



Industry
Canada

Industrie
Canada

2003-04 Estimates



Report on Plans and Priorities

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Section 1:

Minister's Portfolio Message

I am proud to report on the measures being taken by the Industry Portfolio to help realize the government's goal of moving Canada into the ranks of the most innovative countries in the world by the year 2010. In today's global economy, innovation is the key to success. Thanks to innovation, we are finding new ways of thinking and better ways of working.

As the Minister responsible for the Industry Portfolio, I was pleased to be part of creating *Canada's Innovation Strategy*, which was launched in February 2002. Throughout the year, Industry Canada and its partners held 34 regional innovation summits and took part in many expert round tables and sectoral meetings. In all, the views of more than 10 000 Canadians were heard. That exciting and productive process culminated at the National Summit on Innovation and Learning, which brought together more than 500 business, government and academic leaders, as well as representatives from non-governmental organizations.

The Government of Canada is listening to Canadians. During the engagement process many excellent ideas were brought forward and, at the National Summit, were ranked in order of priority. Eighteen items were identified for action over the short term. I want to emphasize, however, that the process being discussed will be fully implemented over a 10-year period and must involve not only the Government of Canada, but all of its partners. Still, we have forged a very good beginning, and I am very encouraged by the positive response of the business and academic communities to the measures taken to date.

The Industry Portfolio's 16 member organizations work in partnership to ensure that Canadians have the support they need to meet the challenges of a rapidly evolving world economy. The cornerstone of all our future activities will be innovation.

The Industry Portfolio is:

- Atlantic Canada Opportunities Agency
- Business Development Bank of Canada*
- Canada Economic Development for Quebec Regions
- Canadian Space Agency
- Canadian Tourism Commission*
- Competition Tribunal
- Copyright Board Canada
- Enterprise Cape Breton Corporation*
- Industry Canada
- Infrastructure Canada
- National Research Council Canada
- Natural Sciences and Engineering Research Council of Canada
- Social Sciences and Humanities Research Council of Canada
- Standards Council of Canada*
- Statistics Canada
- Western Economic Diversification Canada

* Not required to submit a Report on Plans and Priorities.

It is my great pleasure to present the *Report on Plans and Priorities* for Industry Canada, which describes the Department's expected achievements and results over the next three years. In pursuit of the Department's strategic objectives, the following are some highlights of Industry Canada's plans and priorities:

- following up on the recommendations that emerged from the National Summit on Innovation and Learning;
- promoting technology innovation in areas such as environmental and enabling technologies through Technology Partnerships Canada;
- helping the Canadian technology industry to bring broadband access to rural and remote communities;
- developing online delivery of government services and information to consumers and business people;
- raising the awareness of Canadian companies about international opportunities; and
- ensuring that marketplace frameworks for business, consumers and investors are fair, efficient and world class.

We have made great strides forward in working with Canadians through the engagement process for *Canada's Innovation Strategy*. We connected with business people, academics and private citizens in every region of the country. I am confident that this renewed partnership will flourish over the coming year and that the results of our efforts will mean more and better jobs, a stronger and more dynamic economy, and a better quality of life for all Canadians.

Allan Rock
Minister of Industry

Management Representation

I submit, for tabling in Parliament, the 2003–2004 Report on Plans and Priorities (RPP) for Industry Canada.

To the best of my knowledge, the information

- accurately portrays the Department's mandate, priorities, strategies and planned results;
- is consistent with the disclosure principles contained in the *Guidelines for the Preparation of the 2003–2004 Report on Plans and Priorities*;
- is comprehensive and accurate; and
- is based on sound underlying departmental information and management systems.

I am satisfied with the quality assurance processes and procedures used for the RPP's production.

The Planning, Reporting and Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Jennifer Benimadhu
Corporate Comptroller

Date

Section 2:

Industry Canada's Business: Growing a Dynamic Economy

2.1 Contributing to the Quality of Life of Canadians

The Department's mission is to foster a growing, competitive, knowledge-based Canadian economy and promote sustainable development. Industry Canada works with Canadians in all sectors of the economy and in all parts of the country to improve conditions for investment, enhance Canada's innovation performance, increase Canada's share of global trade, connect Canadians, and build a fair, efficient and competitive marketplace. Our economic prosperity is also dependent on a healthy environment. Industry Canada acknowledges this important relationship by focussing on improving productivity through eco-efficiency, developing and diffusing environmental technologies, and integrating sustainable development into departmental decision making.

Industry Canada's mandate

The Department's mandate is to help make Canadians more productive and competitive in the knowledge-based economy, thus improving the standard of living and quality of life in Canada. Industry Canada's policies, programs and services help grow a dynamic and innovative economy that

- provides more and better-paying jobs for Canadians;
- supports stronger business growth through continued improvements in productivity and innovation performance;
- gives consumers, businesses and investors confidence that the marketplace is fair, efficient and competitive; and
- ensures a more sustainable economic, environmental and social future for Canadians.

(www.ic.gc.ca)

Industry Canada's goal is to encourage innovation at all levels by investing in people, knowledge and opportunity. The Department strives to make Canadians more productive and competitive in the knowledge-based economy, so that Canada continues to be recognized throughout the world for its culture of excellence, innovation and productivity.

Canadians enjoy an outstanding standard of living and quality of life. Indeed, Canada consistently ranks as one of the best countries in the world in which to live. However, if we are to maintain and enhance our position, to continue our economic growth and social development, we must do more. Real economic growth, which raises our standard of living, depends on growth in productivity. Innovation is a key driver of productivity. Therefore, to improve our economic performance, we must continue to improve our innovation performance.

Innovation is one of the most important means to improve competitiveness, generate wealth, create jobs and sustain our high quality of life.

—The Conference Board of Canada, *Investing in Innovation: 3rd Annual Innovation Report, 2001.*

Recognizing the importance of innovation, the Government of Canada launched *Canada's Innovation Strategy* (www.innovationstrategy.gc.ca). The strategy serves as a starting point from which Canadians can build a consensus on goals and how to achieve them through comprehensive and focussed discussions, such as the National Summit on Innovation and Learning held in November 2002.

Achieving Excellence: Investing in People, Knowledge and Opportunity represents Industry Canada's contribution to Canada's Innovation Strategy. It provides the blueprint for building a stronger, more competitive economy, and identifies actions that the federal government can take to improve innovation and productivity in Canada. *Achieving Excellence* also outlines a number of targets and priorities, which affect all sectors of the economy, and are aimed at making Canada one of the most innovative countries in the world.

The term innovation encompasses much more than research and development and technological change. Innovation makes knowledge useful and turns it into wealth and prosperity.

—The Conference Board of Canada,
4th Annual Innovation Report, 2002.

In the 2002 Speech from the Throne (www.sft-ddt.gc.ca/hnav/hnav07_e.htm), the Government of Canada also made a number of commitments to increase the quality of life of Canadians. Industry Canada has a key role to play in achieving many of these goals.

This Report on Plans and Priorities provides information on how Industry Canada will work to realize the goals and priorities outlined in the most recent Speech from the Throne and in *Achieving Excellence*. Specifically, this report identifies how the Department's five strategic objectives enable it to achieve results while working in the current global context, and how the Department will work in partnership with its stakeholders to improve the quality of life of Canadians.

Industry Canada's five strategic objectives (innovation, connectedness, marketplace, investment and trade) provide the framework by which Industry Canada works, in an integrated fashion, to achieve its goals. Each strategic objective is important in growing a dynamic economy. For example, strengthening Canada's innovation capacity helps ensure that discoveries and breakthroughs can happen here in Canada and that the social and economic benefits of these innovations contribute to Canadians' standard of living and quality of life. Connectedness supports advanced research and promotes access to digital infrastructure, skills development, electronic commerce (e-commerce) and improved service delivery. Sound marketplace frameworks help establish a business environment that supports innovation, investment and entrepreneurial activity. An innovative economy attracts investment, and investment brings skills, ideas and financial resources to Canada. Trade creates new markets and brings new ideas and technologies into Canada. (Please see *Industry Canada's Priorities Chart* on page 11)

Societal Context

A key indicator of a country's standard of living and economy is real **gross domestic product (GDP)** per capita. All G7 countries have experienced a recent slowdown in their economies, but Canada recorded positive growth in 2002 and is expected to do so again in 2003.

According to the Organisation for Economic Co-operation and Development (OECD), Canada's **unemployment rate** edged down slightly to 7.5 percent in December 2002 from 8.0 percent in December 2001. Canada's unemployment rate remained relatively stable at a time when the downturn in the economy was such that most post-industrial countries experienced declines in the employment rates. For example, over the same 12-month period, the standardized unemployment rate in the United States rose 0.2 percentage points to 6.0 percent, in France it rose 0.3 percentage points to 8.9 percent and in Germany 0.6 percentage points to 8.5 percent.

Canada continues to face challenges with respect to the **gap in income per capita** between this country and the United States. Since the 1970s, Canada has lagged behind the United States in income per capita growth. The OECD attributes this income gap to the differences in productivity between the two countries. To narrow this gap, Canada must improve its productivity.

Innovation

Industry Canada is working to promote the adoption of an "innovation culture" in Canada.

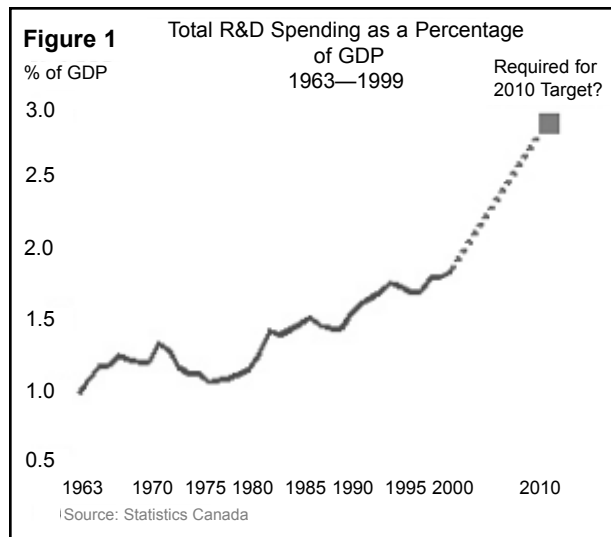
Innovation is a process through which economic or social value is extracted from knowledge, new ideas, products and services. To sustain and increase Canada's prosperity, we must not only create the right environment for innovation, but also strengthen our innovation capacity in all regions of the country. We also need to improve our ability to commercialize the results of our innovation activities.

Among industrialized nations, Canada ranks relatively low in terms of the amount of research and development (R&D) performed, placing 14th overall among the Organisation for Economic Co-operation and Development (OECD) countries. Although Canada's overall level of innovation performance has shown significant improvement in recent years in relation to that of other G7 members, areas remain in which we could improve.

The Government of Canada remains committed to the Innovation Agenda. Industry Canada will continue to work in partnership with industry and universities to encourage innovative practices and the creation and sharing of knowledge, to ensure that new ideas are translated into economic and social benefits for all Canadians. As part of its contribution toward improving Canada's innovation performance, the government intends to double its spending on R&D by 2010, and is striving to have Canada rank among world leaders in the share of private sector sales attributable to new innovations. In light of the rapid growth in R&D intensity seen in most countries over the past decade, Canada will need to increase R&D spending to close to 3 percent of gross domestic product (GDP) to achieve top-five status (see Figure 1).

Support for the Innovation Agenda was reaffirmed in the 2003 federal budget. There is an explicit recognition that by making the right investments and putting in place favourable conditions, the Government can help build a foundation for economic and social progress that leads to an increased standard of living. Strengthening research and innovation are seen as key contributors to this progress. With this in mind, the Budget 2003 builds on past investments in research and innovation and provides an additional \$1.7 billion over the next two years.

As mentioned in the recent Speech from the Throne, Canada's economic prosperity is dependent on a healthy environment. Sustainable development is also an important element in fostering innovation and growth in productivity, and Industry Canada's Sustainable Development Strategy (SDS) acknowledges this important relationship. Its three main objectives are improving productivity through eco-efficiency, developing and diffusing environmental technologies, and integrating sustainable development into departmental decision making. Through its second Sustainable Development Strategy (SDS II), Industry Canada will continue to address climate change and promote innovation through eco-efficiency. This year, the Department will also consult with a wide range of stakeholders to develop the next phase of the strategy (SDS III), which is due for publication in December 2003.



Connectedness

Connectedness is at the foundation of the knowledge economy and society.

In a globally competitive, knowledge-based economy driven by accelerating technological change, it is clear that success is determined by the power to innovate. In this environment, technology and connectivity have emerged as critical elements in cultivating innovation while pursuing key social and economic objectives.

In its connectedness scorecard for 2001, the Conference Board of Canada, for the third consecutive year, ranked Canada second only to the United States in terms of the availability and pricing of information and communications technologies (ICTs). Furthermore, the Conference Board of Canada identified Canada as the world leader in both reach and use of ICTs.

Canada's Overall Connectedness Ranking

Studies conducted on the availability, price, reach and use of information and communications technologies place Canada second only to the United States in its overall level of connectedness, but ahead of Sweden, Finland, the United Kingdom, Australia, Germany, Japan, France and Italy.

—The Conference Board of Canada, *Pursuing Excellence Through Connectedness*, 2002.

The Government of Canada has shown its commitment to connecting Canadians by investing in equipping schools, libraries and public access sites with the information technology necessary to provide Canadians with access to the wealth of digital information available on the Internet. Industry Canada will continue to work, through partnerships, to ensure access to the information infrastructure, to promote the adoption and use of technology by cities and businesses, and to facilitate the development of Canadian content.

Industry Canada also has a significant role to play in facilitating the deployment of high-speed broadband — the next generation of Internet access which will facilitate access to, and the delivery of, advanced applications and services such as e-learning, e-health and e-commerce. This initiative is part of the government's commitment, as stated in *Canada's Innovation Strategy*, to ensure that high-speed broadband access is widely available to Canadian communities. In partnership with the private sector, Industry Canada will work to continue Canada's leadership in Internet-enabled communications.

Marketplace

A fair, efficient and competitive marketplace is the cornerstone of a healthy and dynamic economy.

Globalization is rendering economic borders increasingly transparent. Businesses around the world are looking for strategic and competitive advantages, seeking out a marketplace that supports innovation. The government's role is to create the right environment for an effective marketplace, while ensuring that a balance exists between serving the public interest and providing incentives for investment and innovation.

Through the Internet, Canadians are becoming global consumers. They are more informed and demanding, going beyond national borders to seek stable environments to protect their investments and transactions.

The challenges for Industry Canada include making sure that Canada's national marketplace is fair, efficient and competitive. The national marketplace, including the digital marketplace, must contribute to an environment of confidence, where public interest is protected and regulation enhances the climate for investment, innovation, sustainable development and trust. Whether Canadians conduct business at home or abroad, on the Internet, face to face, or through other media, Canada's marketplace framework must inspire confidence, both for Canadians and for foreign nationals.

Industry Canada's marketplace service organizations are active players in the Canadian and digital marketplaces. They are responsible for the regulatory framework governing the Canadian bankruptcy and insolvency system, the measurement of devices, patents, trade-marks, copyright, merger review, deceptive telemarketing, federal corporations and voluntary codes, among others. They work together, and with other governments, countries, businesses and consumers, to ensure that the Canadian marketplace is world-class.

In the most recent Speech from the Throne, the government re-affirmed its commitment to accelerating reforms in the regulatory arena through a smart regulation strategy. Ultimately, this will serve to enhance the climate for investment and trust in the marketplace.

Investment

Canada's economic fundamentals and relative cost advantages provide a first-rate business environment.

Canada, like many other countries, depends on foreign and domestic investment and capital formation to stimulate economic growth, innovation and sustainable development. The government must work in partnership with the private sector, which is currently responsible for 57 percent of all R&D spending.

Foreign direct investment (FDI) plays an important role in supporting R&D in all sectors of the economy. FDI is increasingly dependent on factors such as the availability of skilled labour, a sound infrastructure, and an innovative and dynamic economy. Canada already ranks high in many of these areas. However, more can be done to enhance Canada's attractiveness as a preferred investment location.

Industry Canada will continue to work with federal partners, with provincial and territorial governments and agencies, and the private sector to promote investment in Canada. In addition, Industry Canada will continue to support small and medium-sized enterprises (SMEs) and to identify priority sectors for investment. In this way, the benefits of new investment can be enjoyed by the largest number of Canadians.

Through Aboriginal Business Canada, the Department will continue to support and promote entrepreneurship and job creation among Aboriginal people. In the most recent Speech from the Throne, the government committed to increasing funding to Aboriginal Business Canada, which will be used to facilitate more equitable participation of Aboriginal entrepreneurs in economic opportunities (abc-eac.ic.gc.ca).

Trade

Canada's export growth is playing a major role in fostering knowledge-intensive, high-wage jobs.

Industry Canada's mandate includes assisting Canadians in becoming more productive and competitive in today's knowledge-based, global economy. The overarching goal of the Canadian government's trade strategy is to increase domestic employment and wages and attain an overall higher standard of living for all Canadians. Trade has been and will continue to be a key contributor to the prosperity enjoyed by Canadians.

The OECD ranked Canada as the world's seventh largest exporter; however, there are challenges in maintaining this position. With 4.3 percent of the world's exports, Canada's position is being challenged by China – a country that has increased its ranking from eleventh in 1990 to sixth in 2001. With almost 50 percent of Canada's GDP resulting from international trade, Canada, more than any other G7 nation, relies on international trade for economic growth.

Positioning ourselves for future success is so important for Canada because we are a trading nation. Indeed, with almost 50 percent of our economy dependent on the export of goods and services, we are one of the greatest trading nations on earth.

— Allan Rock, Minister of Industry, to the Annual General Meeting of the Canada China Business Council, November 28, 2002.

With a presence in each province of Canada and as a member of Team Canada Inc, Industry Canada is uniquely positioned to work with its partners to increase domestic and international trade through improved market access for Canadian companies. The Department of Foreign Affairs and International Trade (DFAIT) and Industry Canada will continue to play a pivotal role in working with international partners to eliminate barriers where they exist, to strive toward mutually recognized standards, to promote sustainable development and to defend Canadian interests abroad. Industry Canada has a particular interest in supporting sustainable development through the development and implementation of balanced international environmental agreements, encouraging better understanding of corporate responsibility, and fostering the relationship between trade, social and environmental objectives.

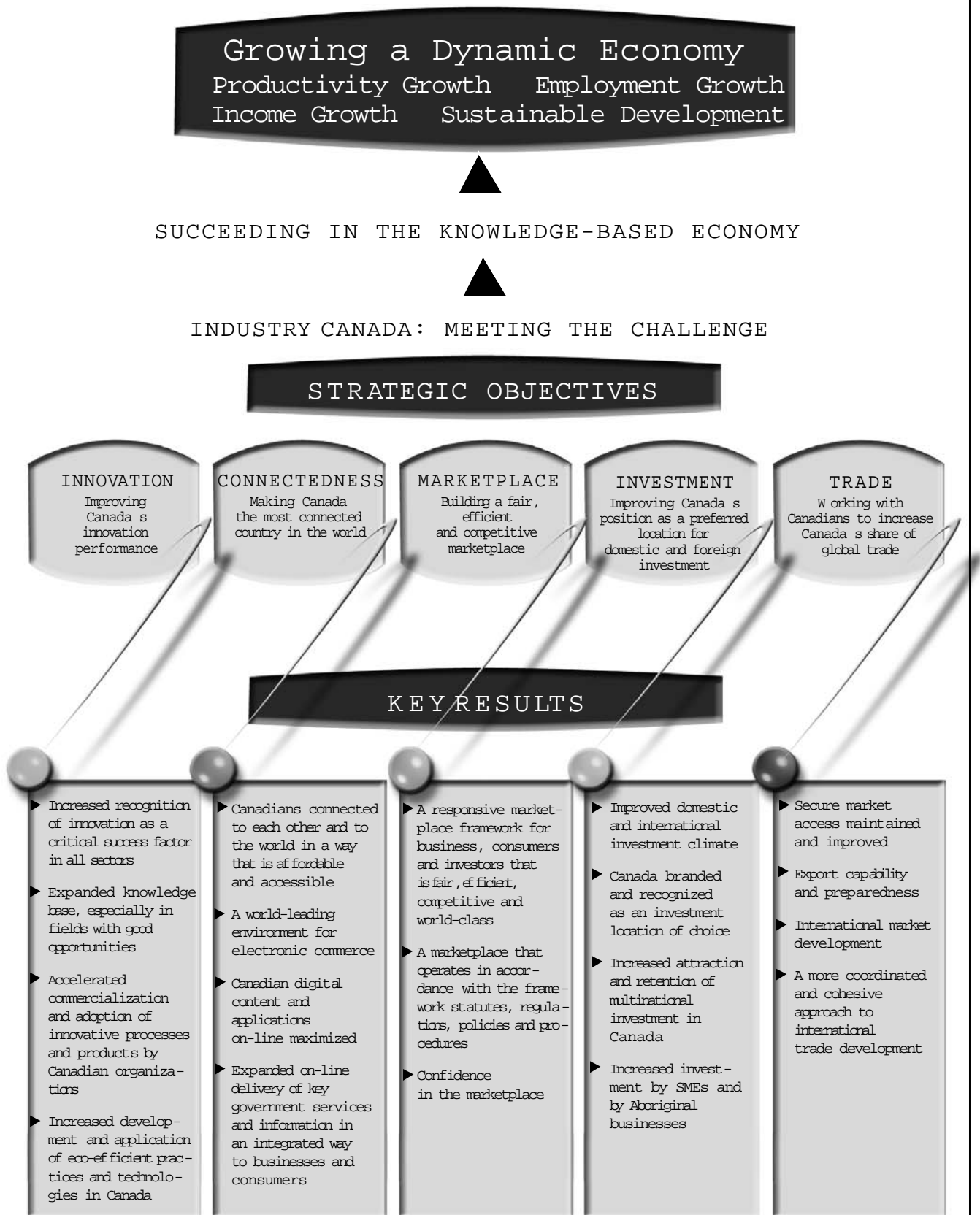
2.2 Partnerships Mean Success

The Department works in partnership with a variety of stakeholders in delivering its programs and services, and consults with these stakeholders in developing effective micro-economic policies. Industry sectors, universities and colleges, non-governmental organizations, as well as members of the Industry Portfolio, other government departments, and provincial and territorial governments are important partners in helping Industry Canada fulfil its mandate and achieve its successes. Industry Canada will continue these cooperative partnerships to sustain Canada's economic growth and to identify new challenges and opportunities.

By forging a new partnership [between universities, industry and government], we are improving the odds for Canadian researchers and entrepreneurs. This is an important step in unlocking one of the barriers to innovation in Canada.

— Allan Rock, Minister of Industry, National Summit on Innovation and Learning, November 19, 2002.

2.3 Industry Canada's Priorities Chart



Section 3:

Industry Canada — Making a Difference

3.1 Industry Canada's Plan for Adding Value

This section highlights Industry Canada's high-level plans and priorities for each of its five strategic objectives. Additional information on other plans and priorities can be found in the Appendix.

**INNOVATION:** Improving Canada's innovation performance

Since the launch of *Canada's Innovation Strategy* in February 2002, Industry Canada has seen much support emerge for the proposals contained in *Achieving Excellence*, its contribution to the strategy. The Speech from the Throne confirmed the government's intention to move forward on a number of these proposals, such as support for the indirect costs of university research and for graduate students, the elimination of immigration barriers for highly qualified personnel, and the need for a new approach to regulation. As shown below, Industry Canada is working to implement many of the proposals, while involving all the key players of Canada's innovation system: the private sector, universities and colleges, and communities.

Achieving Excellence

Priority: Address key challenges for the university research environment by

- supporting the indirect costs of university research; and
- leveraging the commercialization potential of publicly funded academic research.

(www.innovationstrategy.gc.ca)

Achieving Excellence recognized the key role played by Canadian universities in the country's innovation system. Universities train a highly qualified work force and perform research that, in the long run, contributes to Canada's competitiveness. However, there is room for improvement in the process of seeking commercial applications for the results of publicly funded research. In order to help universities and colleges increase the commercialization of their research, Industry Canada intends to monitor the Framework of Agreed Principles, signed with the Association of Universities and Colleges of Canada, to gauge progress in reaching the goal of tripling commercialization by 2010. After three years, the Department, along with other stakeholders, will review the indirect costs of research program to ensure that funding provided in the 2003 budget satisfies, among others, the objective of increased commercialization by universities.

Canada's Innovation Strategy sets out many objectives and targets to improve Canada's innovation performance. As the strategy unfolds, it is imperative for the Department to gauge how well Canada is doing relative to those objectives and targets outlined in *Achieving Excellence*. An annual report will be prepared detailing Canada's innovation performance and monitoring progress. The report will also serve to underscore the importance of innovation as well as promote a greater understanding of its contribution to Canadians' quality of life.

Estimated financial resources allocated to this strategic objective for the 2003–04 fiscal year:

\$528.7 million.

Plans and Priorities by Key Results Commitment

Increased recognition of innovation as a critical success factor in all sectors

The engagement process that followed the release of *Canada's Innovation Strategy* gave Canadians the opportunity to respond to the call to action. The support expressed by the hundreds of responses and submissions confirmed that the Department's message about the link between innovation, our standard of living and quality of life is being understood. But awareness is only a first step; concrete action, involving all stakeholders, must follow to achieve progress.

Building on the momentum generated by the engagement process, the Department will work with private sector stakeholders to strengthen industry's innovation capacity and performance. As was agreed at the National Summit on Innovation and Learning, the Department will work with industry sectors to develop action plans based on their innovation commitments. Industry Canada will also improve the dialogue on innovation among federal, provincial and territorial governments by focussing on jointly identified priority areas and by developing action plans to respond to concerns.

The knowledge-based economy fuels an ever-increasing demand for skilled workers. Currently, our demographic situation is such that skill and labour shortages will increase. For Canada to be successful in improving its innovation performance, we need to ensure that our economy has a sufficient supply of highly qualified personnel.

To reach the knowledge performance target of becoming one of the top five countries in terms of R&D performance by 2010, we will need to at least double the number of research personnel in our current labour force and foster a strong "management class."

—*Achieving Excellence: Investing in People, Knowledge and Opportunity*
(www.innovationstrategy.gc.ca)

Our openness to immigrants provides part of the solution to the problem, but we need to ensure that Canada remains a destination of choice for newcomers whose skills are needed. To this end, Industry Canada, with Citizenship and Immigration Canada and with Human Resources Development Canada, is working to fast-track skilled workers who are entering Canada with job offers, to attract top international students and to break down the barriers to the recognition of foreign credentials.

Expanded knowledge base, especially in fields with good opportunities

Universities have an important contribution to make toward improving Canada's world standing in R&D spending. They currently perform 31 percent of Canada's R&D, a high proportion compared with other countries. With our main economic competitors, such as the United States, investing heavily in their universities, we cannot afford to rest on our laurels. In response, the Department intends to continue developing mechanisms for building research capacity in all of Canada's universities.

All of the innovation players come together at the community level. As stated in the Speech from the Throne, competitive cities and healthy communities are essential to Canada's economic and social well-being. *Canada's Innovation Strategy* recognized that a one-size-fits-all approach

to improving communities' innovation performance is not appropriate. Industry Canada will develop an innovative communities initiative to provide smaller Canadian cities and communities with help in fostering innovation for sustainable growth, based on their respective strengths and resources. The Federal Economic Development Initiative in Northern Ontario (FedNor) will invest in community-based innovation planning in Northern Ontario, with a special focus on the resource sector (www.fednor.ic.gc.ca). Projects will involve communities, small and medium-sized enterprises (SMEs), technology centres and post-secondary institutions.

Achieving Excellence

Priority: Strengthen the innovation performance of communities by

- providing funding to smaller communities to enable them to develop innovation strategies tailored to their unique circumstances.

(www.innovationstrategy.gc.ca)

In a global, knowledge-based market, innovative firms are more competitive and more profitable firms. We need to ensure that this message is heard and understood by all Canadian companies, regardless of size or sector.

Health sciences, biotechnology and clean energy were flagged at the National Summit on Innovation and Learning as emerging sectors with a high potential for growth. Through programs such as Technology Partnerships Canada (TPC), and organizations including Genome Canada, Fuel Cells Canada and BioProducts Canada, Industry Canada will continue working to ensure that the Canadian economy is well positioned to take full advantage of these promising fields, to advance not only the health and well-being of Canadians, but also the sustainability of Canadian industry.

Accelerated commercialization and adoption of innovative processes and products by Canadian organizations

The commercialization of research and adoption of technology are essential to capture the full economic and social benefits of research. Although Canada is slowly closing the commercialization gap with its competitors, more needs to be done, and with particular consideration given to SMEs. In order to facilitate commercialization and technology transfer for Canadian innovations, two products are being developed: the Commercialization Portal, designed to unite science and business by linking users to the most pertinent elements of the technology commercialization process; and Life Sciences e-Technology Transfer (LSeTT), an international marketplace of licensing opportunities, providing a showcase for Canadian-based research and innovation in the life sciences sector (strategis.gc.ca/SSG/bo01608e.html).

Canadian companies also lag in the adoption of new processes and

Technology Partnerships Canada

TPC will continue to make conditionally repayable strategic investments in innovative industrial research and pre-competitive development technologies. TPC supports SMEs in all regions of Canada.

Over the next three fiscal years, TPC expects to approve some 300 new projects, representing a TPC investment of up to \$800 million, and leveraging some \$3.5 billion of innovation spending. The above figures include investments to be made through TPC's partnership with the National Research Council Canada's Industrial Research Assistance Program (IRAP-TPC). IRAP-TPC will further enhance access to TPC by SMEs.

(tpc.ic.gc.ca)

technologies. Firms that resist taking full advantage of new technologies face serious implications in terms of their competitiveness. Acting as a facilitator, Industry Canada will develop workshops to help companies incorporate practices such as lean manufacturing into their operations.

Increased development and application of eco-efficient practices and technologies in Canada

With the ratification of the Kyoto Protocol, the government is taking steps to develop a strategy that will enable Canada to meet its obligations. Although companies are beginning to understand that these practices not only make sense from an environmental point of view, but also make a positive contribution to their bottom line, Industry Canada still has an important role to play in promoting the development and adoption of technologies that reduce our greenhouse gas emissions. To this end, TPC will support the government's climate change agenda, through strategic investments in research, development and innovation in key transformative technologies.

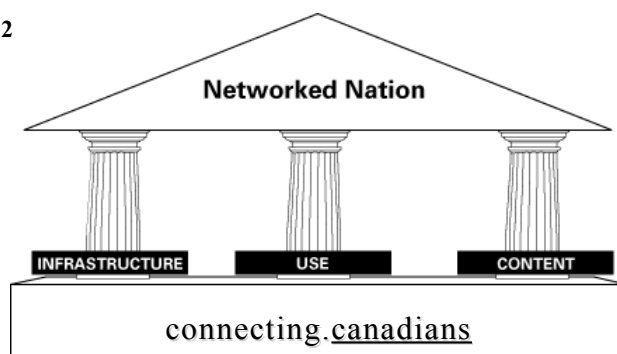
Industry Canada, through the delivery of its second Sustainable Development Strategy, will continue to help companies achieve their sustainable development objectives, by developing information products and tools for implementing sustainable development and eco-efficiency. The Department will also partner with the investment community to further its understanding of corporate sustainable development practices as value drivers, as well as how sustainable development can be factored into investment decision making.

A side effect of Canada's move into the information age is the mounting accumulation of obsolete computer equipment. Most ends up in landfills, where it presents a serious environmental risk because of the heavy metals used in the manufacturing process. Industry Canada is working with the Information Technology Association of Canada and the ElectroFederation of Canada to implement an industry-led plan to recycle electronic equipment, including computers and televisions. Discussions on the industry-led plan will be completed in 2003, and will be followed by a phase-in of recycling services over five years. It is expected that recycling will start in Ontario and Manitoba in 2004 and then be rolled out to other provinces.

CONNECTEDNESS: Making Canada the most connected country in the world

Industry Canada is the lead department in the Government of Canada's Connecting Canadians initiative, and has made significant strides toward its goal of making Canada the most connected country in the world. However, although Canada took early steps to meet the challenge of providing universal basic connectivity, many challenges remain. We must ensure that Canadian citizens and businesses are able to leverage the power of networks to create the applications, technologies and businesses of tomorrow. In 2003–04, Industry Canada will continue to implement activities, programs and policies related to the three pillars of a networked nation: infrastructure, use and content (*refer to Figure 2*). The success of this goal is dependent upon a multitude of partnerships. In Budget 2003, the Government of Canada committed to undertake a review of its Connecting Canadians initiatives to determine how best to collaborate with industry, the provinces and territories, communities and others for the continued delivery and relevancy of these initiatives for Canadians.

Figure 2



Broadband infrastructure and access are important components of an innovative economy. The government has introduced the Broadband for Rural and Northern Development Pilot Program. This investment will move Industry Canada toward its goal of ensuring that all Canadian communities have access to affordable broadband services by 2005.

In addition to a solid digital infrastructure, we must ensure that the country has a strong and dynamic information and communications technologies (ICT) industry. ICTs are critical to our success and future innovations as well as to ensuring productivity improvements in other sectors of the economy, such as forestry, the auto industry, manufacturing, and oil and gas. As studies repeatedly show, industries that invest in and use ICTs benefit from increased productivity levels.

We must encourage the adoption and use of innovative new processes, such as e-business. U.S. economist Hal Varian estimated that up to 40 percent of the productivity gains in the U.S. private sector over the next 10 years will come as a result of e-business applications. It is essential to ensure that the benefits of technology reach Canadian businesses of all sizes and in every sector. From on-line ordering to electronic procurement, Canadian companies must remain competitive in the digital age.

Achieving Excellence

Priority: Strengthen the innovation performance of communities by

- working with industry, the provinces and territories, communities and the public to advance a private sector solution to further the deployment of broadband, particularly for rural and remote areas.

(www.innovationstrategy.gc.ca)

Innovation, however, is not simply about technology. Canadians must also be equipped with the cutting-edge skills and learning they need to employ technology and innovate. This is why we must not only invest in technology, but also support an environment of inclusion in which all Canadians, communities and businesses have the power to be innovative and participate in the networked economy.

Estimated financial resources allocated to this strategic objective for the 2003–04 fiscal year: \$310.2 million.

Plans and Priorities by Key Results Commitment

Pillar One: Infrastructure

Canadians connected to each other and to the world in a way that is affordable and accessible

Industry Canada works cooperatively with other government departments, communities, research institutions, not-for-profit agencies and the private sector in leading the development of ICT infrastructure. An advanced ICT infrastructure is critical for the delivery of advanced on-line applications such as e-health and e-learning. As the vast majority of ICTs are provided by the private sector, the Department will continue to modernize legislation and regulatory frameworks, pursuing telecommunications policies that encourage competition, investment and innovation.

One of the Department's key priorities for the coming years is to continue supporting CA*net4, Canada's research and innovation network, through CANARIE Inc. In 2001, \$110 million was allocated for the establishment of CA*net4 (www.canarie.ca). Through 2007, Industry Canada will support the deployment and operation of CA*net4, providing Canada's research community with customer-managed, high-speed optical networking capabilities, enabling researchers to pursue advanced research and application development in areas such as health, education and the environment.

Many rural and remote regions lack advanced infrastructure and may find financial and technological hurdles difficult to overcome without government assistance. For this reason, Industry Canada is leading the delivery of a national broadband strategy to ensure that high-speed broadband access is available to Canadian communities, especially in rural, remote and First Nations communities. To facilitate this, the Department is providing funding to communities, enabling them to develop business plans for broadband connectivity, thereby providing an incentive for private sector deployment. Over the next three years, the Broadband for Rural and Northern Development Pilot Program will help to increase the number of communities with broadband access (www.broadband.gc.ca). Organizations such as FedNor are assisting communities in building telecommunications capacity to ensure that the government's rural and remote broadband goals are achieved.

Rural and Remote Broadband Access

The Communications Research Centre Canada has undertaken an R&D program to address rural and remote broadband access. The program will focus on adapting and developing technologies that can provide access to information networks, such as the Internet, to Canadians living in rural and remote areas, at a reasonable cost.

(www.crc.ca)

Through programs such as SchoolNet and the Community Access Program, Industry Canada will continue to play a leadership role in ensuring Canadians' access to digital infrastructure, promoting digital literacy and facilitating equitable participation in the networked economy. The Department will undertake a review of all of its connectedness programs to determine how best to collaborate with all stakeholders.

Maintaining and improving the integrity and security of communications infrastructure have received greater focus in the wake of current geopolitical uncertainty. Industry Canada will continue to work with stakeholders to enhance Canada's emergency telecommunications preparedness. It is imperative that Canadians be able to access an affordable, world-class communications infrastructure in their regular day-to-day activities, and that the telecommunications networks are used effectively in times of emergency.

Pillar Two: Use

A world-leading environment for electronic commerce

Industry Canada's goal is to create a world-leading environment that encourages the adoption and growth of e-commerce across all sectors of the economy. In support of this goal, Canada has developed comprehensive e-business policies to create the most favourable environment for e-business. The Department is using a two-pronged approach to promote e-business development, with the first component aimed at facilitating an improved entrepreneurial climate, and the second focussed on driving productivity growth through the widespread adoption of e-business technology.

Statistics Canada reports that more than 70 percent of Canadian businesses access the Internet. Despite this success, challenges for Canada remain, including

- the need to address the lagging adoption and use of e-business by SMEs;
- regional and sectoral disparities in e-business adoption;
- the need for a more skilled work force; and
- the need to ensure that Canada has a progressive policy and regulatory environment.

Industry Canada has helped establish the Canadian e-Business Initiative (CeBI). CeBI is a voluntary private sector-led partnership that fulfils the government's commitment to further Canada's e-business success by focussing on productivity, leadership and innovation. During its two-year mandate, CeBI's work (cebi.ca) will be carried out through seven teams whose aim is to further the acceleration of e-business adoption by focussing on raising awareness,

SourceCAN

SourceCAN uses the power of the Internet to move business immediately into a globalized e-marketplace. SourceCAN is committed to delivering on the following in 2003:

- Increase Canadians' access from hundreds to thousands of daily international business opportunities, thereby enhancing Canadians' global reach, competitive edge and marketability.
- Increase the multilingual capability of SourceCAN.
- Launch a new client-centred registration process for SourceCAN, enhancing the project's universal compatibility.
- Adopt a Universal Standard Product and Services Classification (UNSPSC), giving SourceCAN the ability to automatically convert procurement codes from around the world, benefiting both domestic and foreign companies that are seeking Canadian goods and services.
- Develop new federal, provincial, territorial, municipal and international partnerships, allowing for increased business opportunities for Canadian SMEs.

(sourcecan.com)

increasing readiness, and improving trust and confidence in the networked economy. Canada's progress in accelerating e-business adoption will be highlighted in two upcoming reports. In addition, strategic recommendations will be proposed to further the Government of Canada's goal to become one of the most innovative countries in the world. Two of Industry Canada's initiatives, Student Connections (studentconnections.ca) and eCorps (ecorpscanada.ca), help accelerate SMEs' adoption of e-business by providing organizations with hands-on practical assistance in becoming e-business ready.

The Department will work with industry and its associations to accelerate the adoption of e-businesses by developing sector-specific e-business action plans. These action plans will lead to the development of e-business resources, toolkits, diagnostics and training that will enable Canadian business to increase its productivity and global competitiveness. Industry Canada will continue to raise awareness among Canadian SMEs on e-business best practices and the advantages of e-business by supporting regional events as follow-up to the successful Partnering for e-Business National Conference. These events will keep the dialogue open between industry and government, in order to better determine the needs of business and enable the creation of better policies. Working more closely with industry and its associations will enhance the Department's ability to encourage the application of industry-wide interoperable e-business standards. These standards will allow Canadian companies to do business more efficiently, both domestically and globally, by decreasing costs and increasing revenues.

Canada has achieved success with a proactive policy environment, a highly connected population and a solid ICT infrastructure. Canada is working with its partners to establish consistency among global e-business policy approaches and standards. Canada is and will remain a key player in global e-commerce.

Pillar Three: Content

Canadian digital content and applications on-line maximized

Content drives demand. Internet users will get the information, services and products that are easily accessible and reliable. There is a need for greater quantity and quality in terms of multimedia applications, collections, information and services relating to Canada and Canadians. An improved ICT infrastructure across Canada will enable full interactivity and the use of applications that provide socio-economic benefits, such as e-health and e-learning. Canadian industries are well positioned to capitalize on potential opportunities with the increasing demand for innovative applications and services.

Through CANARIE Inc., Industry Canada will continue to support the development and demonstration of advanced applications via CA*net4, in partnership with industry and academia. Ultimately, this will result in increased quantity and enhanced quality of advanced applications in priority sectors for e-business, e-learning, e-health, e-content and intelligent systems.

Expanded on-line delivery of key government services and information in an integrated way to businesses and consumers

The federal government is committed to improving the delivery of services and information to Canadians through the Government On-Line (GOL) initiative. Although federal departments and

agencies are committed to delivering key services on-line by 2005, Industry Canada is dedicated to an accelerated GOL target of 2003— two years ahead of the government-wide target (*more information is available in section 3.2 on page 33*).

Industry Canada will continue to play an integral role in GOL by providing integrated and accessible on-line services and information. To achieve this goal, the Department will apply innovative solutions to the provision of on-line government services and information. For example, new technologies such as wireless features that enable access at anytime and from anywhere, to Web information via the Business Gateway (which Industry Canada manages on behalf of the federal government) will be explored to help improve the delivery and accessibility of current services in an ever-evolving Web environment.

Strategis

Strategis, Canada's business and consumer Web site, will undergo a renewal exercise in 2003–04 to examine its governance, sustainability and outreach. The renewal exercise is in response to the 2002 evaluation study recommendations. Strategis will continue to become a more accessible, integrated umbrella Web site for Industry Canada's business and consumer programs and services.

(www.strategis.gc.ca)

Another illustration of Industry Canada's leadership role is the Assistive Devices Industry Office, which is responsible for the GOL Assistive Technology portal. This portal brings together, on one site, information about assistive technology for Canadians (pwd-online.ca). In addition, the Department represents the Government of Canada as co-chair of the World Wide Web Consortium (W3C) Web Accessibility Initiative (WAI). New standards for services developed through the WAI will be implemented by the federal government to improve the accessibility of Web development services.

Industry Canada is playing a number of key roles in helping to define the shared IM/IT investment and services of the Government of Canada's Secure Channel initiative. Strategis is acting as the pathfinder project in the implementation of the Receiver General Buy Button (RBB), which will eventually provide a range of financial settlement options to clients purchasing government services. In addition, Industry Canada is acting as a pathfinder department with the Secure Channel initiative to demonstrate the feasibility of integrating discrete business systems.



MARKETPLACE: Building a fair, efficient and competitive marketplace

As indicated in *Canada's Innovation Strategy*, moving away from prescriptive regulatory regimes toward performance-based regulation is key to keeping pace with innovation-driven businesses.

Canada's copyright rules will be revised to ensure that Canada has a progressive regime that supports increased investment in knowledge and cultural works. The departments of Industry and Canadian Heritage will jointly draft and table amendments to the *Copyright Act*. Taking into account recommendations expected in the fall of 2003 by the House of Commons Standing Committee on Canadian Heritage, these amendments will further balance the protection of rights of copyright holders, while promoting access by Canadians to cultural and other works.

Industry Canada will also, as indicated in the February 2003 Budget, improve its laws and strengthen enforcement mechanisms to ensure that governance standards for federally incorporated companies and financial institutions remain of the highest order. Federal corporate governance legislation will be reviewed and necessary compliance mechanisms will be established to foster transparency and accountability, and to improve confidence and investment in Canada.

The marketplace service organizations (MSOs) will continue to ensure that the marketplace remains competitive and dynamic, by improving services to clients in areas such as the provision of patent application status on-line, and the provision of consumer information and radio frequency spectrum, to name a few. Efforts will also continue in the modernization of the tools used to detect, prevent and deter fraudulent, unfair and deceptive behaviour in the marketplace.

Marketplace Service Organizations

- Canadian Intellectual Property Office
- Competition Bureau
- Corporations Canada
- Marketplace Framework Policy Branch
- Measurement Canada
- Office of Consumer Affairs
- Office of the Superintendent of Bankruptcy Canada
- Spectrum, Information Technologies and Telecommunications Sector

Estimated financial resources allocated to this strategic objective for the 2003–04 fiscal year: \$133.7 million

Plans and Priorities by Key Results Commitment

A responsive marketplace framework for business, consumers and investors that is fair, efficient, competitive and world-class

For the marketplace to be responsive, to attract investment, and to protect consumers, marketplace frameworks must minimize the regulatory burden, and create incentives to innovate, while discouraging illegal and fraudulent marketplace behaviour.

There is a need to examine the market-based instruments in the Canadian marketplace that facilitate dynamic, private sector investment and innovation. Industry Canada will participate in the smart regulation initiative to promote the creation of optimal conditions for innovation and

investment, while protecting the public interest, by providing industry sectoral analysis and perspectives to better inform the smart regulation initiative. To foster innovation and investment in R&D, Industry Canada will also consider proposing amendments to the patent regime to ensure that Canada's intellectual property framework remains among the most modern and progressive in the world.

Efforts will be made to streamline regulations for the certification and approval of telecommunication and radiocommunication equipment, bringing equipment to market up to six months faster and with significant cost savings. In addition, a post-market surveillance capability will be established.

Regulatory Barriers

- By international standards, Canada has one of the lowest levels of regulatory barriers to entrepreneurship (after the United Kingdom).
- Canada's economic and administrative regulations appear to be, in comparative terms, innovation-friendly.
- That said, regulations at all levels — federal, provincial and local — should be tested for innovation-friendliness.

— The Conference Board of Canada, *4th Annual Report on Innovation*, 2002.

In order to modernize the governance framework for not-for-profit corporations, Industry Canada will draft a bill to replace Part II of the *Canada Corporations Act* with a new Act that is based on the principles of flexibility, transparency and accountability.

In response to rapidly changing marketplace conditions such as the development of the Internet, voluntary codes and standards are being developed to supplement the legal framework in Canada. In 2002, the Office of Consumer Affairs successfully led efforts to initiate an ISO standard for market-based codes of conduct, drawing on existing Canadian work in this area. It is expected that the standard will be completed by 2005. The standard should assist Canadian businesses in developing effective codes, with attendant benefits for consumers.

A marketplace that operates in accordance with the framework statutes, regulations, policies and procedures

The evolving marketplace, economic downturns and deregulation are among some of the many factors that require the continual review of services, interventions and tools used by the MSOs to ensure that the marketplace operates fairly and effectively. Setting the rules of the marketplace is not enough. Among Industry Canada's priorities is the establishment of a registration program to give qualified companies the authority to certify, on Measurement Canada's behalf, the accuracy of measurement systems in the downstream petroleum sector. The registration program will enhance monitoring in this sector, resulting in improved protection against economic loss due to inaccurate measurement.

In conjunction with domestic and foreign law enforcement agencies (e.g. RCMP, Ontario Provincial Police, U.S. Federal Trade Commission), and other federal institutions (such as Canada Post and the Canada Customs and Revenue Agency), the Competition Bureau has made it a priority to stop the victimization of North American consumers and businesses by deceptive telemarketers and scam operators. Tougher penalties will be sought for those who commit these crimes. Efforts will also be made to increase awareness among target groups on how to detect and self-protect against these crimes, and to reduce the dollar losses and number of victims targeted by scams. To achieve this goal, private sector companies such as Bell Canada, Visa and MasterCard will also be involved in educating consumers and businesses and increasing their awareness of deceptive telemarketing and scam activities.

The Spectrum, Information Technologies and Telecommunications Sector will continue to work with government and industry to prevent illegal satellite television. With the use of enforcement and educational tools by both industry and government, satellite television piracy is expected to decrease, and the Canadian broadcasting industry is expected to become more vibrant and competitive.

Corporations Canada will take the lead, along with provincial and territorial regulators of corporations, to reduce the administrative burden and cost imposed on business, by expanding the partnership on joint registration and filing of annual return information.

Confidence in the marketplace

Confidence in the marketplace is essential in attracting investment, fostering innovation and providing a climate in which consumers are well informed. With the speed of technological change and the blurring of economic borders, consumers, business and innovators must have access to state-of-the-art, user-friendly tools and information in order to thrive in the networked economy.

Consumers continue to seek information about a variety of products, including foods, and whether or not they are made with genetically altered ingredients. The Office of Consumer Affairs is participating in a multi-stakeholder process under the auspices of the Canadian General Standards Board to develop a voluntary labelling standard denoting whether or not foods are the products of genetic engineering. It is anticipated that the standard, once completed in 2003, will ensure that Canadian consumers can have confidence in the information that merchants provide regarding whether their foods or food ingredients are genetically engineered.

There is a need in the Canadian marketplace to encourage innovation, invention and creativity. As one response to this, the Canadian Intellectual Property Office will, through strategic alliances and in collaboration with key partners (such as the Canada Business Service Centres, the National Library of Canada and the Intellectual Property Institute of Canada), develop education, training and reference tools to increase the awareness, knowledge and effective use of intellectual property by Canadian entrepreneurs.

● **INVESTMENT:** Improving Canada's position as a preferred location for domestic and foreign investment

To increase our share of North American foreign direct investment (FDI), more aggressive efforts are required to promote the Canadian advantage in a North American context to investors in markets that generate high levels of FDI. Industry Canada works with federal investment partners, provincial/territorial departments and agencies, and the private sector to develop and implement specific initiatives related to investment policy, marketing, and attracting investment from priority markets into priority sectors.

Investment Priority Sectors

- Information and communications technologies
- Life sciences (biotechnology, medical devices and pharmaceuticals)
- Aerospace and defence
- Automotive
- Energy technologies
- Chemicals/petrochemicals

Agriculture and Agri-Food Canada and Natural Resources Canada are key sectoral partners.

(investincanada.gc.ca)

Studies on foreign manufacturing firms in Canada indicate that foreign affiliates make important contributions to raising Canada's productivity levels and capital investment, and are more likely than domestic firms to conduct R&D and be involved in collaborative R&D projects. That is to say, FDI is an indispensable element in fostering a knowledge-based and innovative economy.

In addition, domestic investment, particularly from the Canada-based business sector, including Aboriginal investment, contributes significantly to the creation of jobs. Studies by Statistics Canada indicate that, in recent years, small businesses created between 70 and 80 percent of all new jobs in Canada. In recognition of this contribution, Industry Canada plans to promote the establishment, growth, expansion and achievements of Aboriginal businesses across Canada and SMEs, in particular, those in Northern and rural Ontario.

Investments in Canada that strengthen existing operations are an important contributor to productivity improvement and economic growth. In recognition of this, Industry Canada will continue to develop initiatives and encourage investments in existing operations targeted to priority markets and priority sectors.

Estimated financial resources allocated to this strategic objective for the 2003–04 fiscal year: \$506.7 million.

Plans and Priorities by Key Results Commitment

Improved domestic and international investment climate

In order to create an attractive investment climate, real and perceived impediments to FDI (including border, immigration, regulatory and foreign ownership issues) need to be addressed. At the same time, it is important not to compromise the integrity of their intent. A better understanding of key impediments, the strengthening of partnerships within the federal, provincial/territorial and municipal governments and with industry are key to developing a more unified strategic approach to investment attraction. Investment impediments are identified through feedback from ministerial missions, Deputy Ministers' Investment Champion campaigns, signature events, domestic and international corporate calls, and incoming missions (www.investincanada.gc.ca).

In order to formulate effective strategies to address barriers, Industry Canada, in consultation with partner organizations and other government departments, will work to research, analyse and frame investment climate issues, develop better knowledge and understanding of key impediments and their effect on key industries and on Canada's investment climate. Through consultations with foreign multinational enterprises and Canadian industry, the Department will undertake the following:

- identify and analyse key investment climate issues that have an impact on investment in Canada;
- develop a list of issues and perceived impediments that affect investment in Canada's priority sectors; and
- advocate policy and regulatory changes without compromising the integrity of the intent of the policies and regulations.

To ensure that Canada's investment policies are world-class, the Minister of Industry announced at the National Summit on Innovation and Learning in November 2002 that the House of Commons Standing Committee on Industry, Science and Technology would undertake a review of the restrictions on foreign investment in telecommunications. The review, which is currently in progress, will attempt to answer the question: How can Canada secure access to a larger capital pool for investment in new and improved telecommunications infrastructure without compromising its national interests? The Department will respond to the committee's recommendations.

Canada recognized as an investment location of choice

In *Achieving Excellence*, the government reinforced the importance of marketing Canada as an investment location of choice. Research shows that there is a lack of business awareness and consideration of Canada as a preferred investment location. Enhancing Canada's image as a desirable location of choice for investors involves working with partners to coordinate investment promotion events and activities. Industry Canada, especially through Investment Partnerships Canada (IPC), is taking steps to increase awareness among potential investors in key sectors. The Department and IPC are promoting Canada's advantages as an investment location and informing potential investors of opportunities for the expansion and development of value-added businesses within Canada, by implementing focussed marketing and communications strategies, especially in priority sectors.

Achieving Excellence

Priority: Promote Canada as a location of choice by

- committing to a sustained investment marketing strategy; this could include Investment Team Canada missions and targeted promotional activities.

(www.innovationstrategy.gc.ca)

Measures will be taken to ensure that core messages are formulated in a consistent manner and are targeted to the appropriate decision makers. This will increase awareness among both international and domestic investors across diverse sectors, including Canada's ICT industry, of the strengths and capabilities of Canadian industry and of Canada's supportive infrastructure. The Department, with IPC, also provides investment information products and Internet-based marketing and communications tools, such as the Invest in Canada Web site (www.investincanada.gc.ca).

Increased attraction and retention of multinational investment in Canada

Industry Canada works with various partners to attract and retain increased multinational investment through coordinated and targeted investment campaigns. For example, work with the private sector, both at the domestic and international levels, will be undertaken to facilitate strategic alliances and to promote investment opportunities. In addition, a knowledge-sharing system accessible by all members of the partnership will be established. Industry Canada will continue to actively support the Deputy Ministers' Investment Champion campaigns led by IPC.

In cooperation with Canadian embassies and other partners, the Department provides coordinated support services for the investment needs of identified multinationals in Canada and overseas. For example, in priority industrial sectors, the Department is involved in developing sector-specific investment strategies and addressing sector and company-specific issues that are key for investors who are making location decisions.

Increased investment by SMEs and Aboriginal businesses

Industry Canada is working toward the creation and expansion of viable and durable SMEs, as well as businesses owned by targeted groups, which leads to increased investment. The Department, through the *Canada Small Business Financing Act* (CSBFA) loans program, will work to increase investment in viable and durable SMEs by facilitating access to approximately \$1 billion delivered through about 10,000 loans to small businesses. The Department also expects that the CSBFA Capital Leasing Pilot Project will facilitate access to about \$50 million in financing through about 300 capital leases made by lessors.

Strengthening Aboriginal Entrepreneurship and Business Expertise

Reflecting the recent Speech from the Throne commitment, measures are being taken to improve opportunities for Aboriginal entrepreneurs and organizations across Canada to benefit from Aboriginal Business Canada, including:

- expanding eligibility criteria and operating guidelines;
- placing importance on assisting first-time entrepreneurs and new manufacturing, science/technology, or business and professional services firms; and
- increasing support to existing businesses with market expansion and innovation projects.

(www.abc-eac.gc.ca)

Industry Canada also supports investment funds in Northern and rural Ontario, through the Community Futures Development Corporations (CFDCs) delivered by FedNor. For example, FedNor will continue to assist SMEs and Aboriginal businesses in Northern and rural Ontario to obtain necessary financing. Over the next two years, Ontario CFDCs will invest more than \$70 million in rural and Northern Ontario SMEs, leveraging an additional \$50 million in investments from other sources.

There is a need to develop capacity at the community level to stimulate investment by SMEs and target groups (e.g. among Aboriginal people). In Budget 2003, the Government pledged to promote entrepreneurial skills and job creation among Aboriginal people by increasing support for Aboriginal Business Canada (ABC). This, in turn, will be used to support the start-up or expansion of more than 500 Aboriginal businesses across Canada. ABC's \$38-million investment will leverage an additional \$80 million in investment among Aboriginal people.

Work will also be undertaken to address the increasing number of new youth entrepreneurs, who

require mentoring to improve the viability and durability of new business start-ups. Recognizing the dramatic increase in the Aboriginal youth population, ABC will continue to provide approximately \$7 million in financial support for youth entrepreneurship, including business support activities such as mentoring.

Investing in an Improved Quality of Life

The Canada—Ontario Infrastructure Program (COIP) represents a six-year, \$680.7-million federal investment. The COIP is improving the quality of life for Ontarians by investing in urban and rural municipal infrastructure in Ontario. Industry Canada believes that modern infrastructure is the key for the development of communities that are strong enough to attract new economic development, retain existing businesses and enhance the quality of life of their citizens.

Canada's Innovation Strategy recognizes the importance of communities as a cornerstone of economic development. Communities are where the elements of a national, globally competitive innovation system come together. As a top priority, a minimum of 40 percent of program investments will be devoted to "green" municipal infrastructure, and a minimum of 15 percent of funds will be invested in rural communities. Other priority investments target projects focussing on health and safety, sports, culture, tourism and innovation.

Due to the extraordinary response to the COIP, all available federal funds have been earmarked for eligible projects nominated by the Province of Ontario.

(www.ic.gc.ca/coip-pico)

● **TRADE:** Working with Canadians to increase Canada's share of global trade

Industry Canada supports efforts to increase access to new markets and to secure and improve access to existing markets. It promotes the benefits of exporting and helps SMEs enhance their ability to compete at the global level. It also helps established Canadian companies pursue foreign markets and promote Canada as a supplier of high quality goods and services.

An estimated one out of every four jobs in Canada is linked to success in the export market. Trade, however, does not stand alone. There are linkages between investment, innovation and trade that are important to capitalize upon in building a strong foundation in the international business development continuum and in enhancing Canadian productivity. In addition to generating revenues, trade improves efficiency and productivity, as firms develop or adopt new technologies and embrace new managerial methods, resulting in new, high quality jobs.

The United States continues to dominate as Canada's largest export destination, with some 82 percent of our exports going to U.S. customers. Statistics Canada estimates that the daily two-way trade in goods and services between Canada and the United States is estimated at \$1.85 billion. Resolving border issues related to the movement of goods and people, and increasing the Canadian presence in the United States, are priority issues to ensure that Canada's commercial interests in this market are reinforced. In the Speech from the Throne, the Government recognized that the Canada–U.S. Smart Border Declaration provides a mechanism to address these issues, and committed to expanding fair and secure trade. Industry Canada will build on this work to ensure that Canadian companies can maximize new and existing trade opportunities.

At the same time, Canadian exporters are looking to other international markets where new opportunities have been created. Mexico is one of the fastest-growing export markets, albeit from a small base. It is now our fourth most important export market after the European Union and Japan. The Department works closely with a wide range of federal departments, provincial and territorial governments, and the private sector, in an effort to have better-coordinated international business development efforts.

Estimated financial resources allocated to this strategic objective for the 2003–04 fiscal year: \$33.4 million.

Plans and Priorities by Key Results Commitment

Secure market access maintained and improved

A predictable and open trading environment is essential for new and existing companies to compete and to have confidence in their marketplace. The Government of Canada is committed to bringing down barriers in key markets, ensuring continued and efficient access to existing markets, and modernizing shared borders. The priority is to advance trade liberalization at the multilateral, regional and bilateral levels. Not only will this promote and defend Canadian trade interests, it will also create synergies with Canada's investment and innovation objectives.

International discussions and negotiations are now more complex and challenging, as market access and globalization issues go beyond the elimination or reduction of tariffs. Discussions have entered into areas previously regarded as being strictly in the domestic policy domain. There is greater emphasis, from the Canadian perspective, on investment (e.g. technology

transfer, investment protection) and services. Services are of special interest, as the knowledge-based sectors and new means of doing business (such as e-commerce) play a greater role in the Canadian economy. Industry Canada is an active participant in these discussions and, in partnership with DFAIT and the Department of Finance Canada, pursues strategic trade policy objectives.

At the multilateral level, the priority will be to bring the new round of the World Trade Organization (WTO) negotiations, the Doha Round, to a successful conclusion. The negotiations, launched in November 2001, are very complex and are expected to reach a critical review point at the Cancun 2003 Ministerial. At the same time, the WTO ongoing agenda demands support, as countries currently not part of the organization, such as Russia and other Eastern European countries, are negotiating their accession. Industry Canada will continue to conduct and support research on key trade and investment issues and by ensuring an appropriate balancing of industry interests in developing Canadian negotiating positions.

Efforts are ongoing to promote and defend Canadian trade and investment interests at bilateral or regional levels. The Canada–Costa Rica Free Trade Agreement (FTA) came into effect in November 2002. The Free Trade Area of the Americas (FTAA) negotiations are scheduled for completion in 2004. FTA discussions with Central America and Singapore are continuing. Exploratory discussions have been initiated with the Dominican Republic, as well as Andean and Caribbean countries. If appropriate, a mandate to launch negotiations with these countries will be sought. Sector-specific mutual recognition agreements have proven to be effective instruments in improving market access on a bilateral level, especially for ICT sectors. Existing agreements will continue to be managed and, where appropriate, new agreements will be negotiated.

The strong linkage between trade and investment is clearly demonstrated through the importance placed on Foreign Investment Protection Agreements (FIPAs). A FIPA is a bilateral reciprocal agreement aimed at protecting and promoting foreign investment through legally binding rights and obligations. The Canadian FIPA was developed using the investment protection standards of the NAFTA investment chapter. Since that time, 11 FIPAs have been signed. The negotiation of new FIPAs with key partners will be a priority.

At the domestic level, the Agreement on Internal Trade (AIT) supports the reduction and elimination of domestic barriers to trade that hamper domestic competitiveness. The new economy presents its own challenges, and the parties to the AIT will develop a forward agenda to resolve emerging issues. There is a need to rejuvenate the commitment to liberalize domestic trade, and an action plan will be developed on the future of the AIT.

Export capability and preparedness

Since 1993, the exporter population has grown by almost 30 percent to 38,000 exporting establishments. In spite of this, 83.6 percent of Canada's exports are generated by only 4.2 percent of exporters. SMEs that export less than \$1 million annually represent the bulk of the exporting population. Many have the potential to increase the volume of their exports and become regular exporters. However, they face challenges, including finding the appropriate information to prepare themselves for expanding their exporting capability, and selecting the appropriate markets. They need to avoid costly errors by learning about export opportunities, the mechanics of exporting, and the various requirements for getting goods across borders. Industry Canada's International Trade Centres are there to reach out to export-ready companies. Based on client research now under way, a program to raise awareness will be based on concepts that resonate with, and are understood by, the target community.

Self-assessment and preparation are important steps on the part of potential exporters. In collaboration with Team Canada Inc, the Canada Business Service Centres will develop a new and improved version of the Interactive Export Planner. This tool, which uses the capabilities of the Internet to assist new and existing businesses in preparing an export plan, will help raise awareness of the benefits of export planning for current and prospective exporters. Other information products will also be developed and enhanced to better meet client needs.

International market development

Trade with the United States is important to the Canadian trade picture. The proximity of this market and the relative similarity of the two countries provide the entree to the exporting world for many new exporters. The Speech from the Throne recognized the importance of our relationship with the United States by supporting an increased Canadian presence in this market. Budget 2003 provides funding to increase Canada's consular presence in the U.S. and to create new satellite offices that will focus on specific sectors or issues.

This presence will not only support Canada's trade relations, but it will also provide opportunities to communicate Canada's attractiveness for investment linkages to our important partner, as well as profile Canadian technical capabilities and innovative companies. This will not only benefit traditional sectors, but will also assist knowledge-based sectors. In addition to having an increased presence in the United States, it is important to ensure the continued smooth flow of cross-border trade and investment, while also addressing North American security concerns. Industry Canada will participate actively in the development and implementation of policies and initiatives aimed at achieving these objectives.

As an important consequence of Canada's ratification and the coming into force of the Kyoto Protocol, new international business opportunities for Canadian technologies and services will emerge. New energy efficiency and emission reduction projects will be identified and pursued. These, in turn, will encourage Canadian innovations to advance to the marketplace at home and abroad. The Sustainable Cities Initiative that began as a pilot project in 1999 has been extended to 2004–05. The objective is to develop integrated strategies and solutions to a range of urban problems generated by rapid urbanization in developing economies. The pilot project identified three cities, but the scope has now expanded to cover 17 cities on four continents. The project will contribute to the awareness of Canadian technological capabilities in sustainable development, increase Canadian exports of products and services, and ultimately help Canada and lesser-developed countries meet Kyoto Protocol objectives.

Trade Team Canada Sectors are private sector–government partnerships that coordinate trade development planning in high-performance trade sectors (tcs.ic.gc.ca). Teams collaboratively set standards for planning strategies, involving relevant partners, communicating opportunities and ensuring the effectiveness of their activities. These standards form the yardstick by which they are evaluated on a biennial basis. Web products are being developed that will enable more team members to receive and share market information and intelligence via team Web sites. These sector teams encompass Canada's innovative industries. There is a concerted effort to raise foreign buyers' awareness of Canada as a world-class economy, and of Canadian industry as a key global source of high quality, high-technology products and services. In support of these objectives, a marketing initiative is helping to showcase Canadian capability at key international trade shows. The program is evaluating the degree of satisfaction on the part of Canadian trade clients with the current trade development program and its commercial impacts, as well as assessing the views of foreign visitors to Canadian pavilions. The information from these studies will allow Industry Canada, in cooperation with other federal partners, to make any

necessary adjustments to better serve client needs and to refine the Canadian approach to these events to better meet Canada's objectives.

A more coordinated and cohesive approach to international trade development

Team Canada Inc, Canada's virtual trade agency, represents a major collaborative approach to international trade development (**exportsource.gc.ca**). As one of the founding members, Industry Canada will continue to be a leading member in the delivery of Canada's international trade development programs. There are two key priorities for the future. One is to ensure that there are strong linkages and collaboration between the trade, investment, and science and technology cooperation agendas — the three pillars of international business development.

The other is to build support for the Regional Trade Networks (RTNs). These are federal, provincial, territorial and non-governmental partnerships in the regions that are directly accessible by SMEs interested in exporting. The federal, provincial and territorial co-chairs of the RTNs met for the first time in January 2003 and will be developing a proposal for how the RTNs can be strengthened to better serve SMEs in each region.

FedNor is embarking on a new "Team Northern Ontario" trade strategy, designed to increase export-readiness and facilitate access to markets for SMEs. The strategy addresses current trade-related programming gaps, and provides existing and potential Northern Ontario exporters with better service delivery and support, as well as access to markets. Key elements of this strategy include creating a Government of Canada focal point for trade service delivery, complementary to Industry Canada's International Trade Centres; establishing a "network" of five regionally oriented, community-based service delivery organizations, championed by FedNor; and promoting the collective initiatives of the trade network and FedNor as "Team Northern Ontario."

3.2 Government-Wide Themes and Management Initiatives

Modern Comptrollership Initiative

Industry Canada is actively engaged in Modern Comptrollership, a government-wide management initiative focussed on sound resource management and effective decision-making.

The Department's plans and priorities with respect to the Modern Comptrollership Initiative (MCI) for 2003–04 include the following:

- Complete the action plan and continue the implementation of the MCI by building on the achievements and initiatives of Industry Canada's sectors, branches, programs and regions through ongoing consultations, communications and collaboration.
- Develop tools and training courses to improve awareness and understanding of modern comptrollership.
- Continue to advance performance measurement in order to support Industry Canada's progress in focussing on results and outcomes, rather than on activities and outputs.
- Initiate the development of risk profiles and frameworks at both the corporate and sector levels. The Department will also continue to participate in Treasury Board of Canada Secretariat's Integrated Risk Management Framework Implementation Phase II exercise.
- Support sectors and branches in communicating and sharing existing values and ethics, and vision/mission statements. Develop specific Industry Canada case studies, training and presentations targeted to sectors, branches and regions, to raise awareness of issues around values and ethics and to facilitate the development of values and ethics statements across the Department.
- Complete the Modern Comptrollership Barriers project, a cross-departmental initiative, in partnership with Natural Resources Canada, Health Canada and Human Resources Development Canada, to better understand the cultural and operational barriers that could impede the implementation of modern comptrollership.
- Implement a Financial Management Learning Strategy designed to provide managers, specialists, officers and other employees with a learning and development tool that will assist them in fulfilling their financial management responsibilities.

Industry Canada's Modern Comptrollership Priorities

- Values and Ethics
- Performance measurement
- Risk management
- Capacity of functional specialists and role of the senior financial officer

(www.ic.gc.ca/mci)

Government On-Line

The Government of Canada's Government On-Line (GOL) initiative is committed to providing integrated, client-centred service delivery to all Canadians by 2005. Industry Canada has set an accelerated GOL target of 2003. The Department has identified 17 key services that will be on-line by 2003. Steady progress is being observed in making the on-line transformation.

Federal Incorporations, Filings Under Investment Canada, Lobbyists Registration, NUANS (Newly Upgraded Automated Name Search), Canadian Intellectual Property Office and Radio Frequency Spectrum Licensing and Certification through Spectrum Direct (**rils.ic.gc.ca**) are already on-line and will continue to enhance and improve their service levels.

Canada consistently ranks as a leader in e-government, based on the number of on-line services and the sophistication of service delivery. A key contributing factor to this success is the newly redesigned Canada site (**canada.gc.ca**) and its three portals (Canadians, Non-Canadians and Business). One of the portals, the Business Gateway (**BusinessGateway.ca**), is managed by Industry Canada. It provides a single access point to information, programs and services for Canadian businesses. It also includes an enhanced search engine, providing users with more directed search results.

A Business Gateway strategy and roadmap that will contribute to the broader Government of Canada GOL vision has a planned completion date of spring 2003. This strategy, which is being undertaken on behalf of the Government of Canada, will pursue the development of a "Beyond 2005 Vision" that will articulate what the Business Gateway and clusters will look like in 2005 and how they will get there. The 2005 strategy will identify the preferred approach through which the Business Gateway and the clusters will

evolve. The comprehensive roadmap will address strategic investments that will position the Business Gateway and clusters to deliver the transformative, integrated services and features

Industry Canada will continue to provide citizen-centred service through a range of programs and services, including the following.

The network of **Canada Business Service Centres (cbssc.org)** provides SMEs and new entrepreneurs with accurate and integrated information on programs, services and regulations, from federal, provincial/territorial and municipal orders of government.

The **Strategis** site (**strategis.gc.ca**) boasts more than 25,000 links to domestic business services; provides transactional and marketing services, publications and information; and continues to be one of the federal government's premier service delivery sites.

The **Canadian Intellectual Property Office's (CIPO)** Web site (**cipo.gc.ca**) is consistently among the top five most-visited sites on Strategis, with more than 2 million visits to its home page and searchable patent and trademark databases annually. The site also offers a wealth of intellectual property-related information on over 1,000 dynamic pages, with associated e-services for filing and registration of patents, trade-marks, copyrights, industrial designs and integrated circuit topographies.

ExportSource (exportsource.gc.ca), offered by Trade Team Canada Inc, provides Canadians with a comprehensive source of exporting information and services.

Canadian Consumer Information Gateway (consumerinformation.ca), another Government On-Line component, gives fast and easy access to consumer information provided by the Government of Canada and its partners.

Ebiz.enable (www.strategis.gc.ca/ebizenable), Canada's e-business portal, will launch a comprehensive "how-to" guide designed to assist businesses in gathering intelligence on the markets, emerging technologies, business opportunities and threats, including an interactive cost/benefit tool to support SMEs' e-business investment decisions.

that businesses need, through all channels of service delivery.

As Industry Canada's program delivery Internet site, Strategis (strategis.gc.ca) is integral to meeting the Department's GOL commitments. Strategis is also a major business and economic content contributor to the Business Gateway and clusters.

In addition, work involving trade-mark renewals has been under way, including automation of "back office" parts of those transactions, and will continue in 2003.

The Department has also been working with the Accessibility Domain Architecture Team to provide fully accessible GOL services to all Canadians (www.cio-dpi.gc.ca/fap-paf/index_e.asp). As well, the Assistive Devices Industry Office is leading the development of the Accessibility sub-portal for persons with disabilities (strategis.ic.gc.ca/sc_mangb/asstdev/burst.html).

Horizontal Management: Canadian Biotechnology Strategy

The purpose of the Canadian Biotechnology Strategy is to enhance the quality of life of Canadians in terms of health, safety, the environment, and social and economic development, by positioning Canada as a responsible world leader in biotechnology. Priorities for the second year of Phase II include the following:

- providing policy coordination for the Government of Canada biotechnology agenda;
- developing expert advice on key emerging issues through the Canadian Biotechnology Advisory Committee; and
- addressing key policy priorities across departments on stewardship, innovation and citizen engagement, focussing on the areas of health innovation and bio-based economy.

(biotech.gc.ca)

Citizen-Centred Service Delivery

Industry Canada's approach to fulfilling its mandate is centred on its clients. A leader in working collaboratively with other departments and agencies, other orders of government and the private sector, Industry Canada delivers citizen-centred services using leading-edge information products and technology, while continuing to give clients their choice of access channels.

Industry Canada has been engaged in developing a longer-term, broader framework for the products and services that it delivers to Canadian businesses. The Service to Business Agenda will address what businesses can expect from GOL by 2005 and beyond, as well as the strategic investments that will be required by the Government of Canada. This exercise is a direct complement to the Business Gateway vision exercise, discussed previously.

Employees working in Industry Canada's five regions, with local service points in 50 communities (including FedNor offices, Community Futures Development Corporations and Aboriginal Capital Corporations), will continue to deliver the Department's products and services across the country and provide an important regional dimension in bringing forward the unique concerns of the Department's diversified client base.

Developing an Exemplary Workplace 2003–04

STRATEGIC OBJECTIVE: Industry Canada will pursue an integrated recruitment, representation, employee development and retention strategy responsive to business objectives and the provision of services to Canadians.

General Human Resources Mandate

Priority Ensure an up-to-date understanding of work environment issues and workforce analysis (demographic trends, skills, employee perspectives) to be able to intervene with human resources management strategies that contribute to the fulfilment of departmental business objectives.	Plan Analyse and develop an action plan to respond to the 2002 Public Service Employee Survey and other related studies. Analyse demographic trends and identify potential impacts on recruitment, designated group representation, training requirements, career development and retention. Identify and monitor key performance indicators for human resources management.
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Recruitment

Priority Maintain efficient and flexible approaches to recruitment consistent with delegated authorities.	Plan Analyse the potential impact on recruitment processes of changes resulting from human resources modernization. Implement collaborative cross-sectoral recruitment actions in post-secondary recruitment, where appropriate, to minimize resource requirements and optimize management effort. Analyse activity and the results of the implementation of delegated recruitment authorities. Establish a more systematic process for file documentation and monitoring of recruitment and staffing files.
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Retention

Priority Enhance the talents, skills and motivation of Industry Canada employees to ensure that the Department continues to deliver the programs and services that support its five strategic objectives.	Plan Actively promote and support the Leadership Development Program for EX minus 1 and EX minus 2 levels. Using demographic analysis and environmental scanning by sector of the Department's EX and feeder group population, maintain and refine the EX database and inventory, supporting the Department's overall management strategy. Support the annual and semi-annual Industry Canada Management Committee review of EX inventory for succession planning of key positions and the annual review of the EX minus 1 group. Participate in the development of the Human Resource Management System to support the implementation of competency-based management within the Department. Promote the new Awards and Recognition Program.
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	<p>Encourage career development through new projects such as those developed for Junior Professionals: the Career Advisory Panel, Community Building Initiative and Orientation Program.</p> <p>Provide professional development opportunities through a lecture series on economics, communications, management, leadership and Government On-Line.</p> <p>Promote the development of Personal Learning Plans to support individual career advancement.</p> <p>Apply the efforts and resources of the People Management Committee and Fund to respond to workplace well-being and work environment issues identified under the 2002 Public Service Employee Survey and other studies.</p> <p>Support a Managers Leadership Network (for middle managers) and a second annual conference focussed on challenges faced by the middle management community.</p>
Employee Development	
<p>Priority Through training, diverse work experiences and career advancement possibilities, provide opportunities for each employee to perform work at his or her highest potential.</p>	<p>Plan Implement and monitor a professional development and advancement pilot program for ES employees in the Micro-Economic Policy and Analysis Branch that will advance employees from ES-02 to ES-05 based on individual merit.</p>
Representation	
<p>Priority Build a work force at the Department that is representative of the population it serves.</p>	<p>Plan Proactively support the four departmental diversity advisory committees (Aboriginal people, visible minorities, persons with disabilities and women).</p> <p>Continue to build managers' awareness of best practices related to employment equity and diversity goals through presentations to sector/branch management teams and diversity awareness training.</p> <p>Address funding allocation in the Department to meet accommodation needs.</p> <p>Implement the approved Employment Equity Action Plan for 2003-06, including the development of sector and regional action plans.</p> <p>Review the capacity of the department to deliver services in both official languages in light of the changes in the Canadian population distribution by language groups identified in the 2001 Census.</p>

Section 41, *Official Languages Act*

Industry Canada will continue to work in partnership with minority communities to pursue the government's action plan and priorities for official languages. The Department will continue with its Portfolio strategy to increase the participation of official-language minority communities in its programs and services. This strategy is based on integrating the following three key activities across the Portfolio (primarily with the regional development agencies):

- undertaking internal and external communications activities to raise the awareness of section 41 and of Portfolio mandates, programs and services, respectively;
- conducting research and analyses to learn more about economic development in the communities and what Industry Canada can do, within its mandate, to address community needs; and
- enhancing existing programs and services to ensure the official-language minority communities are integrated in program renewals and in related strategies, plans and policies.

Implementing the Communications Policy

In providing a broad horizontal overview for departmental communications activities, and by guiding communication policy implementation, the Deputy Minister's Strategic Communications Committee will continue to play a leadership role at Industry Canada. Communications and Marketing Branch is refining its service delivery method, and further reorganization of communications activities within functional divisions will enhance communications programs and service support of the Communications Policy of the Government of Canada. Service agreements, with guidelines for communications activities, including sponsorships and advertising, will be developed for clients. A new publishing committee for the Department is also planned. Increased emphasis will be placed on evaluation of a selection of communications activities.

Sustainable Development Strategy

Industry Canada's second Sustainable Development Strategy, 2000–03, was tabled in the House of Commons in February 2001. The strategy commits the Department to promoting sustainable development through the following three objectives:

- promoting productivity through eco-efficiency;
- encouraging the development of environmental technologies; and
- integrating sustainable development into decision making.

These sustainable development objectives are being pursued through the results, deliverables and performance indicators presented in Table 3 on page 38.

In response to the recommendation in the 2002 Report of the Commissioner of the Environment and Sustainable Development, more comprehensive performance information on Industry

Canada's second strategy will be made publicly available this year. Highlights of achievements will be presented in the Consolidated Reporting section of the 2003–04 Departmental Performance Report, with more detailed information on the progress of each of Industry Canada's strategy commitments to be made available on the Department's Sustainable Development Web site in 2003.

The Department's senior management team recently approved the plan for developing Industry Canada's third Sustainable Development Strategy, 2003–06, which is scheduled to be tabled in the House of Commons in December 2003. Both the internal and external issues scans are under way, as is the mid-term evaluation of the second strategy. The three studies will be made available to the public on the Department's Sustainable Development Web site in 2003, and their results will inform the development of the third strategy.

Industry Canada's Sustainable Development Web site also has information on the strategy and its deliverables (strategis.gc.ca/sd).

Table 3: Intended Results, Deliverables and Performance Indicators

Sustainable Development Objective: Enhance the capacity of Canadians, industries and firms to develop and use eco-efficiency practices, tools, technologies and products that contribute to increased productivity and environmental performance.		
Target: Work in partnership with industry and others to demonstrate the contribution of eco-efficiency to enhancing productivity and environmental performance through capacity building in R&D and skills, applying the tools in the marketplace, and measuring the success of initiatives. By 2003, successfully complete eight identified action plan deliverables.		
Intended Results	Deliverables: Action Plan Items to Achieve Results	Performance Indicators
Capacity building in R&D and skills	<ul style="list-style-type: none"> Supporting the establishment of Research Chairs Supporting the establishment of Networks of Centres of Excellence (NCEs) 	<ul style="list-style-type: none"> Number of research areas assessed and supported Number of NCEs assessed and supported
Applying the tools in the marketplace	<ul style="list-style-type: none"> Assisting SMEs to use eco-efficient practices, tools and technologies, and promoting the adoption of environmental standards Developing and encouraging the use of voluntary non-regulatory initiatives Assessing the extent to which environmental labelling assists consumers Identifying opportunities for the Internet and associated information and communications technologies to contribute to eco-efficiency 	<ul style="list-style-type: none"> Number of workshops, tools and pilot projects developed Number of voluntary agreements developed with industry sectors Number of progress reports Number of Internet assessments made or information products developed

Measuring success	<ul style="list-style-type: none"> • Furthering the development of eco-efficiency and sustainable development indicators and examining the environmental reporting practices of Canadian industry • Encouraging industry's social responsibility through an assessment of best practices and improving guidelines and indicators 	<ul style="list-style-type: none"> • Number of indicators developed and extent of surveys conducted • Number of reports on best practices or guidelines
Sustainable Development Objective: Facilitate the development and diffusion of environmental and enabling technologies that produce long-term economic and environmental benefits.		
Target: Work in partnership with industry, other federal and provincial/territorial government departments and other key partners to facilitate the development and/or diffusion of environmental and enabling technologies that produce long-term economic and environmental benefits for Canada. By 2003, successfully complete 12 identified action plan deliverables.		
Intended Results	Deliverables: Action Plan Items to Achieve Results	Performance Indicators
Promoting technology innovation	<ul style="list-style-type: none"> • Investing in innovative environmental and enabling technologies through Technology Partnerships Canada (TPC) • Supporting the establishment and operation of the Sustainable Development Technology Fund (SDTF) • Supporting the R&D of innovative intelligent systems solutions through Precarn III • Working with the Canada Foundation for Innovation (CFI) to support a research infrastructure 	<ul style="list-style-type: none"> • Number of sustainable development projects supported by TPC, dollar amount invested by TPC, and amount of innovation spending leveraged • Number of sustainable development projects supported per annum by SDTF, Precarn and CFI
Working together through strategic partnerships	<ul style="list-style-type: none"> • Developing and implementing the Pathways to Growth for Environmental Technologies Sector Strategy • Promoting and monitoring progress of Genome Canada • Supporting and undertaking Technology Roadmaps (TRMs) in key strategic areas • Expanding international business development through the identification and marketing of Canada's environmental technologies • Supporting international urban pilot projects through the Sustainable Cities Initiative 	<ul style="list-style-type: none"> • Level of participation of other government departments, provinces/territories and industry in the development and implementation of the Pathways to Growth for Environmental Technologies Sector Strategy • Level of participation of Industry Canada in Genome Canada activities • Number of technologies identified, and number of industry commitments to technology development and commercialization-related actions arising from a TRM

		<ul style="list-style-type: none"> • Extent of improved market access to domestic and global market opportunities for Canadian environmental companies
Encouraging new approaches	<ul style="list-style-type: none"> • Supporting the development and implementation of the National Implementation Strategy on Climate Change • Encouraging and supporting the continued development of the fuel cell industry • Promoting industrial sustainability through biotechnology 	<ul style="list-style-type: none"> • Participation of industry stakeholders in the national climate change process, and completion of detailed analysis of options for addressing climate change and their economic implications • Development and adoption of fuel cells in both industry and government • Canadian Biotechnology Strategy partnering, funding levels supporting initiatives, consultations with public and annual reports
Sustainable Development Objective: Improve the integration of sustainable development considerations into departmental decisionmaking, including the development and delivery of departmental policies, plans and operations.		
Target: Improve the integration of sustainable development considerations into Industry Canada's decision making in the planning, implementation and evaluation phases of the Department's management system. By 2003, successfully complete nine identified action plan deliverables to improve decision making.		
Intended Results	Deliverables: Action Plan Items to Achieve Results	Performance Indicators
Improving planning practices	<ul style="list-style-type: none"> • Expanding sustainable development considerations in corporate planning • Enhancing environmental assessment approaches and use • Supporting sustainable development outside the Department • Conducting sustainable development policy research 	<ul style="list-style-type: none"> • Extent of guidelines and information made available to staff and management • Number of project and strategic environmental assessments conducted • Level of participation by Industry Canada in supporting sustainable development in outside forums and files • Number of policy research studies conducted on sustainable development

Enhancing implementation and operationalization of sustainable development	<ul style="list-style-type: none"> Increasing senior management involvement Expanding monitoring and reporting of sustainable development actions Improving sustainable development training and awareness Enhancing greening operations 	<ul style="list-style-type: none"> Level of assessment of sustainable development impacts and opportunities on proposals brought to senior management Level of senior management support Number of reports on progress to departmental staff and stakeholders per annum Number of participants in courses, workshops and lectures Performance data on procurement, automotive fleet operations, non-hazardous materials and solid waste Completion of the Environmental Management System gap analysis of the Department's management system and strategic action plan
Strengthening consideration of sustainable development in evaluation	<ul style="list-style-type: none"> Advancing evaluation methods and processes 	<ul style="list-style-type: none"> Number of evaluation frameworks on departmental initiatives that integrate sustainable development Development of practical evaluation frameworks for evaluating sustainable development strategy Completion of a mid-term evaluation on the Department's second Sustainable Development Strategy

3.3 Planned spending and Full Time Equivalents

Departmental Planned Spending				
(millions of dollars)	Forecast Spending 2002-2003*	Planned Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006
Budgetary Main Estimates	1,618.4	1,558.8	1,227.0	1,135.3
Non-Budgetary Main Estimates	0.8	0.8	0.8	0.8
Less: Respendable revenue	137.9	151.5	156.0	158.2
Total Main Estimates	1,481.3	1,408.1	1,071.8	977.9
Adjustments to Planned Spending**	710.1	251.4	83.7	44.2
Net Planned spending	2,191.4	1,659.5	1,155.5	1,022.1
Less: Non-respendable revenue	276.6	273.2	266.1	264.6
Plus: Cost of services received without charge	68.9	70.3	67.4	66.4
Net Cost of Program	1,983.7	1,456.6	956.8	823.9
Full Time Equivalents	5,803	6,156	6,262	6,294

* Reflects the best forecast of total planned spending to the end of the fiscal year.

** Adjustments are to accommodate approvals obtained since the Main Estimates and are to include Budget Initiatives, Supplementary Estimates, etc.

Planned spending is decreasing in future years, in comparison to 2002–03, mainly due to the sunseting of grants and contributions programs. Industry Canada will continue to focus spending to support the growth of a dynamic economy through its five strategic objectives.

The Net planned spending by Business Line indicates a significant difference between the net planned spending for Micro-Economic Policy in 2002–2003 and that of 2003–2004. This is due to the investment of \$500 million in the Canada Foundation for Innovation for state-of-the-art health research facilities for 2002–2003, as announced in Budget 2003.

Net Planned Spending by Business Line				
(millions of dollars)	Forecast Spending 2002-2003*	Planned Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006
Micro-Economic Policy	549.1	50.9	50.9	40.1
Marketplace Rules and Services	142.3	125.8	124.9	115.3
Industry Sector Development	1,363.4	1,364.4	865.4	752.4
Corporate and Management Services	136.6	118.4	114.3	114.3
Net Planned Spending	2,191.4	1,659.5	1,155.5	1,022.1

* Represents the best available estimate of spending to year-end.

Section 4:

Financial Information

4.1 Matching Resources to Strategic Objectives

The Department recently completed a preliminary exercise to estimate the financial resources devoted to each strategic objective. The figures provided in the following table represent an approximate allocation of resources based only on the budgetary Main Estimates net of revenue. This exercise is a preliminary attempt to link resources to results, which should lead to improved planning and performance reporting.

Departmental Resource Allocation by Strategic Objective

Departmental Resource Allocation (millions of dollars)	Innovation	Connectedness	Marketplace	Investment	Trade	Corporate Management & Governance	Sector Total
Main Estimates*							
Industry Canada Sectors	Total	Total	Total	Total	Total	Total	Total
Policy Sector	16.7	0.0	15.2	0.8	4.1	3.7	40.5
Industry Sector	136.2	8.0	0.4	65.5	9.2	6.7	226.0
Competition Bureau	0.0	0.0	30.4	0.0	0.0	0.2	30.6
SITT Sector	3.3	250.3	28.4	3.7	5.9	2.2	293.8
Operations Sector	0.0	0.0	54.8	431.2	14.2	34.3	534.5
Investment Partnerships Canada	0.0	0.0	0.0	5.5	0.0	0.0	5.5
Communication Research Centre Canada	5.3	34.8	0.0	0.0	0.0	0.2	40.3
Technology Partnerships Canada	366.7	0.0	0.0	0.0	0.0	2.8	369.5
Office of Consumer Affairs	0.0	0.0	4.5	0.0	0.0	0.0	4.5
Other**	0.5	17.1	0.0	0.0	0.0	95.9	113.5
Total	528.7	310.2	133.7	506.7	33.4	146.0	1,658.7

*Figures are based on budgetary Main Estimates for 2003–2004, exclusive of Supplementary Estimates and net of revenues. Grants and Contributions and Employee Benefit Plan are included.

** Includes organizations such as the Chief Information Office, Comptroller's Branch and Human Resources Branch.

4.2 Financial Summary Tables

The information in the following financial tables is presented in accordance with the Department's approved Planning, Reporting and Accountability Structure (PRAS) and corresponds to its three principal lines of business: Micro-Economic Policy, Industry Sector Development, and Marketplace Rules and Services. Readers interested in learning how the Department's business lines correspond to its five strategic objectives will find the information on the Department's Web site (www.ic.gc.ca/crosswalk).

Table 1 Summary of Transfer Payments by Business Line

(thousands of dollars)	Forecast Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006
Grants				
Micro-Economic Policy	501,000.0	17,808.0	17,808.0	6,808.0
Marketplace Rules and Services	60.0	60.0	60.0	60.0
Industry Sector Development	75,000.0	0.0	0.0	0.0
Total Grants	576,060.0	17,868.0	17,868.0	6,868.0
Contributions				
Micro-Economic Policy	10,848.0	550.0	550.0	0.0
Marketplace Rules and Services	1,640.0	1,875.0	1,690.0	1,690.0
Industry Sector Development	738,282.0	1,126,769.0	690,095.0	580,533.0
Total Contributions	750,770.0	1,129,194.0	692,335.0	582,223.0
Total Grants and Contributions	1,326,830.0	1,147,062.0	710,203.0	589,091.0

Table 2 Details on Transfer Payment Programs by Business Line

Business Line: Micro-Economic Policy
Canadian Institute for Advanced Research \$25,000,000 grant for five years (2002/03–2006/07)
Objectives To encourage research excellence in Canada by supporting the work of the Canadian Institute for Advanced Research (CIAR) and fostering its development.
Planned Results The CIAR has established multidisciplinary teams of pioneering researchers who are pushing forward the frontiers of knowledge and producing ground breaking results in research areas of strong scientific interest and opportunity for Canada, such as evolutionary biology, nanoelectronics, quantum materials, economic growth and institutions, cosmology and gravity, earth system evolution, population health, quantum information processing, and successful societies and human development. For more information, visit www.ciar.ca

International Telecommunications Union (ITU), Switzerland

\$6,808,000

Objectives

To secure the rights of Canada in international communications matters affecting radiocommunications, standardization and development, consistent with the Minister of Industry's authority as stipulated in the *Radiocommunication Act* and the *Department of Industry Act*.

Planned Results

Membership allows Canada to achieve results across a broad range of issues affecting the international management of radio-frequency spectrum and satellite orbits, the efficient and timely production of international standards and the facilitation of connectivity in developing countries to help bridge the digital divide.

Business Line: Industry Sector Development**Aboriginal Business Canada Programs***(Aboriginal Business Development Program and Aboriginal Business Loan Insurance Program)*

\$38,200,000

Objectives**Aboriginal Business Development Program**

To increase the number of viable businesses in Canada that are owned and controlled by Aboriginal Canadians, and improve access to business opportunities, increase self-reliance and provide a supportive business environment for Aboriginal Canadians in all areas of Canada;

To establish, expand and diversify self-sustaining Aboriginal-owned and controlled capital corporations that provide developmental capital in Canada and that are functionally complementary to the mainstream financial sector;

To improve access to capital for Aboriginal businesses in Canada that have difficulty obtaining conventional commercial financing;

To enhance the capacity of Aboriginal financial and business development organizations to provide financial services, business information and developmental support services; and

To provide Aboriginal Canadians with greater responsibility for economic development initiatives in keeping with the spirit of *Gathering Strength: Canada's Aboriginal Action Plan*.

Aboriginal Business Loan Insurance Program

To increase commercial enterprise activity by Aboriginal Canadians as a major step toward enhancing their economic self-reliance, by providing financial and advisory assistance at various stages and for several aspects of enterprise development.

Planned Results

Aboriginal Business Canada will invest \$38.2 million in support of more than 500 Aboriginal businesses. In addition, ABC, through the Access to Capital (ATC) component of the Aboriginal Business Development Initiative (ABDI), includes support for training, interest rate pay-downs and enhanced loan access, all of which improve access to financing for Aboriginal businesses.

For more information, visit abc-eac.ic.gc.ca

Broadband for Rural and Northern Development Pilot Program \$53,900,000
Objectives Industry Canada's Broadband for Rural and Northern Development Pilot Program is the first step toward achieving the Government's goal of ensuring that all Canadian communities have access to affordable broadband services by 2005. Industry Canada is providing funding to assist communities in developing and implementing business plans for broadband connectivity, thereby providing an incentive for private sector deployment. Over the next three years, the Broadband for Rural and Northern Development Pilot Program will help to increase the number of communities with broadband access.
Planned Results For more information, visit broadband.gc.ca
Canada–Ontario Infrastructure Program \$255,172,000
Objectives To improve the quality of life by investing in municipal infrastructure, with the following goals: <ul style="list-style-type: none"> • enhancing the quality of our environment; • supporting long-term economic growth; • improving community infrastructure; and • building 21st century infrastructure through innovative partnerships, new approaches and best practices.
Planned Results Federal and provincial contributions to urban and rural municipal infrastructure projects in Ontario are expected to stimulate more than \$2 billion in capital investments over the life of the program. Investment targets are 40 percent for "green" municipal infrastructure projects (e.g. water and waste-water systems) and a minimum of 15 percent to projects in rural communities. For more information, visit www.ic.gc.ca/coip-pico
Canada Small Business Loans Program <i>Canada Small Business Financing Act:</i> \$36,800,000 <i>Small Business Loans Act:</i> \$25,800,000
Objectives By facilitating access to financing from lending/leasing institutions, the objective of this program is to assist in establishing new businesses and creating new jobs across Canada as well as encouraging SMEs to expand, modernize and improve.
Planned Results Through the <i>Canada Small Business Financing Act</i> (CSBFA) loans program, the Department will work toward the creation, expansion, modernization and improvement of viable and durable SMEs by facilitating access to approximately \$1 billion, delivered through about 10,000 loans to small businesses. The Department also expects that the CSBFA Capital Leasing Pilot Project will facilitate access to about \$50 million in financing through about 300 capital leases made by lessors. For more information, visit strategis.gc.ca/csbfa

CANARIE — Phase 3 Advanced Applications Development Program (AADP)

\$36,000,000

Objectives

CANARIE's Phase 3 Advanced Applications Development Program (AADP) will accelerate Canada's advanced Internet development and use by supporting the development of advanced applications for priority sectors such as e-Business, e-Learning, e-Health and Intelligent Systems.

Planned Results

CANARIE's AADP will stimulate the development of new emerging sectors such as e-Business, e-Learning, e-Health and Intelligent Systems. CANARIE will act as a catalyst and partner with governments, industry and the research community to increase overall IT awareness, ensure continuing promotion of Canadian technological excellence and ultimately, foster long-term productivity and improvement of living standards, stimulate economic growth and increase Canada's international competitiveness.

For more information, visit www.canarie.ca

Community Access Program

\$35,300,000

Objectives

To provide all Canadians with affordable access to the Internet, as a means of ensuring that Canadians benefit from the global, knowledge-based economy and the opportunity to use its technologies, and specifically to establish universal public access sites in urban and rural communities across Canada.

Planned Results

For information, visit cap.ic.gc.ca

Federal Economic Development Initiative in Northern Ontario (FedNor)

FedNor: \$27,900,000

Community Futures Program: \$20,160,000

Objectives

The objective of FedNor is to promote economic development in Northern Ontario, leading to a strengthening of the national economy and contributing to the successful development of business and job opportunities.

The objective of the Community Futures Program is to support community economic development by assisting communities to develop and diversify their economies through strategic community planning, business services and access to capital.

Planned Results**FedNor****Access to Capital for Small Business:**

- Increased incidence of business financing for SMEs.

Access to Information for Small Business:

- Accessible, cost-effective telecommunications infrastructure, improved information access and enhanced use of the Internet.

Access to Markets for Small Business:

- Enhanced business innovation and competitiveness.
- Increased awareness of exporting opportunities, enhanced knowledge and use of trade skills on the part of SMEs.

Promotion of Sustainable Self-Reliant Communities:

- Greater degree of community-based decision making and delivery, leading to stronger local economies, including Aboriginal communities, and improved participation and adaptation to the knowledge-based economy.

Community Futures Program

- Community capacity building through the development and implementation of strategic community plans.
- Business counselling and information services delivered to SMEs.
- Enhanced access to capital for existing businesses and for entrepreneurs to create new businesses.
- Strengthened innovation capacity in communities.

For more information, visit fednor.ic.gc.ca

Genome Canada

\$75,000,000 for large-scale projects in applied health genomics.

Objectives

To enable Canada to become a world leader in selected areas of genomic research by bringing together consortia to deliver genomics research, technology platforms and major genomics projects. The elements include the following: 1) the conducting of major research projects in the sectors of health, agriculture, environment, forestry and fisheries; 2) the recruitment and development of the next generation of genomics scientists in Canada; and 3) the addressing of public concerns and increasing of public awareness about genomics research.

Planned Results

Genome Canada will continue to disperse payments committed to projects under the peer review competitions.

For more information, visit genomecanada.ca

The Medical & Related Sciences (MaRS) Discovery District.

\$20,000,000 grant in two parts (\$10M each in 2003–04 and 2004–05)

Objectives

MaRS is working to bring together the "best in class" scientific and business communities to facilitate the commercialization of the results of academic research in Canada.

Planned Results

MaRS will create a global address for the acceleration and commercialization of the results of discoveries in the medical sciences and, by creating a convergence point in the research community, it will ensure that Canadians achieve the full social and economic benefit of their investments in innovation.

For more information, visit marsdd.com

SchoolNet \$24,731,000
Objectives To facilitate the Internet connectivity of all schools, including First Nations schools and libraries. By encouraging the use of the Internet in a learning environment, SchoolNet ensures that the tremendous potential of information and communication technologies is harnessed for the benefit of all Canadian learners, enabling them to compete effectively in the new global, knowledge-based economy.
Planned Results For more information, visit schoolnet.ca
Smart Communities \$16,800,000
Objectives The objectives of the Smart Communities program are <ul style="list-style-type: none"> • to assist communities in developing and implementing sustainable Smart Communities strategies; • to create opportunities for learning through the sharing, among communities, of smart activities, experiences and lessons learned; and • to provide new business opportunities, domestically and internationally, for Canadian companies developing and delivering information and communication technology applications and services.
Planned Results For more information, visit smartcommunities.ca
Softwood Industry and Community Economic Adjustment Initiative \$100,087,000
Objectives The creation of long-term sustainable economic benefits in regions and communities impacted by the U.S. duties on softwood lumber, by funding projects which will improve economic diversification and decrease dependency on softwood industries.
Planned Results Community Capacity Building <ul style="list-style-type: none"> • Conducting community needs/assets studies; • Developing and implementing community action plans; • Recruiting and retaining community leaders; • Developing leadership skills and community leadership networks; • Developing business management skills; and • Developing economic development networks and partnerships in impacted communities. Diversification, Productivity Improvement and New Economic Opportunities <ul style="list-style-type: none"> • Harvesting under-utilized or alternative hardwood species; • SME value-added processing, products and marketing implementation; • Model forest projects and "stand improvement"; • SME technology transfer; • Pre-commercial/demonstration wood processing and product development;

- International partnerships, export and new markets development;
- Retail wood product operations;
- Co-op marketing proposals;
- Commercialization (prototype and research commercialization initiatives);
- Plant performance and industry/international benchmarking studies;
- New manufacturing operations in impacted communities;
- Development of existing or potential tourism attractions;
- Marketing efforts to attract new investments in the community; and
- Aboriginal and eco-tourism proposals.

Structured Financing Facility

\$ 49,000,000

Objectives

Given the current international context in the shipbuilding and industrial marine industry sector, the Structured Financing Facility Program is a key component of the recently announced Canadian shipbuilding policy framework (*A New Policy Framework for the Canadian Shipbuilding and Industrial Marine Industry — Focussing on Opportunities*) which is designed to achieve the following:

- To stimulate economic activities in the Canadian shipbuilding and industrial marine industry by providing financial assistance to buyers/lessees of Canadian built ships such that annual revenues increase by about \$200 million and employment increases by 1740.
- To provide competitive financing to the industry recognizing the unique challenges that this sector must overcome in the current global marketplace. The new measure will be focussed on opportunities and will be forward looking in application.
- To provide an alternative to accelerated capital cost allowance for those Canadian ship owners who cannot fully utilize this tax measure.

Planned Results

For more information, visit strategis.gc.ca/SSG/1/sj00016e.html

Technology Partnerships Canada

\$355,592,000

Objectives

- To increase economic growth and create jobs and wealth;
- To support sustainable development;
- To maintain and build the industrial technology and skill base essential to a knowledge-based economy;
- To encourage the development of SMEs in all regions of Canada;
- To encourage private sector investment;
- To manage the contributions so that all repayments are recycled into TPC, allowing for future growth;
- To manage the sharing ratios on TPC contributions, with a target of an average TPC sharing ratio of no more than 33 percent (with typical projects sharing ratios between 25 percent and 30 percent); and
- To take an investment approach through sharing in returns as well as in risks.

Planned Results

For more information, visit tpc.ic.gc.ca

Youth Employment Strategy (YES) — Industry Canada Allocation

\$17,660,000

Objectives

Industry Canada is among a number of federal departments and agencies, led by Human Resources Development Canada, working cooperatively with other levels of government, universities and colleges, the private sector and not-for-profit organizations pursuing this initiative.

Under the renewed Youth Employment Strategy (YES), Industry Canada will continue to deliver YES programs reflecting current government priorities, including *Canada's Innovation Strategy*.

YES programs will help young Canadians to develop the knowledge and skills they need for the future through career-related work experiences thus enabling them to participate more fully in the rapidly changing labour market.

Planned Results

For more information, visit youth.gc.ca

Table 3 Sources of Respendable and Non-Respendable Revenue

(millions of dollars)	Forecast Revenue 2002-2003	Planned Revenue 2003-2004	Planned Revenue 2004-2005	Planned Revenue 2005-2006
Respendable revenue				
Bankruptcy and Insolvency Supervision	22.0	24.0	26.0	28.0
Corporations Regulation	6.4	6.7	6.9	7.1
Intellectual Property Protection and Dissemination Revolving Fund	93.5	101.1	102.9	102.9
Competition Law and Policy	6.3	10.0	10.5	10.5
Communications Research	9.7	9.7	9.7	9.7
Sub-Total Respendable Revenue	137.9	151.5	156.0	158.2
Non-Respendable revenue				
Bankruptcy and Insolvency Supervision	0.9	0.9	0.9	0.9
Measurement Regulation	2.5	2.3	2.1	2.1
Consumer Labelling and Advertising regulation	0.1	0.1	0.1	0.1
Communications Research	1.5	1.5	1.5	1.5
Spectrum management	236.0	232.1	232.1	232.1
Refund of Previous Year's Expenditures	0.0	0.0	0.0	0.0
Return on Investment	13.0	13.0	13.0	13.0
Development	1.3	1.0	0.8	0.4
SBLA / CSBFA service fees	21.3	22.3	15.6	14.5
Sub-Total Non-Respendable Revenue	276.6	273.2	266.1	264.6
Total Respendable and Non-Respendable Revenue	414.5	424.7	422.1	422.8

Table 4 Net Cost of Program for the Estimates Year

(millions of dollars)	Industry Canada
Net Planned Spending	1,659.5
Plus:	
<i>Services Received without charge</i>	
Accommodation provided by Public Works and Government Services Canada	44.0
Contribution covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat	22.1
Workers' compensation coverage provided by Human Resources Development Canada	0.5
Salary and associated expenditures of legal services provided by the Department of Justice Canada	3.7
Sub-Total	70.3
Total Cost of Program	1,729.8
Less: Non-Respendable Revenue	273.2
2003-2004 Net Cost of Program (Total Planned Spending)	1,456.6

Table 5 Revolving Fund Financial Statements — Canadian Intellectual Property Office (CIPO) Revolving Fund Statement of Operations

(millions of dollars)	Forecast 2002-2003	Planned 2003-2004	Planned 2004-2005	Planned 2005-2006
Respendable revenue	85.8	100.9	106.9	106.9
Expenses				
Operating:				
Salaries and employee benefits	54.8	58.1	59.8	59.8
Depreciation	13.2	17.1	18.9	18.9
Repairs and maintenance	0.5	0.5	0.5	0.5
Administrative and support services	15.3	15.9	16.3	16.3
Utilities, materials and supplies	7.9	9.2	9.2	9.2
Marketing	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0
Total Expenses	91.7	100.8	104.7	104.7
Sub-Total Surplus (Deficit)	(5.9)	0.1	2.2	2.2
Deferred capital assistance	6.4	6.4	6.4	6.4
Surplus (Deficit)	0.5	6.5	8.6	8.6

Table 6 Revolving Fund Financial Statements — Statement of Changes in Financial Position

(millions of dollars)	Forecast 2002-2003	Planned 2003-2004	Planned 2004-2005	Planned 2005-2006
Surplus (Deficit)	0.5	6.5	8.6	8.6
Add non-cash items:				
Depreciation/amortization	13.2	17.1	18.9	18.9
Deferred capital assistance	(6.4)	(6.4)	(6.4)	(6.4)
Investing Activities:				
Acquisition of depreciable assets	(6.5)	(8.7)	(8.7)	(8.7)
Changes in short- and long-term assets/ liabilities	(0.8)	0.0	(4.1)	(4.1)
Cash Surplus (Requirement)	(0.0)	8.5	8.3	8.3

Table 7 Revolving Fund Financial Statements — Projected Use of Authority

(millions of dollars)	Forecast 2002-2003	Planned 2003-2004	Planned 2004-2005	Planned 2005-2006
Authority*	5.0	5.0	5.0	5.0
Drawdown:				
Balance as at April 1	54.1	54.1	62.6	70.9
Projected surplus (drawdown)	(0.0)	8.5	8.3	8.3
	54.1	62.6	70.9	79.2
Projected Balance at March 31	59.1	67.6	75.9	84.2

* \$5 million is the maximum amount that may be drawn down from the Consolidated Revenue Fund (CRF) at anytime

Table 8 Loans, Investments and Advances

(millions of dollars)	Forecast Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006
Industry Sector Development				
Payments pursuant to subsection 14(2) of the <i>Department of Industry Act</i>	-	0.3	0.3	0.3
Loans pursuant to subsection 14(1)(a) of the <i>Department of Industry Act</i>	-	0.5	0.5	0.5
Total	-	0.8	0.8	0.8

Table 9 Foundations

The Pierre Elliott Trudeau Foundation			
This foundation must provide Industry Canada with an annual report. The foundation will manage the funds using specific terms and conditions. For further information on the terms and conditions, see trudeaufoundation.ca/index.asp .			
Purpose of the Foundation	Amount and Timing of Funding Provided	Projected Use of Funds	Expected Results
To support promising Canadian and international students wishing to study in Canada and pursuing doctoral and post-doctoral studies in research in the areas of public policy, governance, social issues, social justice and the environment.	The foundation received a grant of \$125 million in March 2002.	Establish fellowships worth \$50,000 each.	Enable fellowship recipients to gain valuable experience and knowledge by working with experts in their fields.
		Establish achievement awards.	Recognize eminent scholars whose work is internationally known.
		Establish a mentor program.	Provide advice, counsel and reflection to the fellowship winners.
		Establish conferences.	Provide students with exposure to the professional community.
Canadian Youth Business Foundation (cybf.ca)			
Purpose of the Foundation	Amount and Timing of Funding Provided	Projected Use of Funds	Expected Results
The government's \$7.5-million grant will allow the Canadian Youth Business Foundation (CYBF) to expand its fundamental business skills and mentoring programs across Canada, including new programs in Québec City and Montréal and with Aboriginal youth.	The foundation received a \$7.5-million grant.	Expand its Youth Business Program from the current 150 to 400 communities. Develop a full suite of Web-based support programs for young entrepreneurs.	Assist an additional 3,000 young entrepreneurs in Canada to start businesses by 2005, while continuing to provide follow-up support for those youth who received initial assistance from CYBF.

Table 10 Alternative Service Delivery (ASD)

Spectrum Engineering Branch			
Allowing self-marking instead of having Industry Canada labels for terminal equipment			
Contribution to Organization	Status of ASD Proposal	Implementation Date	Contact
The use of self-marking will reduce the costs incurred by the industry in marking their equipment to meet the regulatory requirements. Currently, even though self-marking is allowed, there is a requirement to have an agreement with Industry Canada and pay a fee for each unit marked. Therefore, the current implementation of labelling and self-marking still represents a significant administrative burden on the industry.	Self-marking is currently allowed based on the signing of an agreement with Industry Canada. A new fee order is being developed that will eliminate the need for such an agreement.	Self-marking has been in effect since October 2001. It is expected that the new fee order will be in place by the fall of 2003. After a three month transition period, only self-marking will be used for terminal equipment.	A. Kwan Deputy Director, Telecommunications Engineering and Certification (613) 990-4712
Spectrum Engineering Branch			
Streamlining of the certification processes for radio equipment			
Contribution to Organization	Status of ASD Proposal	Implementation Date	Contact
The Mutual Recognition Agreements/Arrangements (MRAs) streamline the conformity assessment processes and allow them to be performed locally. The radiocommunication equipment industry will benefit in terms of significant cost and time savings by having their products tested (phase I) and certified (phase II) locally by private certification bodies. Certification that used to be performed only by Industry Canada will, in the future, be performed by private certification bodies, and their certificates will be recognized as equivalent to those granted by Industry Canada. These certification bodies will also be recognized and able to certify according to many other countries' requirements.	The MRAs have been implemented and many countries are currently participating.	The second and last phase of the MRAs (Phase II—recognition of certificates) was implemented in January 2002. Recognition of certification bodies should begin in 2003.	A. Kwan Deputy Director, Telecommunications Engineering and Certification (613) 990-4712

Spectrum Engineering Branch			
Terminal equipment registration and declaration of conformity processes			
Contribution to Organization	Status of ASD Proposal	Implementation Date	Contact
Terminal equipment that used to be subject to the certification process is now subject to a registration process based on a declaration of conformity (DoC). The declaring party does his or her declaration of conformity based on a test report produced by a recognized testing laboratory. This has streamlined the market access processes. Similar processes are used in Europe and the U.S.	Registration based on DoC is now completed, replacing the requirement to have the terminal equipment certified.	Registration based on DoC was implemented in January 2002.	A. Kwan Deputy Director, Telecommunications Engineering and Certification (613) 990-4712

Regulatory Initiatives

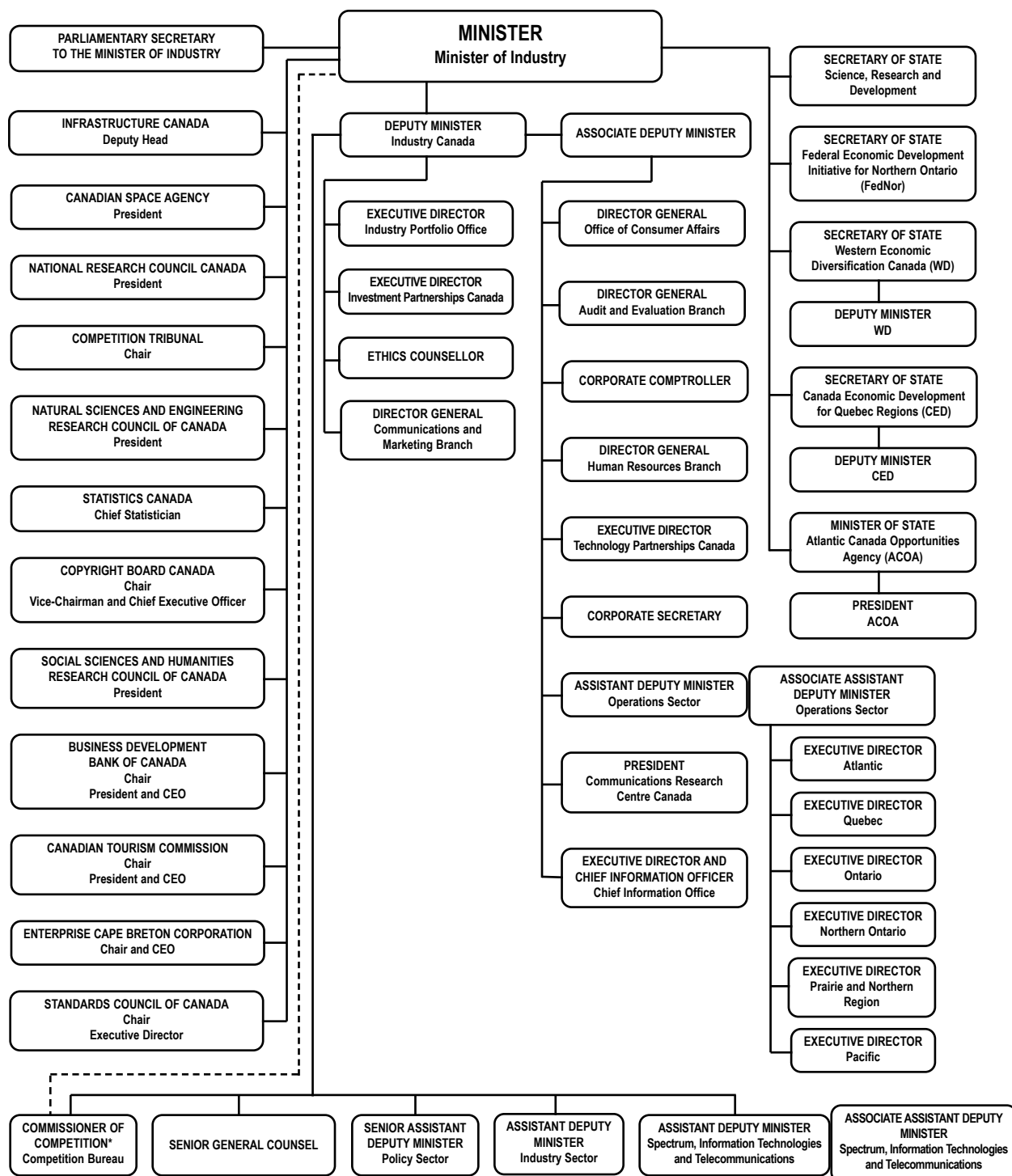
Radiocommunication Regulations – Non-Broadcast Radio Licensing Fee Reform

A new licence fee structure for non-broadcast spectrum must be put in place because new technology has dictated the need for change. There will be a new licence fee structure for non-broadcast spectrum that is simple and flexible for all applicants. To allow the implementing of this fee structure, a Spectrum Informatics Review and Re-Design process is currently being conducted.

Section 5:

Supplementary Information

5.1 Industry Portfolio Organizational Structure



* Reports to the Deputy Minister for administrative and financial purposes and reports to Parliament via the Minister in respect of independent law enforcement role.

5.2 Industrial and Regional Development Program

Section 14 of the *Industrial and Regional Development Act* states that an annual report to Parliament on the administration of the Industrial and Regional Development Program (IRDP) should be tabled by the first day of the month of June following the close of each fiscal year. Since there are no new commitments to report for the IRDP, Industry Canada is fulfilling its reporting requirements, under the provisions of the Report on Plans and Priorities rather than in a separate annual report.

The IRDP terminated on June 30, 1988. Since that time, no further applications for assistance under the program have been accepted. All financial commitments by Industry Canada under the IRDP have now been fully expended.

The *Industrial and Regional Development Act* remains in effect to allow for the ongoing repayments in future years of the financial assistance previously provided under the program.

Appendix

by Key Results Commitment (KRC)

This appendix provides details on other plans and priorities in addition to those high level plans and priorities already highlighted in section 3.

INNOVATION: Improving Canada's innovation performance

KRC 1: Increased recognition of innovation as a critical success factor in all sectors

Challenge to be addressed

Many Canadian organizations do not recognize that, in the knowledge-based economy, the development of innovative products and processes is key to success in the global marketplace.

Priority

To continue to support the work of the Advisory Council on Science and Technology (ACST).

To better understand many aspects of the industrial innovation process in selected service industries.

To identify and share lessons learned from the Ontario Competitive City Regions initiative, which will help inform federal partnership approaches in areas such as the urban and innovation and skills agendas.

Plan + Results to be achieved

Ask the ACST to advise the government on Canada's Innovation Action Plan, and to investigate ways of enhancing the effectiveness of the research funding system.

Initiate a new survey of innovation in selected service industries with Statistics Canada. Conduct this survey in 2003 and publish its results in 2004.

Undertake, through FedNor, a demonstration project in collaboration with Human Resources Development Canada, and report back to the Clerk of the Privy Council. The project will identify lessons learned and success criteria to leverage resources and support from partners for the achievement of common goals, key characteristics of partnerships and the required expertise, and regional insight for the innovation and urban agendas.

KRC 2: Expanded knowledge base, especially in fields with good opportunities

Challenge to be addressed

Canada ranks relatively low among industrialized nations in the amount of research performed, including that carried out in the private sector, where research is being performed by relatively few firms.

Priority

To deliver on the assistive technology portion of the Federal Disability Agenda, including support for the industry and the rehabilitation engineering research sector.

To promote Canadian capabilities to develop security technologies.

To encourage partnerships with sector councils, industry associations, and other federal and provincial government departments.

Plan + Results to be achieved

Identify partners by industry and researchers and participate in innovative R&D activities both within and outside Canada; consult with industry to ensure that the Federal Disability Agenda meets industry and client needs; and represent industry at trade shows.

Disseminate information on Canadian capabilities at trade, investment and research forums in 2003, resulting in increased recognition of Canadian expertise in security technologies, as well as enhanced sub-sector capacity.

Facilitate the operation of the newly formed Canadian Automotive Partnership Council, which will identify and prioritize the actions needed to strengthen the Canadian automotive industry, and identify future innovation and investment opportunities.

KRC 3: Accelerated commercialization and adoption of innovative processes and products by Canadian organizations	
Challenge to be addressed In general, compared with our international competitors, Canada has a lower return on investment from the commercialization of research findings and the adoption of new processes and technologies.	
Priority To work with universities and colleges on developing strategies to increase the commercialization of academic research. To bridge the innovation gap between university and government research and commercial applications by supporting commercialization plans for projects in intelligent systems.	Plan + Results to be achieved Follow up on the results of an Industry Canada / HRDC round table between SMEs and community colleges to enhance college participation with SMEs in the development of new technologies. Through the Precarn Phase III Research Program, continue to support the increased development and use of intelligent systems technologies by requiring each project to develop and deliver a business case report detailing plans for the commercialization of project results, resulting in the commercial exploitation of pre-competitive R&D. Through the Communications Research Centre, provide SMEs and new start-ups with timely access to laboratories, specialized equipment and personnel through CRC's Innovation Centre and other partnership activities.
KRC 4: Increased development and application of eco-efficient practices and technologies in Canada	
Challenge to be addressed Canadian organizations generally lag behind international competitors in terms of awareness, R&D performed, and eco-efficient practices and environmental technologies adopted.	
Priority To ensure access to information and expertise in order to increase the implementation of eco-efficient practices by Canadian industry, and especially by SMEs. To encourage the development and diffusion of clean production and enabling technologies for Canadian producers and consumers. To raise awareness of potential opportunities, costs and benefits associated with reducing greenhouse gas emissions.	Plan + Results to be achieved Continue to provide information on eco-efficiency tools, practices and case studies through <ul style="list-style-type: none"> the enhanced eco-efficiency Web site (strategis.gc.ca/e2); "Three Steps to Eco-efficiency" tool; and the delivery of workshops on eco-efficiency—"Building Sustainable Enterprises" (strategis.gc.ca/BSE-CED). Continue the development of five Technology Roadmaps under the Climate Change Action Fund. Provide information through the Energy Benchmarking Web site on Strategis (available as of April 2003) (strategis.gc.ca/Ces_Web/_index_.cfm?target=english).

CONNECTEDNESS: Making Canada the most connected country in the world**KRC 1:** Canadians connected to each other and to the world in a way that is affordable and accessible**Challenge to be addressed**

Not all Canadians have universal and affordable access to telecommunications services, the Internet, or new advanced systems and services. This contributes to a loss of economic and social opportunities, and to a digital divide.

Priority

To support increased Internet usage and access at affordable rates for Canadians affected by the digital divide.

To develop a capability to assess and investigate telecommunication networks vulnerability to malicious actions.

Through CRC, continue to research technologies that reduce costs and improve performance of broadband satellite systems. On behalf of the Canadian Space Agency, CRC manages the development and implementation of an advanced multimedia payload that will provide universal access to the Internet.

Plan + Results to be achieved

Ensure equitable access and increased usage of the Internet by: sustaining public access sites provided through the Community Access Program (**cap.ic.gc.ca**); supporting access to and the use of information and communication technologies in a learning environment through SchoolNet (**schoolnet.ca**); and providing high quality refurbished computers for classrooms and libraries through the Computers for Schools Program (**schoolnet.ca/cfs-ope**).

Procure suitable informatics equipment and software to carry out protocol analysis in a functioning laboratory. Carry out protocol analysis in the new laboratory over the next three years. Reflect results in reports on the vulnerability of telecommunications protocols.

Demonstrate and transfer CRC's satellite communications technologies to industry. Telesat's Anik F2, to be launched in 2003, will have multimedia capacity dedicated to government connectivity programs.

Challenge to be addressed

Many rural and remote regions lack advanced infrastructure and may find the financial and technological hurdles difficult to overcome without the federal government's help.

Priority

Through FedNor, continue to assist those living in rural and remote communities gain access to high-bandwidth interactive network capacity.

To examine the feasibility of sharing existing broadcast facilities, such as transmitter sites, antenna towers and antennas for broadband services based on digital broadcast technologies and systems.

Plan + Results to be achieved

Through FedNor, continue over the next two years to make strategic investments in Northern Ontario telecommunications infrastructure, particularly in Aboriginal communities.

Demonstrate the feasibility of the shared use of an antenna tower and a transmitter building with the experimental digital television transmitter in Ottawa.

KRC 2: A world-leading environment for electronic commerce	
Challenge to be addressed There is an ongoing need for leading-edge policies and processes that respond in a timely manner to challenges created by the evolution of the Internet and the new knowledge economy.	
Priority To enhance Canada's emergency telecommunications preparedness policies and processes.	Plan + Results to be achieved Conduct a feasibility study for high probability of completion (HPC) system for emergency telephone services. Extend telephone capabilities for essential users beyond local calling to include long distance. Enable timely message delivery in times of emergency through the development of new public alerting technologies. Create a Cyber-Security Association and procedures with the telecom industry to help protect telecom infrastructure from potential physical and/or cyber attacks.
Challenge to be addressed There is a need to harmonize the legislation that addresses security and privacy of information with the policies and practices that promote the use of e-commerce.	
Priority To assist provinces in the development of privacy legislation that will be deemed "substantially similar" to the <i>Personal Information Protection and Electronic Documents Act</i> . To continue the development of wireless security technologies.	Plan + Results to be achieved Obtain approval from some provincial legislatures by January 1, 2004, for "substantially similar" provincial privacy legislation. Through CRC, in collaboration with private enterprise, conducting trials in using CRC-developed wireless security technologies on wireless handsets using the latest 2.5 G wireless Code Division Multiple Access (CDMA) network.
Challenge to be addressed There exists a digital divide in developing countries.	
Priority To support Canada's commitment to help developing countries bridge the digital divide.	Plan + Results to be achieved Under the Africa Action Plan, implement the Digital Opportunity Task Force initiatives announced at the 2002 G8 summit in Kananaskis, resulting in successful implementation of the initiative with domestic and international partnering in 2003–04. g8.gc.ca/kananaskis/afraction-en.asp . Implement the Agenda for Connectivity in the Americas and Quito Action Plan by the next Summit of the Americas (est. 2004) to stimulate information technology (IT) infrastructure, utilization and content in the Americas. Implement the Human Capacity Building program under the International Telecommunication Union's Istanbul Declaration to assist developing countries in the migration to new-generation technologies to maximize the utilization of information and communications technology (ICT) networks.

KRC 3: Canadian digital content and applications on-line maximized	
Challenge to be addressed There is a need for greater quantity and quality of multimedia applications, collections, information and services relating to Canada and Canadians. Specific challenges include the need for more community-based content, more French language content and more on-line learning opportunities.	
Priority To continue to develop strategies and policies to foster the innovative use and application of ICT and help to build e-communities. To continue support for the development of French language content.	Plan + Results to be achieved Increase the availability of quality Internet content (collections.ic.gc.ca). Help communities become centres of expertise in the integration of ICTs for social and economic development (smartcommunities.ca). Support stakeholders in accelerating multimedia applications in learning settings (schoolnet.ca/grassroots) and (schoolnet.ca/nis-rei). Support the development of French language content on the Internet from across Canada through the funding of projects (francocommunautes.ic.gc.ca)
Challenge to be addressed Untapped opportunities exist for developing more multimedia skills and experiences in all parts of Canada and in all communities.	
Priority To work, through CRC, with various Canadian partners on the development of broadband multimedia applications.	Plan + Results to be achieved Through CRC, be a major participant in the CANARIE-funded MusicGrid e-learning program. The program's objective is to enable, expand and enrich Canadian music education programs in urban, rural and remote communities, using various broadband delivery and applications technologies.
KRC 4: Expanded on-line delivery of key government services and information in an integrated way to businesses and consumers	
Challenge to be addressed All key government information and services are not yet available on-line.	
Priority To increase Industry Canada's capacity to provide clients with on-line services and information.	Plan + Results to be achieved Release a revised and improved version of the Office of the Superintendent of Bankruptcy Canada's e-Filing system for personal bankruptcies, as well as a new e-Filing system for consumer proposals.
Challenge to be addressed Current on-line services and information need to be more accessible and user-friendly.	
Priority To work to increase access and improve usability of current on-line services and information.	Plan + Results to be achieved Although CIPO's Web site is already in high demand by its clients, with over 2 million transactions annually, ongoing improvements are being implemented with the goal of achieving a 10% improvement in ease of finding information and overall client satisfaction with the Web site by 2005-06. Expand the outreach activities of the Canada Business Service Centres (CBSCs) through the use of the Cyber Seminar tool, available through the Talk to Us! technology.

Challenge to be addressed There is a need for greater coordination and linkage of services and information between various levels of government (federal, provincial/territorial and municipal).	
Priority To explore options for creating a shared on-line service that would direct business users to all of the licences and permits they need to establish, maintain or expand their businesses. To ensure that all Canadians, whether incorporating federally or provincially, have access to the same level of service currently provided to federal clients.	Plan + Results to be achieved Make the proposed service accessible through participating municipal and provincial sites and link it to the Business Gateway. Permits and licences on-line would serve as a "one-stop shop" for all of the licences and permits needed to establish, maintain or expand a business. Continue to work with the provincial corporate registrars to facilitate e-filing of articles of incorporation to include an electronic Newly Upgraded Automated Name Search (NUANS) report.
MARKETPLACE: Building a fair, efficient and competitive marketplace	
KRC 1: A responsive marketplace framework for business, consumers and investors that is fair, efficient, competitive and world-class	
Challenge to be addressed There is a need to provide support to the Standing committee on Industry, Science and Technology in its review of the automatic injunction of Notice of Compliance Regulations	
Priority Following the Romanow Commission's recommendations, the House of Commons Standing Committee on Industry, Science and Technology intends to review, at its earliest opportunity, the automatic injunction of Notice of Compliance Regulations.	Plan + Results to be achieved Respond to the Committee's recommendations within 150 days if requested.
Challenge to be addressed There is a need to expand the Canadian telecommunications infrastructure and to develop leading-edge telecommunications policies and processes that will promote and enable competition and innovation in the new, networked economy.	
Priority To study and engage in public consultation on Industry Canada's current national process for the siting of radiocommunication antenna supporting structures.	Plan + Results to be achieved Through a third party, conduct the study and national public consultation, then report on the results. Present the findings, as well as recommendations on means to improve the current process, to the Minister of Industry.
Challenge to be addressed Additional spectrum is required to accommodate the growth of mobile wireless service, to facilitate the implementation of new services and to offer local fixed telecom services.	
Priority To free up radio frequency spectrum for public safety communications after the terrorist attacks of September 11, 2001. In addition, Canada will negotiate for access to radio frequency spectrum at the 2003 World Radiocommunication Conference in order to provide Canadians and industry with access to spectrum for new communications technologies.	Plan + Results to be achieved Seek agreement with the United States to migrate broadcast stations in both countries to other channels, thereby making additional spectrum available for public safety. Negotiate a Canada–United States cross-border agreement to assure a fair share of this freed-up spectrum for Canada's use (completion in 2003–04). Protect existing Canadian communications services, while enabling the introduction of new services, such as harmonized spectrum for public safety and disaster relief post-9/11. Commence rollout in Canada in 2003, for a period of two to three years.

Challenge to be addressed Canada's bankruptcy and insolvency regime must ensure continued efficient and fair redeployment of resources in corporate and consumer insolvencies.	
Priority To address a number of the issues raised by stakeholders regarding the <i>Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act</i> , in terms of the administration of the legislation and its application to consumer and corporate insolvencies.	Plan + Results to be achieved Respond to the Committee's recommendations within 150 days if requested.
KRC 2: A marketplace that operates in accordance with the framework statutes, regulations, policies and procedures	
Challenge to be addressed There is a need to address increasing demand for intellectual property services, harmonization issues and rapid technological change.	
Priority To have CIPO strengthen its capacity in offering world-class intellectual property products and services and positioned to influence global intellectual property harmonization.	Plan + Results to be achieved Continue with the recruitment, training and IT upgrades for CIPO to become an International Searching Authority and International Preliminary Examining Authority (ISA/IPEA). By summer 2004, CIPO will offer ISA/IPEA services to domestic and international clients, resulting in improved client satisfaction and increased influence at the international level.
Challenge to be addressed As the marketplace experiences rapid changes in terms of its players, modes of operation and regulation, it is difficult for consumers to know how and where to seek redress from merchants when products and services are considered unsatisfactory.	
Priority To encourage businesses to develop market-driven approaches to complaints prevention, handling and resolution through the Market-driven Redress Project, thereby decreasing the gap between the promise and the reality of properly operating goods and services.	Plan + Results to be achieved Through the Office of Consumer Affairs (OCA), participate in the development of an <i>ISO Complaints Handling Standard</i> expected to be completed in 2003–2004. OCA has published a multi-stakeholder <i>Guide on Consumer Complaints Management for Canadian Business</i> (2002). It has also struck a multi-stakeholder working group to devise guidelines for the moving industry, with a view to completing its work in 2003. In the short term, the degree of merchant interest in copies of the guide should be an indication of success. In the longer term, the number of new market-driven redress initiatives, the degree of satisfaction with such initiatives, and any revisions and improvements to existing market-driven redress mechanisms should indicate the effectiveness of this initiative.

KRC 3: Confidence in the marketplace	
Challenge to be addressed Consumers are reluctant to engage in on-line purchasing (e-commerce) due to concerns about the reliability and integrity of on-line merchants, the adequacy of protection of personal information, security, redress and delivery.	
Priority To instil greater confidence, a range of activities will be undertaken to increase the likelihood of merchants adhering to best business practices in a way that is apparent to consumers.	Plan + Results to be achieved Through the Office of Consumer Affairs, working with consumer groups, business associations, various levels of government and others, develop a Code of Practice and other supportive activities to operationalize the principles articulated in its 1999 report: <i>Principles of Consumer Protection for Electronic Commerce</i> . In the short term, this should result in an increase in merchants complying with the principles. In the long term, an increase should be observed in consumer purchases from those merchants participating in programs that meet the principles and use the instruments of operationalization.
Challenge to be addressed There is a need for a local competition enforcement presence in major cities across Canada to leverage key regional assets and to increase compliance and prevention initiatives in the domestic economy.	
Priority To increase responsibility at the regional office level for enforcement and prevention initiatives for local cases involving conspiracy, bid-rigging and price fixing.	Plan + Results to be achieved Resources will be identified and trained at the regional office level over the next three years. In addition to undertaking investigations locally, the Competition Bureau's regional offices will begin working with local and regional procurement and auditing groups on training for the detection of bid-rigging and conspiracy. This should result in greater enforcement and prevention of local and regional matters and increased consumer, business and key stakeholder (municipalities, universities, schools and hospitals) awareness in local markets related to anti-competitive behaviour. Results will be demonstrated by the number and outcome of such cases assigned to regional offices that lead to increased deterrence, prevention and confidence in local markets.
Challenge to be addressed There is a need to encourage invention, innovation and creativity in Canada through increased accessibility to, and awareness and exploitation of, intellectual property information products and services.	
Priority To increase, through CIPO, the awareness, knowledge and effective use of intellectual property by Canadians, thereby strengthening Canada's innovative capacity and economy.	Plan + Results to be achieved Through CIPO's outreach initiative, focus strategic alliances on education and improvements to products and services. A measurable increase in awareness, knowledge and use of intellectual property by Canadians will result. Baseline to be measured in 2003–04.

INVESTMENT: Improving Canada's position as a preferred location for domestic and foreign investment	
KRC 1: Improved domestic and international investment climate	
Challenge to be addressed There is a need to address real and perceived regulatory impediments to foreign and domestic investment (concerning the environment, marketplace, immigration, taxation and intellectual property) without compromising the integrity of the regulations' intent.	
Priority To work in partnership to improve the domestic and international investment climate by adopting competitive, efficient and fair marketplace laws and regulations.	Plan + Results to be achieved Address real and perceived impediments to investment, which will result in <ul style="list-style-type: none"> • investment in sustainable development; • policies that address investment barriers related to intellectual property, patent protection and risk management; • policies that are harmonized with other jurisdictions where appropriate; • international recognition of Canadian standards; and • good representation in bilateral, regional and multilateral trade and investment treaties. In collaboration with key policy departments, implement a quick response mechanism to address the immediate concerns of potential investors.
Challenge to be addressed There is a need for better current knowledge and understanding of the key impediments to investment resulting from government policies.	
Priority To develop a comprehensive research program examining the global competition for internationally mobile resources (IMRs), particularly foreign direct investment, R&D and human capital.	Plan + Results to be achieved Identify key areas where further research is needed in understanding the role of IMRs in the Canadian economy, the key determinants of their location decisions, and the ways and means of making Canada the destination of choice for these resources.
Challenge to be addressed Stronger and more strategic partnerships are needed in dealing with the investment climate.	
Priority To follow up on the recommendation of the National Summit on Innovation and Learning, to accelerate regulatory reform (to 2005)	Plan + Results to be achieved In support of an innovative economy, review regulations by sector by 2005.
KRC 2: Canada recognized as an investment location of choice	
Challenge to be addressed Investors undervalue Canada's investment attributes; there is a lack of business awareness and consideration of Canada as an investment destination.	
Priority To develop, maintain and disseminate knowledge to investors on the strengths and capabilities of the Canadian ICT industry.	Plan + Results to be achieved Over the next several years, focus resources on two or three key marketing events tied to major international shows/conferences to promote the Canadian ICT investment advantage.

Challenge to be addressed There is a lack of appropriate comparative information on Canadian investment opportunities provided by partners and others.	
Priority To promote Canada as the investment location of choice to international investors. To develop more strategic information on investment opportunities in Canada.	Plan + Results to be achieved Use the KPMG cost comparison analysis study of doing business in Canada to promote investments. Develop and provide timely information on investment-related issues to sales forces, partners and others to better attract foreign strategic investment in Canada.
KRC 3: Increased attraction and retention of multinational investment in Canada	
Challenge to be addressed There is a need for greater investment in Canada by leading foreign firms in key sectors.	
Priority To identify strategic investment opportunities in key sectors of the Canadian ICT industry.	Plan + Results to be achieved Develop an ICT investment strategy and business case to attract foreign direct investment in Canada, with a specific focus on China and India. Implement with partners and build on the strengths of Investment Team Canada and the Deputy Ministers Investment Champion campaigns.
Challenge to be addressed There is a need for re-investment by multinational firms operating in Canada.	
Priority To promote strategic information on investment opportunities in Canada and value-added investment initiatives.	Plan + Results to be achieved Ensure that a cadre of trained company relationship managers exists to work closely with companies to identify and expand investment opportunities in Canada.
Challenge to be addressed There is a need to develop a systematic and well-coordinated capacity to gather strategic and coherent business intelligence for serious prospective investors.	
Priority To coordinate support services for the investment needs of targeted multinationals in Canada and overseas.	Plan + Results to be achieved Gather and coordinate strategic intelligence through company relationship managers.
Challenge to be addressed There is a need for stronger partnerships and better coordination of investment efforts among interested parties, including the public sector (at the federal, provincial/territorial and municipal levels), non-governmental organizations (e.g. universities and research institutions) and the private sector.	
Priority To identify opportunities and work with partners to promote Canada as the location of choice for investment.	Plan + Results to be achieved Help coordinate investment strategies with all partners through sector round tables. Establish a team approach to investment promotion through ongoing dialogue with partners. Through Investment Partnerships Canada, in collaboration with partners (including provinces/territories and municipalities), work to improve the coordination of investment promotion efforts at the international level. Strengthen partnerships with all levels of government and non-government organizations (e.g. Ottawa Centre for Research and Innovation) and universities.

KRC 4: Increased investment by SMEs and by Aboriginal businesses	
Challenge to be addressed There is a need to develop capacity at the community level and to facilitate the creation and expansion of businesses, particularly in Northern and rural Ontario and among Aboriginal people.	
Priority To provide advice, business intelligence and access to capital for Canadian SMEs/Aboriginal businesses, enabling them to better prepare themselves for securing investment and engaging in partnerships and alliances.	Plan + Results to be achieved Through private sector sponsors, continue the investment readiness pilot program aimed at increasing investment knowledge among SMEs, by the end of the 2004–05 fiscal year.
Challenge to be addressed SMEs and Aboriginal businesses continue to experience difficulties accessing capital and financing, with Aboriginal businesses experiencing additional difficulty in acquiring equity.	
Priority To continue to assist Aboriginal businesses in finding the capital they require. To study the decline in use of the <i>Canada Small Business Financing Act</i> (CSBFA) program.	Plan + Results to be achieved Support training, interest rate pay-downs and enhanced loan access, all of which improve access to financing for Aboriginal businesses, through the Aboriginal Business Canada (ABC) Access to Capital component of the Aboriginal Business Development Initiative (abc-eac.ic.gc.ca). Research and provide a rationale for the decline in use of the CSBFA program.
Challenge to be addressed The availability of venture capital is limited.	
Priority To foster increased availability of capital for developmental lending and strengthen the institutional capacity of Aboriginal developmental lending institutions.	Plan + Results to be achieved Through ABC, work in partnership with FedNor, Indian and Northern Affairs Canada, and others to deliver an Aboriginal Venture Capital pilot project in Quebec and Northern Ontario.
TRADE: Working with Canadians to increase Canada's share of global trade	
KRC 1: Secure market access maintained and improved	
Challenge to be addressed There is a need to address the remaining tariff and non-tariff barriers and to enhance international discipline in areas such as trade in services, investment, customs procedures, intellectual property, government procurement, standards, competition policy, labour, environment, subsidies and trade remedies.	
Priority To advance trade liberalization at both the multilateral and bilateral levels, in order to promote Canadian sectoral trade interests. To address any remaining barriers and move vigorously against any new or emerging trade challenges.	Plan + Results to be achieved Constantly monitor progress, and make any necessary course corrections, to obtain indicators of results achieved. Because many of these challenges are long-term, planning for them has to follow a similar path.

Challenge to be addressed There is a need to facilitate cross-border trade and investment while addressing North American security concerns.	
Priority To evaluate existing policies and measures and, as appropriate, recommend actions that facilitate cross-border trade and investment and promote secure national borders.	Plan + Results to be achieved Participate actively in the development and implementation of policies and initiatives to facilitate cross-border trade, through relevant research and policy analysis, including frameworks to promote industry interests in the United States.
Challenge to be addressed There is a need to promote e-commerce as an enabler of trade during trade discussions.	
Priority To promote Canadian interests at trade forums as leaders in adoption and use of e-commerce.	Plan + Results to be achieved Promote Canadian interests in bilateral and multilateral trade negotiations such as the Free Trade Area of the Americas (FTAA) and the World Trade Organization (WTO). Ensure that frameworks for services trading critical to expansion of e-commerce, such as telecommunications and computer services, promote rather than hinder e-commerce.
KRC 2: Export capability and preparedness	
Challenge to be addressed Canadian firms have an interest in but little awareness of available government export support programs and services.	
Priority To promote awareness of government export programs among new and established exporters.	Plan + Results to be achieved Continue to promote Team Canada Inc's toll free Export Information Service (1-888-811-1119), delivered by the network of Canadian Business Service Centres (CBSCs), which provides general information on exporting and referral to Team Canada Inc members and partners. Enhance the CBSCs' services to Team Canada Inc by offering a full range of user support options for the ExportSource Web site (exportsource.ca) which is featured on the Business Gateway of the Government of Canada Web site.
Challenge to be addressed Potential exporters may not be aware of the benefits of exporting, or exporting practices and mechanisms.	
Priority To educate Canadian companies about international opportunities for marketing their products and services.	Plan + Results to be achieved Involve Canadian enterprises wherever possible in all trade activities, including participation in programs for visiting foreign delegations. Continue to provide Canadian companies with information about trade mission opportunities and relevant market intelligence through current Web-based information and electronic newsletters. Deliver general statistics on Canada's trade performance on-line through the Monthly Trade Bulletin and the Trade and Investment Monitor.

KRC 3: International market development	
Challenge to be addressed Canadian companies need the following: <ul style="list-style-type: none"> • The information and intelligence on foreign markets and export opportunities that can help them make informed business decisions, access new markets (market diversification) and secure increased export sales. • The appropriate contacts and networks to facilitate access to foreign markets and an understanding of innovative approaches that can be used, as appropriate, to develop international business. • Support in promoting Canada as a technologically advanced country and a superior source of supply of commercial resources within target foreign markets. 	
Priority To increase awareness of the role of the service sector in the knowledge-based economy. To increase knowledge of the challenges and opportunities relating to Mexico's emergence as a significant player within the North American economy. To inform Canadian exporters about international business opportunities identified by the Canadian Trade Commissioner Service.	Plan + Results to be achieved Engage the broader research community to increase the understanding of the issue of trade in services. Develop a comprehensive research plan on the new economy and services to address (in part) issues relating to international trade and foreign direct investment and examine factors restricting the growth of trade in services. Undertake research to identify the challenges and opportunities relating to Canada's relationship with Mexico, including the possible impact on Canada's industrial structure in sharing North American markets with Mexico. Through the International Business Opportunities Centre (IBOC), in partnership with the Department of Foreign Affairs and International Trade, match business opportunities provided by trade commissioners abroad with qualified Canadian suppliers. IBOC expects to handle more than 6,000 leads in 2003–04, including sales opportunities, tenders and partnering opportunities. IBOC also assists Team Canada Inc in the recruitment of Canadian firms for participation in international trade shows. Follow-up surveys indicate that, as a result of these initiatives, sales generated are increasing year by year.
KRC 4: A more coordinated and cohesive approach to international trade development	
Challenge to be addressed There is a need for more integrated Industry Canada trade development programs, for greater coordination and integration with the Department's partners through Team Canada Inc, and for better communication and marketing of Team Canada Inc partner services.	
Priority To participate in all cooperative activities organized and promoted under the Team Canada Inc umbrella.	Plan + Results to be achieved Engage all relevant Team Canada Inc members to ensure that they are active players on the Trade Team Canada Sectors to achieve even greater coordination of efforts.

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