surveyed, 220 responded for a participation rate of approximately 34%. This is considered a reasonable sample, with a margin of error of plus or minus 5.6%, 19 times out of 20.

Respondents to the survey represented all regions in Canada and, the PEMD client population as a whole. Thirty-one percent of respondents were from Ontario, 22% from B.C., 19% from Quebec, 16% from the Maritimes and 12% were from the Prairies.

CLIENT PROFILE

Of those industry clients who responded, 27% had exported only to the target market, 16% had exported to one other market, 32% had export experience in 2 to 3 markets, 15% had experience in as many as 4 to 5 markets and 11% had exported to more than 5 markets.

Seventeen of the 18 trade associations that responded had an average of 300 members. Twenty-eight percent of the members of 13 associations actively participated in PEMD funded activities for the associations while another 9 associations indicated that 61% of their members benefited from the activities. Eleven associations stated that PEMD funding represented 29% of their export promotion budget.

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

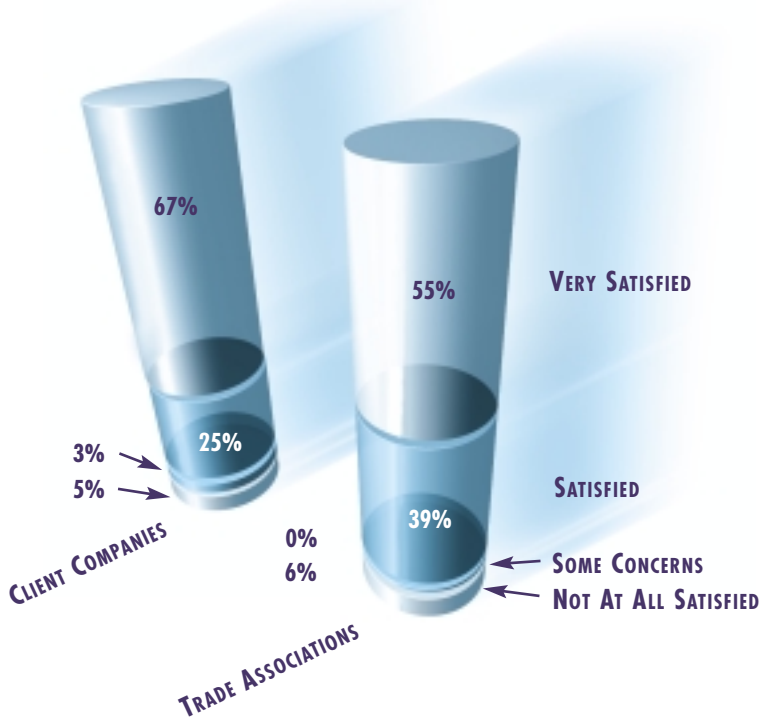
On a scale of 1 to 10, the respondents gave an average score of 8 to those survey questions dealing with the level of satisfaction with the program. The overall rate of satisfaction, for the two user groups, exceeds 90%.

Other survey indicators showed that clients were impressed with the service and were loyal to the program. For example,

AMONG INDUSTRY CLIENTS:

- *87% indicated that they would likely use the PEMD program again to pursue another market or promote a new product;*
- *86% indicated that they would recommend the PEMD program to other organizations;*
- *84% stated they would still consider using the PEMD program even if other program funding sources became available; and*
- *81% felt that the PEMD repayment terms were reasonable.*

OVERALL SATISFACTION



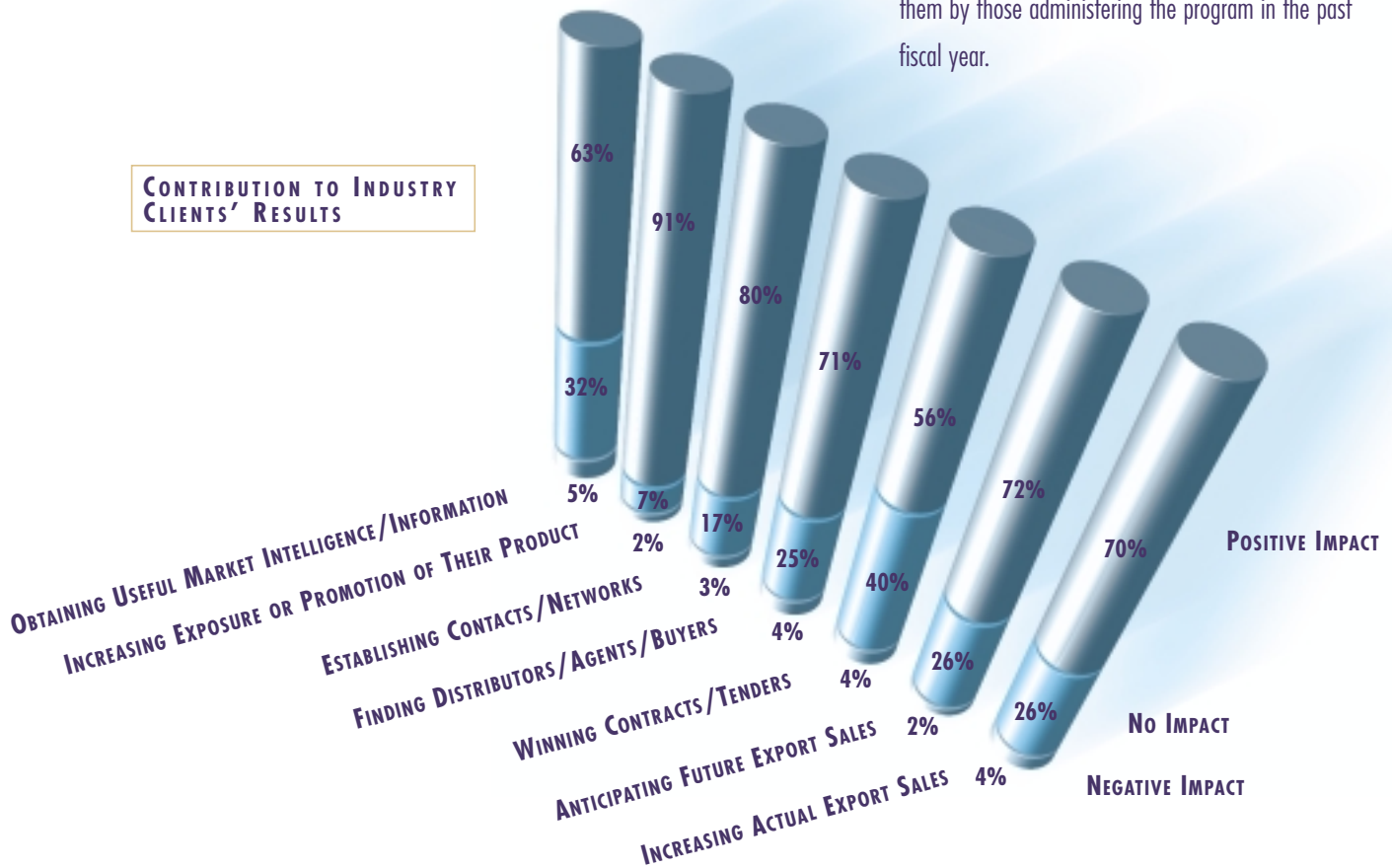
AMONG TRADE ASSOCIATIONS:

- 94% said that they would likely use the PEMD program again to pursue other international business initiatives;
- 83% indicated that they would recommend the PEMD program to other organizations; and
- 88% stated they would still consider using the PEMD program even if other program funding sources became available.

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.

CONTRIBUTION TO INDUSTRY CLIENTS' RESULTS



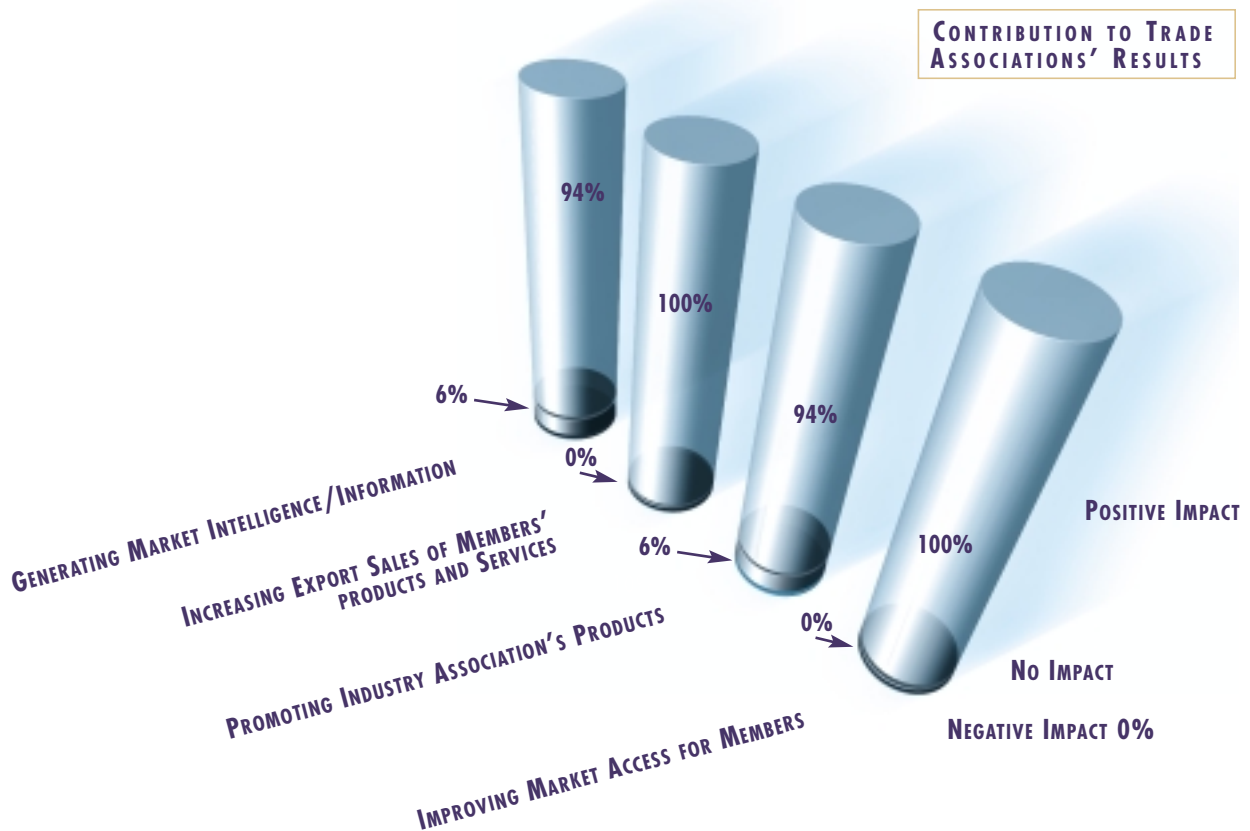
Eighty-one percent of all respondents stated that the service received was well worth the time and costs associated with their use of the program. Further, 88% of industry clients and 94% of trade associations considered the PEMD program to be of value to their respective organizations.

CONTRIBUTION TO CLIENT RESULTS

When asked about the impact of the PEMD program on their operations, both industry clients and trade associations reported many positive contributions, as outlined in the chart on page 20 and the one below.

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

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



PROGRAM'S STRENGTHS AND WEAKNESSES

Respondents indicated that the major strengths of the PEMD program lie in its accessibility, level of financial support, ability to assist small business and helpful staff.

In contrast, the most frequently mentioned weaknesses were an insufficient level of financial support to meet some clients' needs, the limited scope of the program and its restrictive eligibility criteria.



PEMD INITIATIVES

In DFAIT's continuing review of the PEMD program, the department has strived, within the existing structure mandated by Treasury Board, to implement improvements which would increase program efficiency.

This year, DFAIT introduced a global performance evaluation framework which will allow the department to better assess our clients' (industry and associations) needs and their overall satisfaction with the PEMD program and its delivery by Industry Canada and Canada Economic Development staff across Canada. This will assist DFAIT in planning and directing the future orientation of this export program.

In addition, the department has undertaken a major review of the Trade Association element of the PEMD program, its rationale, export marketing incentives and performance with a view to simplifying and improving the administrative process and addressing the export promotion requirements and concerns of all association sectors. The new approach should be in place by 2002.

Further, it is anticipated that Government-on-Line services will be available to PEMD users within the next 18 months to accommodate the electronic filing of PEMD applications.