

INTERNATIONAL BUSINESS DEVELOPMENT AGREEMENT

ATLANTIC
CANADA
ATLANTIQUE

ENTENTE SUR LA PROMOTION DU COMMERCE EXTÉRIEUR

Biennial Report on Activities and Results 2005-2007



Promoting Exporting in Atlantic Canada

Canada/Atlantic Provinces Agreement on International Business Development

www.acoa.gc.ca/ibda

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CANADA/ATLANTIC PROVINCES AGREEMENT ON INTERNATIONAL BUSINESS DEVELOPMENT • ENTENTE CANADA/PROVINCES DE L'ATLANTIQUE SUR LA PROMOTION DU COMMERCE EXTÉRIEUR



Importance Of Exporting

The Canada/Atlantic Provinces Agreement on International Business Development (IBDA) recognizes the importance of exporting to Atlantic Canada's businesses and the region's economy as a whole. Exports create one out of every three jobs in Atlantic Canada, with every \$1 million in export sales sustaining 8 to 10 jobs. With an internal market of only 2.3 million people in Atlantic Canada, increasing exports to international markets is essential to the growth of the region's economy.

Overview Of Agreement

The Canada/Atlantic Provinces Agreement on International Business Development (IBDA) is designed to help established exporters in Atlantic Canada expand their activities into new and more diversified markets, and to help new exporters get started.

This federal-provincial Agreement was launched in 1994 for a total value of \$3 million. The IBDA has been renewed three times since then, most recently in 2006 when the federal and provincial governments announced a new Agreement for \$10 million ending in March 2010.

The funding of the Agreement is cost-shared by the Government of Canada (70%) and the four provincial governments of Atlantic Canada (30%).

Partners

The Canada/Atlantic Provinces Agreement on International Business Development is a federal-provincial partnership. Seven partners work together to provide Atlantic Canadian companies with the support they need to grow and compete on the international stage. The IBDA partners are:

Government of Canada

- Atlantic Canada Opportunities Agency
- Foreign Affairs and International Trade Canada
- Industry Canada

Provincial Governments in Atlantic Canada

- Province of New Brunswick – Business New Brunswick
- Province of Prince Edward Island – PEI Business Development Inc.
- Province of Nova Scotia – Nova Scotia Business Inc.
- Province of Newfoundland and Labrador – Department of Innovation, Trade and Rural Development

Goals

The goals of the IBDA are:

- to increase the number of exporters in Atlantic Canada;
- to help diversify the markets of current exporters; and
- to increase the overall value of export sales from the region.



Activities

To achieve these goals, the IBDA supports projects in four main areas to help enterprising companies overcome obstacles and seize opportunities in new markets:

Training and Awareness – Skills training and information sessions that help Atlantic Canada businesses become export-ready.

Market Information and Intelligence – Projects that gather strategic information about international market conditions, contacts and opportunities to assist businesses with their export activities.

Planning and Research – Encourages the development of long-term industry or sector strategies to build Atlantic Canada's export potential.

International Business Development Activities – Supports activities such as trade shows, inbound and outbound missions and networking events designed to help Atlantic Canada businesses enter and/or expand international markets. These types of activities also help to raise the region's profile in the global marketplace.

Key Industries

The Agreement focuses on export development in several industry sectors in Atlantic Canada, specifically:

- Aerospace and Defence
- Building products and construction
- Business, professional and education services
- Energy
- Consumer—wholesale
- Cultural industries
- Environmental industries
- Food (agrifood and seafood)
- Fish and aquaculture technology
- Information and communications technologies
- Life sciences
- Ocean industries

Eligible Applicants

The IBDA provides financial assistance to not-for-profit and non-commercial organizations to deliver support services and resources to Atlantic Canadian exporters. Eligible applicants for IBDA funding include:



- Not-for-profit corporations
- Business associations
- Post-secondary education institutions
- Municipal and provincial governments

The Agreement does not provide funding directly to individual companies.

Results

This federal-provincial export development Agreement has been successful in bringing industry stakeholders together, building partnerships, leveraging expertise and resources, and creating economies of scale through cooperative international business development activities – all with the common goal of increasing the export activity of Atlantic Canadian companies.

Since 1994, the IBDA has funded over 200 export development projects that have helped more than 2,500 companies in Atlantic Canada explore, enter and succeed in new international markets. An independent evaluation of the Agreement conducted in 2004 found that the IBDA had been particularly effective in opening new markets for Atlantic exporters in the United States and the United Kingdom.

A survey of exporters who have participated in IBDA-sponsored activities show the agreement is achieving its goals of export development and economic expansion in Atlantic Canada.

Over one-third of non-exporting businesses surveyed began exporting as a result of an IBDA-funded initiative, while more than 40 percent increased their export sales and nearly 30 per cent expanded their markets.

In the past two years, the IBDA has provided financial assistance to a number of market development projects to enhance Atlantic Canada's economic performance through increased export activity.

Notable IBDA Projects

Team Canada Atlantic Trade Missions to the U.S.

In 2005 and 2006, Team Canada Atlantic (TCA) led three trade missions to Chicago and Florida with support from the IBDA. As with all successful trade missions, preparation is key. The IBDA funding helped ensure that all 117 companies participating in these international events had access to pre-mission market information and briefing sessions with in-market specialists prior to travelling to the target markets.

Each TCA trade mission included a Taste of Atlantic Canada Showcase and Reception – a business networking event that highlighted Atlantic Canada's food and beverage products directly to U.S. buyers and distributors. This IBDA-supported reception also gave mission participants from all sectors the opportunity to network with representatives from local businesses and industry associations.

Not only did these TCA trade missions to Chicago and Florida help Atlantic Canadian companies break into these lucrative markets, they resulted in immediate sales of \$4.25 million.

“Team Canada Atlantic missions achieve a number of objectives that are essential to the strength and growth of Atlantic Canada's economy. They help our businesses become export ready. They help our businesses make valuable contacts and increase their export sales. And, they raise awareness of Atlantic Canada as a good place to do business in large markets like Florida. These objectives would not be achieved without the support of the IBDA.”

– Bill Aasvanger, Manager, World Trade Centre, Halifax, NS



2006 Caribbean Water and Wastewater Association Conference and Exhibition

In October 2006, the Newfoundland and Labrador Environmental Industry Association led a delegation of 10 companies from Atlantic Canada to Trinidad and Tobago to attend the 15th annual Caribbean Water and Wastewater Association Conference and Exhibition.

The trade mission provided the participating companies with an ideal opportunity to showcase their considerable environmental expertise to prospective buyers from more than 20 Caribbean nations, in addition to the United States, Europe and Japan. IBDA funding made it possible for the Atlantic Canadian companies to receive pre-mission training, develop branding materials and hire an in-market trade professional who arranged meetings with potential buyers and decision makers.

Companies reported an estimated \$1 million in sales as a result of their participation in this trade mission.

"We can't stress enough the growing importance of the Caribbean as an export market for Atlantic Canadian environmental firms. The Republic of Trinidad and Tobago, in particular, has made it a goal to reach developed-nation status by 2020, a step that will require significant investments in infrastructure, education, health care and environmental compliance – all of which represent significant export opportunities for companies with expertise in these areas."

– Bonnie Andrews, Executive Director, Newfoundland and Labrador Environmental Industry Association



2006 European Seafood Exposition

In May 2006, IBDA helped a delegation of seafood producers from across Atlantic Canada attend the 2006 European Seafood Exposition in Brussels, Belgium – an international event that attracts companies from over 100 countries and hosts the decision-makers and purchasers who dominate the seafood industry in Europe.

The trade mission included an Atlantic Canada reception, which showcased the variety and quality of seafood products from the four Atlantic provinces to European buyers and distributors. Overall, the mission was highly successful, with Atlantic Canada delegates securing immediate sales of \$6.2 million, with another \$7.3 million in projected sales in the following year.

"The Atlantic Canada showcase was an excellent opportunity for the Atlantic Canadian seafood producers to meet buyers informally and start building business relationships which are so important in the European Union marketplace. The financial support of the IBDA was crucial in this endeavor."

– Anita Landry, Trade Executive, Department of Fisheries, Province of New Brunswick

2006 Rendezvous Biosciences Atlantic

Atlantic Canada has the potential to become a leader in the emerging bio-economy. To strengthen its position in the international marketplace, the IBDA supported three venture capital "boot-camp" training workshops in 2006 to increase investment knowledge and export readiness of Atlantic Canada's bioscience companies. The events consisted of skills training sessions, networking luncheons and one-on-one meetings covering a wide range of topics from industry trends to pitching techniques. The workshops attracted 25 firms and 18 potential investors, and resulted in the licensing of new "made-in-Atlantic Canada" technology and the creation of new business partnerships.

2006 Seafood Processing America Show

Two annual events that are key to the sales and marketing efforts of Atlantic Canada's seafood producers are the International Boston Seafood Show and the Seafood Processing America Show, held concurrently in March in Boston, Massachusetts.

IBDA funding was instrumental in developing a coordinated marketing strategy for Atlantic Canada's seafood processors at the 2006 Seafood Processing America Show. The marketing strategy included an Atlantic Canada Pavilion, an Atlantic Café, on-site signage and promotional materials, a direct mailing to U.S. buyers, and advertisements in the show's magazine and website.

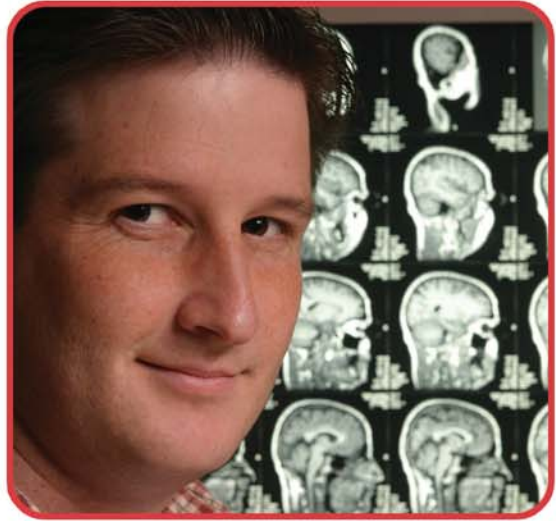
The direct economic impact of the International Boston Seafood Show and the Seafood Processing America Show on Atlantic Canada is estimated at \$23.8 million, as reported by the Atlantic Canadian exhibitors at these two events in 2006.

2006 Atlantic Craft Trade Show

In February 2006, the Atlantic Craft Trade Show experienced one of its most successful incoming buyer programs ever, providing Atlantic Canada artisans with an opportunity to promote their products directly to international retail buyers. The show attracted crafters and buyers from across Canada, the United States and the United Kingdom. Total sales generated at the show were in excess of \$1.1 million with 180 companies represented from across Atlantic Canada. The event also featured export training and information sessions for Atlantic Canadian companies on export readiness, product licensing and marketing products in the United Kingdom and the United States, made possible with financial assistance from the IBDA. In addition, the IBDA sponsored an incoming delegation of international buyers to the show.

"The craft industry is an important contributor to Atlantic Canada's economy, generating annual revenues of approximately \$175 million, including \$12-15 million in export sales. Thanks to the funding support of partners like the IBDA, the Atlantic Craft Trade Show has played a key role in this success. The incoming buyer program and export training sessions at the 2006 show opened up new market opportunities to the producers and enhanced their export readiness."

– Bernard Burton, Manager, Atlantic Craft Trade Show



2006 America's Food & Beverage Show

In November 2006, a delegation of 20 companies from Atlantic Canada participated in the Americas Food and Beverage Show 2006 in Miami Beach, Florida, to expand their export markets and sales.

In the weeks leading up to the event, the participating companies met with an export consultant who helped them prepare for the show and worked with a business matchmaker to pre-arrange one-on-one business meetings in Florida. IBDA funding also helped the Atlantic delegation to showcase its food products in an Atlantic Canada pavilion with samples prepared on-site by professional chefs from Atlantic Canada.

According to the Atlantic Canada participants, the show was expected to generate \$4 million in export sales with almost 180 direct leads identified.

"It was quite something for our Atlantic Canada companies to have the opportunity to meet face-to-face with several hundred people over three days and sign contracts to sell their products into the huge Latin American marketplace. The success of this mission demonstrates that participating in market development activities in Florida, the Caribbean and Latin America results in significant economic returns for Atlantic Canada."

– Don Newman, Executive Director, Atlantic Food & Beverage Processors Association

2006 Atlantic Film Festival – Strategic Partners Conference

The Atlantic Film Festival's annual Strategic Partners Conference brings top industry professionals from around the world to Halifax, Nova Scotia, for three days of exceptional learning and networking opportunities.

The IBDA-supported conference offers film and television producers in Atlantic Canada the opportunity to present their projects to producers, investors, sales agents, broadcasters and distributors from around the world and build relationships that are critical to moving their projects forward.

The 2006 Strategic Partners Conference was very successful, with registration up 30 per cent from 2005 and close to \$180 million in deals, according to an extensive post-event survey.

"The growing reputation of the Atlantic Film Festival's Strategic Partners Conference, combined with the strength of the team and support of partners like IBDA, have made it a must-attend event for film and television producers in Atlantic Canada who want to build relationships for international development and investment. The success of the conference would not be possible without the support received from the IBDA."

– Gregor Ash, Executive Director, Atlantic Film Festival



Contact

To learn more about the Agreement and its activities, or to apply for funding, contact the IBDA Secretariat.

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