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INDUSTRY CANADA: MAKING A DIFFERENCE

Overview of activities and plans



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The Industry Portfolio:

Building Jobs and Growth through Innovation and Partnerships

Industry Canada is a member of the Industry Portfolio. The department's mission is to foster a growing, competitive, knowledge-based Canadian economy. The department works with Canadians throughout the economy and in all parts of the country to improve conditions for investment, improve Canada's innovation performance, increase Canada's share of global trade and build a fair, efficient and competitive marketplace. Program areas include developing industry and technology capability, fostering scientific research, setting telecommunications policy, promoting investment and trade, promoting tourism and small business development, and setting rules and services that support the effective operation of the marketplace.

Through the coordinated efforts of its member organizations, the Industry Portfolio is playing a vital role in helping to improve economic growth, and employment and income prospects for Canadians. The Industry

Portfolio brings together the key departments and agencies responsible for science and technology, regional development, marketplace services and micro-economic policy. In doing so, the Government of Canada has created a new capacity for partnership and innovation, both within the Portfolio itself and externally, with the private sector and other stakeholders.

The technology-driven global economy that has emerged in the 1990s holds much promise, as well as many challenges. To maintain traditional strengths and markets while building new ones, Canadians must innovate by developing and using the leading-edge technologies and skills needed in the knowledge-based economy, increasing the ability of firms and industries to export, enlarging Canada's share of international investment, and working to ensure all Canadians, especially youth, are able to participate fully in the new economy. To achieve these goals, business, governments and individual Canadians have to work in partnership.

The Industry Portfolio is playing its part by focussing on three areas of activity — each crucial to Canada's economic success — now and into the next century:

- promoting innovation through science and technology
- helping business grow by providing information, advice and financing support, particularly to small and medium-sized enterprises (SMEs) — the backbone of the Canadian economy
- ensuring a fair, efficient and competitive marketplace, thereby supporting business activity while protecting consumer and investor interests.

New Portfolio Initiatives

The federal budget of February 18, 1997, announced a number of new initiatives through which the Industry Portfolio will work to strengthen Canada's economy and generate jobs. These initiatives focus on helping Canadian businesses innovate and exploit technology, and on giving young people meaningful work experience.

THE INDUSTRY PORTFOLIO IS . . .

- Atlantic Canada Opportunities Agency
- Business Development Bank of Canada
- Canadian Space Agency
- Competition Tribunal
- Copyright Board of Canada
- Federal Office of Regional Development (Quebec)
- Industry Canada
- National Research Council of Canada
- Natural Sciences and Engineering Research Council of Canada
- Social Sciences and Humanities Research Council of Canada
- Statistics Canada
- Standards Council of Canada
- Western Economic Diversification

Creative thinking and new technologies help keep traditional industries competitive and launch new firms into emerging and expanding markets. Business innovation depends on many factors, including the cultivation of young talent and expertise. Canada's youth must not only be educated for the new economy, but also must have opportunities to put their education to practical use and gain a foothold in a challenging job market.

The initiatives discussed below will be delivered through creative partnerships with the private sector, educational institutions, organizations and other levels of government. They will help ensure that Canada has the skills and competitive edge to take its place in the new knowledge-based, global economy of the twenty-first century.

Canada Foundation for Innovation

This new foundation addresses a critical gap in Canada's innovation strategy. To conduct innovative work, researchers need state-of-the-art facilities and equipment. While the federal government has been supporting research for more than half a century, few of its programs support research infrastructure. Using an entirely new approach, the Foundation will fill this gap by providing financial support for the modernization of research facilities at Canadian post-secondary institutions and research hospitals. In so doing, it will help create the kind of research environment that enables Canada to attract and retain highly qualified experts and to nurture its base of skilled graduates.

Through an up-front investment from the federal government of \$800 million, the Foundation will be able to contribute an average of about \$180 million annually over the next five years to modernize research facilities and equipment. Support will target four key areas: science, health, engineering and the environment. In addition, using its funding base, the Foundation will encourage further contributions from a wide range of sources both in the private and public sectors. These efforts are expected to trigger total potential investments of up to \$2 billion over five years.

The Foundation will be set up as an independent corporation held at arm's length from government. It will draw its directors from the research community and the private sector. They alone will be responsible for funding decisions.

The Canada Foundation for Innovation will

- enhance the capacity of Canadians to carry out leading-edge research, a critical step to making Canada competitive internationally
- encourage partnerships among educational institutions and the private sector
- foster scientific innovations that not only strengthen the economy but also improve Canadians' quality of life.

Networks of Centres of Excellence (NCE)

This innovative program promoting science and technology in Canada received permanent annual funding of \$47.4 million in the 1997 budget.

The Networks link teams of researchers from universities, industry and government, allowing them to share skills and resources and collaborate on projects critical to Canadian economic and social development. There are currently 14 Networks conducting research in five key fields: health and biotechnology, information technology, natural resources, infrastructure and human resources. This represents a combined effort of some 400 companies, 48 universities, 37 hospitals and federal and provincial governments in all regions of Canada.

Through these dynamic partnerships, the Networks help established businesses translate research into new products, services and markets. Spinoff enterprises are another result and, to date, 35 new companies have emerged as a result of NCE research.

In addition, the Networks develop and help Canada retain world-class scientists and engineers in key areas of technology. And, they nurture an emerging generation of scientists by giving graduate students an opportunity to train with leading experts in various fields.

Opportunities for Youth

The Industry Portfolio is playing an important role in the government-wide Youth Employment Strategy, which has earmarked \$2 billion in new and existing funding to help young Canadians launch their careers.

Industry Portfolio efforts focus on internships for youth in areas of the economy in which young talent is needed and the potential for future jobs is strong. Through the programs described below, young people will receive work and training opportunities, while employers and host organizations will benefit from the services and new ideas of their trainees.

International Internships

Delivered by the Alliance of Manufacturers and Exporters of Canada, the *Horizon's Plus* program will match graduates who seek careers as export managers with small and medium-sized export companies. The six-month internships will give graduates on-the-job experience and help the firms penetrate export markets.

Technology Internships

The Industry Portfolio has programs that give communities and schools greater access to information technology. These highly successful programs are being expanded and enhanced with a new component — technology training.

The *Community Access Program (CAP) Youth Employment Project* will provide work in the field of Internet technology for young people in rural and remote areas. Young Canadians will develop Internet sites, offer training programs, install and maintain hardware and software and do community outreach. The 12-week projects will help young people acquire communication and information technology skills that will help open doors to future jobs.

The *Computers for Schools Technical Work Experience Program* expands the Computers for Schools program, which provides surplus computers to schools and libraries across Canada. Young people in this program will receive on-the-job training in computer repair. Graduates will be helped to find full-time jobs in the field.

The *SchoolNet Youth Employment Initiative* will hire young graduates to show schools and libraries how to use SchoolNet and the Internet, and how to integrate these resources into their educational programs.

Also new this year is the *Science and Technology Internship Program with Small and Medium-sized Enterprises*. This program will place 980 recent college and university graduates in six-month internships in SMEs. There they will use their technical, business or marketing skills in projects that benefit the participating companies.

Science Internships

National Information Highway, Science and Entrepreneurship Camps will provide young people with meaningful, career-related work experience. The camps, offering educational activities for elementary school children, will be run by high school, university and college graduates. Working at the camps will give the interns a chance to cultivate their entrepreneurial, leadership and team-building skills.

National Research Council (NRC) Science Collaborative Research Internships will give recent university and college graduates a chance to work with distinguished scientists. Graduates will be hired by small and medium-sized businesses that are involved in collaborative research projects with the NRC. The interns will take part in the development of new products, processes and services, or in developing markets for them.

Summer Employment

In addition to the CAP Youth Employment Project mentioned above, the Industry Portfolio is involved in two other programs designed to create skill-building summer jobs for young people.

The *SchoolNet Digital Collections Program* contracts with organizations to hire young people to produce multimedia products for display on Canada's SchoolNet.

The *Student Connection Program* brings together students with Internet expertise and business clients who require training in the field. The students provide one-on-one training in Internet technology at the client's workplace.

Industrial Research Assistance Program (IRAP)

The February 1997 federal budget renewed the government's commitment to the National Research Council's *Industrial Research Assistance Program* (IRAP) through annual funding of \$96.5 million. IRAP provides technical expertise to SMEs through a network of some 250 scientists with industry experience across the country. Working out of a wide range of organizations, such as universities and research centres, IRAP experts deliver advice and assistance directly to clients, helping them to innovate and to seize new opportunities.

Support for Small Business

The small business sector is a major engine of growth and job creation in Canada. Recognizing this fact, the federal government is increasing its support to the sector through the *Small Business Loans Act* (SBLA). The Act provides loan guarantees to small firms, giving them access to needed capital. The new budget initiative raises the total amount of funds available through the SBLA from \$12 billion to \$14 billion. This assistance — which provides support without subsidies — generates jobs at little cost to taxpayers.

Boosting Tourism

Tourism is another important source of job growth, and two important new initiatives will strengthen this industry. The Canadian Tourism Commission will see its funding increased by \$45 million over three years. The Commission joins the forces of the private sector and provincial/territorial and federal governments to promote Canada as a tourism destination abroad. The budget also provides an equity injection of \$50 million to the Business Development Bank of Canada for tourism-related lending.

Innovation and the Industry Portfolio

Innovation is key to success in the global economy. By thinking creatively and adopting new technologies and processes traditional industries can remain competitive while launching new companies into emerging and expanding markets. The Industry Portfolio is taking a new risk-sharing approach to investing in technology through partnerships with the private sector. Portfolio members are also making strategic investments to expand Canada's intellectual resources and to advance knowledge.

The Portfolio helps Canadian businesses increase their competitive advantage and their capacity to expand. Its actions are particularly directed at strengthening the backbone of Canada's economy — small and medium-sized enterprises.

The Industry Portfolio has a vital role to ensure an open and efficient marketplace by setting clear and fair "rules of the game." In this way, it is supporting business activity while protecting consumer and investor interests.

Through its new programs and a wide range of ongoing activities, the Industry Portfolio is contributing to economic growth, increased employment and higher living standards for Canadians in every region, both today and into the new century.

Industry Canada: Making a Difference

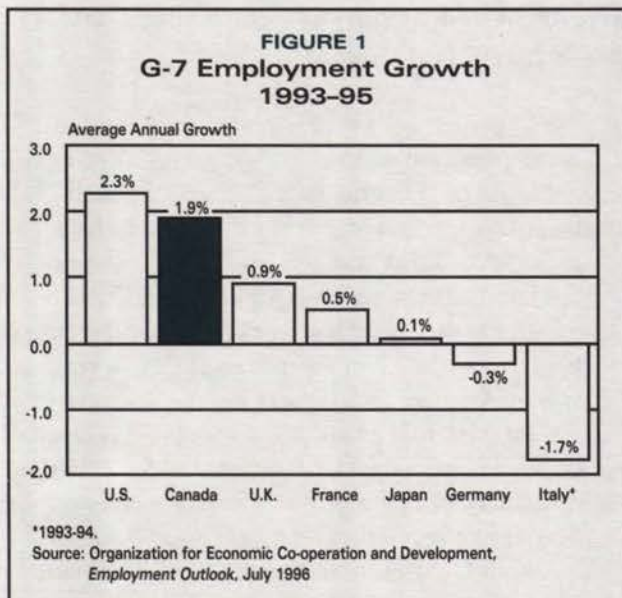
Opportunities and Challenges

As Canada moves increasingly toward a knowledge-based global economy, Canadian business' potential to generate growth and create jobs rests on its ability to innovate, adopt new technologies, increase productivity, improve existing products and services or develop new ones, and expand markets and exports.

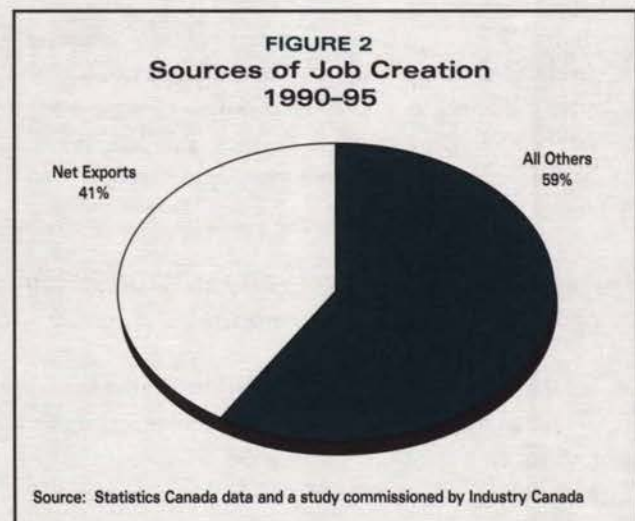
This knowledge-based global economy holds both major challenges and great opportunities. Industry Canada's goal is to help Canadian business seize the opportunities.

In recent years, Canada's economic growth has been led by growth in traded goods . . .

- Economic growth in Canada during the three-year period up to the third quarter of 1996 averaged 2.7%, driven largely by the export sector and machinery and equipment investment. Domestic demand has been sluggish due to high levels of personal debt and relatively weak consumer confidence.



- The private sector created 784,600 net new jobs between October 1993 and February 1997.¹ This growth was offset by a decline of 87,900 public sector jobs, for net job growth of 696,700. Some 78% of these jobs were full-time. Private sector job creation has mirrored economic growth, with traded goods and technology-intensive sectors accounting for most of the growth in this period (figures 1 and 2).
- Canada's exports and overall merchandise trade balance are at record highs. After adjusting for inflation, the value of exports is more than 60% higher than it was five years ago. Moreover, after 13 years of deficits, Canada registered current account surpluses in the second and third quarters of 1996 before recording a small deficit in the fourth quarter. Private sector forecasters expect a surplus in Canada's current account in both 1997 and 1998. Declines in the value of the Canadian dollar and reductions in labour costs relative to those in the United States have made Canadian goods and services much more competitive in Canada's largest export market.



¹ Based on Statistics Canada labour force survey data for October 1993 and February 1997.

- Canadian businesses have been investing in better equipment and more effective processes in recent years. Strong investment in machinery and equipment should help make Canadian producers more competitive in the future.

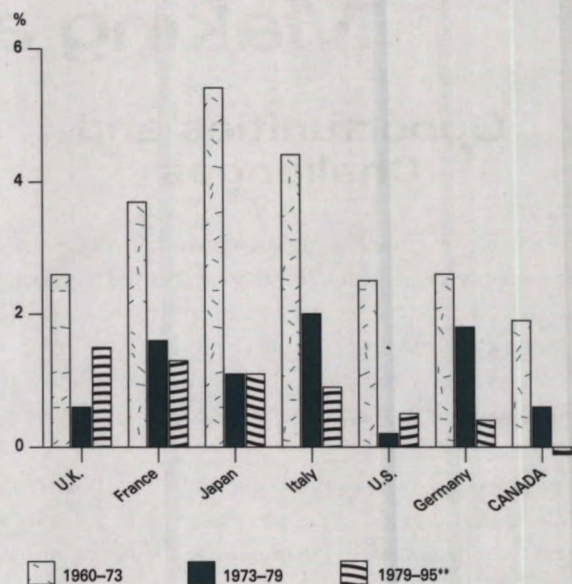
... and the macro-economic situation is much improved ...

- The federal deficit has declined enormously over the past four fiscal years. As a share of the total value of goods and services produced in the economy (Gross Domestic Product — GDP), the deficit has fallen from 6% in 1992–93 to an anticipated 2% in 1997–98.
- The government's financial requirements for net new borrowing have declined from 5% of GDP in 1992–93 to 0.7% (about \$6 billion) in 1997–98. By 1998–99, the government expects net new borrowing requirements to be eliminated.
- Inflation is now at the lowest level since the 1960s. During the past four years, Canada's inflation rate has averaged 1.4%. By comparison, it averaged 1.4 percentage points higher in the U.S.
- Low inflation and falling government deficits have pulled Canadian interest rates down to their lowest levels in a generation. Short-term rates are now more than 200 basis points below comparable U.S. rates. And, for the first time in 13 years, Canadian interest rates are lower than U.S. rates out to 10 years on the yield curve.² Low interest rates greatly reduce the debt burden on government and consumers, and make businesses more competitive.

But structural challenges still exist, due in part to poor productivity performance ...

- Total Factor Productivity (TFP) is the broadest measure of an economy's efficiency in turning labour, capital, raw materials and ideas into goods and services. Real wages and standard of living are largely determined by how fast TFP grows. In the past two decades, Canada's TFP growth has been weak, both in absolute terms and in comparison with major trading partners. This is one

FIGURE 3
Productivity Growth* in G-7 Countries



* Total Factor Productivity

** Or the latest years available: 1993 for Germany and 1994 for Japan, France and the U.K.

Source: Organization for Economic Co-operation and Development

of the major underlying causes of the weaker performance in other areas, such as real income growth and job creation, during this period (Figure 3).

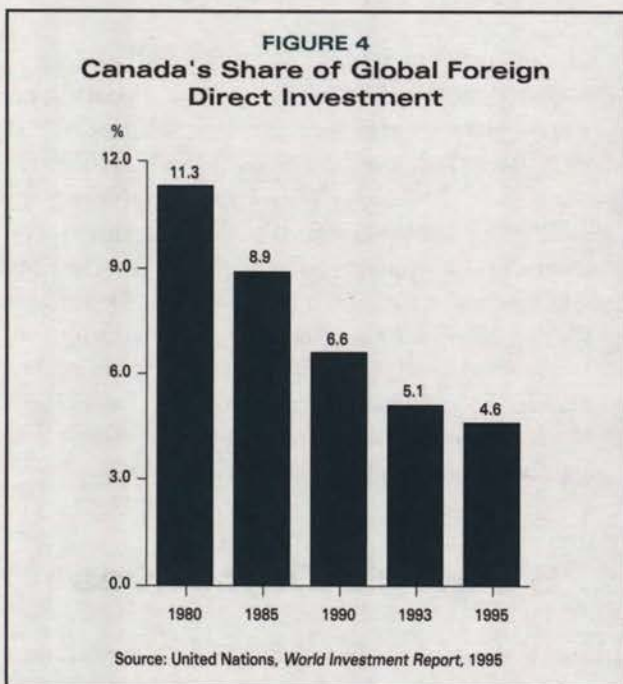
... and the record on innovation has to be strengthened as part of rebuilding Canada's productivity performance ...

- The Organization for Economic Co-operation and Development, in a recent study of Canada's economy, has noted the presence of an "innovation gap" — a sluggishness in turning good ideas into products and services for world markets, and a lag in the rate at which Canadian companies adopt best-practices technologies from around the world. For example, fewer than 1% of Canadian companies invest in research and development (R&D) and most of that activity is concentrated in a handful of companies (25 companies account for almost half of all industrial R&D performed in Canada). In addition, as a 1993 survey underscored, firms in five key industry sectors lagged behind their U.S. counterparts in adopting advanced manufacturing technologies.

² As of March 21, 1997.

... and while foreign direct investment (FDI) has risen, Canada's share of global FDI has fallen ...

- Foreign direct investment is a valuable contributor to jobs and growth and a source of leading-edge global technology as well as managerial and marketing best practices.
- While FDI in Canada doubled between 1985 and 1995, the country's share of the world stock of FDI fell from 8.9% to 4.6% (Figure 4).



... and Canada's strong trade performance can be better still ...

- Canada has one of the world's most open economies. The value of exports and imports of goods and services represents approximately 72% of GDP, more than in any other G-7 country. However, this strong performance is concentrated in a narrow range of companies, trading extensively with a relatively narrow range of countries.

- For example, 50 large companies account for 47% of exports. Among SMEs, the main employers in Canada's business community, only about 10% trade internationally.
- The U.S. share of Canadian exports has grown to more than 80%. Canada has begun to exploit new growth markets in the Asia Pacific rim and South America, but aggressive competition in both regions requires concentrated, long-term effort.

Mission and Role

Since its creation in 1993, Industry Canada has endeavoured to help Canadians build an economy based on the goals of growth, job creation and higher incomes. Government on its own cannot achieve these goals; it is the private sector that generates growth and creates jobs. Government can, however, help create an environment that encourages private sector innovation, growth and job creation.

INDUSTRY CANADA MISSION

Fostering a growing, competitive, knowledge-based Canadian economy that:

- provides more and better-paying jobs for Canadians
- supports stronger, sustainable business growth
- gives consumers, businesses and investors confidence that the marketplace is fair and efficient.

- As part of its *Jobs and Growth Agenda*, the federal government has rethought and refocused its role in the economy. Rather than subsidizing activity and jobs, the government is working to address the structural factors that will most directly contribute to Canada's economic expansion in both the short and longer term.

- These structural factors — globally competitive trade and investment regimes, science and technology development and diffusion, an advanced information and telecommunications infrastructure, a skilled work force and a healthy marketplace climate — are of critical importance. Countries that adapt rapidly to the realities of today's economy will improve the standard of living for their citizens.

Industry Canada has a number of micro-economic instruments to help create the climate for a growing economy . . .

- Industry Canada has a range of micro-economic instruments to help promote the growth of a rapidly evolving, increasingly knowledge-based economy — an economy in which government sets the legislative and regulatory framework and provides leadership on key emerging issues. For Industry Canada, these instruments include activities such as developing industry and technological capability, fostering scientific research, setting telecommunications policy, and promoting investment, trade, tourism and small business development.
- In addition, the department provides information and services that support the effective operation of the marketplace. Some 20 legislative acts set the policy and regulatory framework in such areas as intellectual property, bankruptcy and insolvency, weights and measures, competition and the restraint of trade, incorporation and corporate governance, packaging and the performance (except safety) of non-food consumer products, and spectrum management.

. . . and promote sustainable development . . .

- The department promotes sustainable approaches to the development of the country's economy, in partnership with industry. Canadian companies have made considerable progress in reducing pollutants, limiting waste and energy use and improving natural resources management in recent years. Continuing these efforts is essential to meet the needs of present and future generations and the standards of the global marketplace.

. . . working with Canadians throughout the economy and in all parts of the country . . .

- Through its various roles and activities, Industry Canada serves a diverse client base. Clients range from firms in such sectors as telecommunications, aerospace, forestry, manufacturing and services to small businesses in all sectors of the economy, and also include science and academic communities, consumer organizations and professional groups. All of these groups are linked by the important role that investment, innovation, trade and a fair and efficient marketplace play in determining their future economic prospects.
- The department serves its clients in all regions of Canada through its headquarters in the National Capital Region and through five main regional offices located in Halifax (Atlantic), Montreal (Quebec), Toronto (Ontario), Edmonton (Prairies and Northwest Territories), and Vancouver (Pacific). In addition, subsidiary service points are located in more than 50 communities across the country (see map, p. 26); *Strategis*, Industry Canada's strategic business information Internet site, serves clients 24 hours a day, seven days a week; and 12 Canada Business Service Centres located in each province and territory provide front-line services to entrepreneurs across the country.

Strategic Objectives

Industry Canada is focussing on four key strategic objectives aimed at improving the climate for economic growth in Canada . . .

INDUSTRY CANADA'S STRATEGIC OBJECTIVES

- Improving conditions for investment in the Canadian economy
- Improving Canada's innovation performance and the transition to the knowledge-based economy
- Working with Canadian companies to increase Canada's share of global trade
- Building a fair, efficient and competitive marketplace for businesses and consumers

- **Improving conditions for investment**, both foreign and domestic, contributes strongly to economic growth. Investment in research and development is required to create the new products and processes that will increase our productivity and make Canada more competitive internationally. Investment in plant, equipment and processes is fundamental to Canada's long-term competitiveness. Foreign direct investment brings not only immediate jobs and growth, but also access to global technology pools and management expertise. The level of investment flowing in from abroad is also a hallmark of international confidence in Canada's economy.
- **Improving Canada's innovation performance and the transition to the knowledge-based economy** drives productivity increases. Without innovation, real income growth will not meet society's expectations. Innovation activities include basic research carried out in public laboratories (e.g. the Communications Research Centre), development of a skilled scientific and technical work force, R&D conducted by large and small firms to develop new products, application of leading-edge technologies in the workplace, and building of the Canadian information and communications infrastructure.
- **Increasing Canada's share of global trade** is a direct outcome of investment and innovation. Companies that succeed internationally generally do so because they have invested in leading-edge, high-quality and competitively priced products and services that are marketed globally. Great potential for creating long-lasting, high-quality jobs results from increasing the number of exporting firms (especially SMEs) in all sectors and expanding the markets to which they export. And, succeeding globally usually means a firm is more competitive at home.
- **Building a fair, efficient and competitive marketplace** is the foundation for investment, innovation and trade. It provides the stability and efficiency required to conduct business while maintaining the confidence of consumers in the products, services and transactions of the marketplace.

... to achieve these strategic objectives requires a strong partnership with clients ...

- Achieving these strategic objectives requires a concerted effort among many partners and stakeholders from businesses, associations, workers and consumers as well as other federal departments and other levels of government.

Lines of Business

To deliver on these strategic objectives Industry Canada is organized around three principal lines of business. . .

INDUSTRY CANADA'S THREE LINES OF BUSINESS

- Micro-economic Policy
- Industry Sector Development
- Marketplace Rules and Services

Micro-Economic Policy

- develops the policies, strategies and frameworks needed to improve Canada's productivity growth and to help Canadians take advantage of the knowledge-based economy. Policy activities focus on research, analysis and development of policy and legislative frameworks that encourage increased investment, innovation, the transition to a knowledge-based economy, development of a world-leading Information Highway, stronger and more diversified trade and a healthy marketplace climate.

Industry Sector Development

- helps strengthen the competitiveness of Canadian businesses by working with them to improve the climate for growth, identify and overcome barriers to growth and take advantage of emerging opportunities. This includes strategic approaches to trade development, investment, technology and sustainable development. In this overall context, the department also has several specific activities directed toward small businesses

(Small Business Loans Administration), telecommunications research and development (Communications Research Centre), the Information Highway and new ways of delivering strategic information through *Strategis*, economic development in Northern Ontario (the Federal Economic Development Initiative for Northern Ontario), Aboriginal economic development (Aboriginal Business Canada) and tourism marketing and promotion (Canadian Tourism Commission).

Marketplace Rules and Services

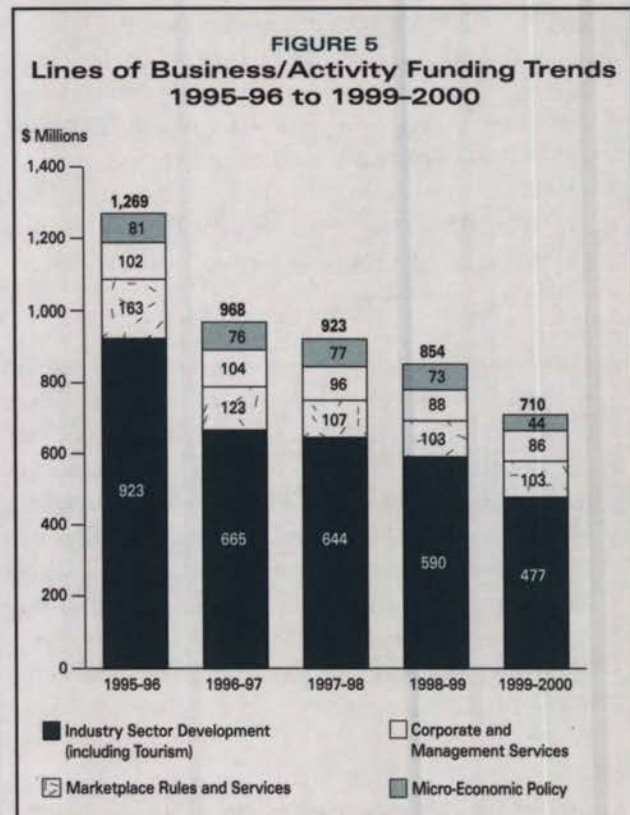
- promotes a fair, efficient and competitive marketplace for business and consumers and promotes Canadian marketplace standards internationally. Confidence in the marketplace expands investment and innovation, leading to improved trade performance. By providing information and services, and developing and administering marketplace standards and regulations, this line of business enables businesses and consumers to contribute to and benefit fully from an efficient and stable marketplace. Components of this line of business include bankruptcy and insolvency supervision, incorporations and corporate governance, measurement regulation, intellectual property protection and dissemination, consumer information and marketplace analysis, consumer labelling and advertising regulation, competition law enforcement and spectrum management.

These lines of business are supported by . . .

Corporate and Management Services

- provides the infrastructure and support required to deliver the best possible service to Canadians by increasing efficiency through developing new ways of interacting with clients using information technology, streamlining management practices, renewing and revitalizing the department's work force, communicating what Industry Canada does, and encouraging the highest standard of public service.

Figure 5 indicates the funding levels and trends for the department's lines of business and support functions.



Industry Canada: Recent Activities

Recent economic performance indicates that the Canadian economy is on the right track, but needs continued focus on improving investment, innovation and trade development, supported by modern, effective marketplace rules and services, in order to strengthen growth and job creation. With partners and stakeholders, Industry Canada continues to help improve the climate for growth and job creation in Canada.

The following sections set out what Industry Canada has achieved recently, what it intends to achieve over the next three years, and how it plans to do so.³

Micro-economic Policy

Micro-economic Policy helps to set the policies and strategies that support Canadian business in a number of areas:

- knowledge-based economy
 - marketplace climate
 - trade and investment policy
 - Information Highway policy
 - science and technology policy.
- We have conducted and supported leading-edge micro-economic research as a basis for policy decisions. This work included organization of conferences, lecture series, seminars and roundtables, publication of conference volumes and papers on trade, investment, infrastructure, technology and other micro-economic issues, along with continued research on SME issues. Over the period ahead, we will continue to expand our micro-economic research program, focussing on the causes of Canada's weak productivity growth, the nature of the innovation gap in Canada and what can be done to address it, and the policy environment to support electronic commerce.

- We have updated and reviewed a number of our marketplace framework laws and policies in the last year and a half (see box, below). Looking ahead, we will be amending the *Small Business Loans Act* and the *Canada Business Corporations Act*. In the medium term, we will look at further modernization of intellectual property statutes, including the review of issues pertaining to the Internet/Information Highway; consider further *Bankruptcy and Insolvency Act* and *Competition Act* amendments; and further develop policies for the use of the National Standards System.

RECENT ACCOMPLISHMENTS: MARKETPLACE LEGISLATIVE REFORM

- tabled amendments to the *Competition Act*
- tabled amendments to the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act*
- tabled amendments to the *Canada Co-operative Associations Act*
- amendments to the *Standards Council of Canada Act* were passed; initiatives to strengthen Canada's National Standards System were implemented beginning April 1996
- tabled amendments to the *Copyright Act* with the Department of Canadian Heritage
- implemented trade-mark changes regarding appellation of origin
- consulted on possible amendments to the *Canada Business Corporations Act*
- improved the Business Impact Test (BIT) to assess the impact of regulations on businesses

³ Accomplishments noted are for fiscal year 1995-96 and to date of writing (March 1997), unless otherwise noted.

- We have worked to increase trade and investment through participation in the development and implementation of investment and trade policies. This has included launching the International Business Development strategy with the Department of Foreign Affairs and International Trade (DFAIT) and using a Team Canada approach to deliver trade services. We have helped to establish an independent Internal Trade Secretariat for monitoring progress on implementing the Internal Trade Agreement. In the next several years, we will strengthen our International Business Development strategy by developing performance measures and improving communications networks; work to increase market access and protection for Canadian investments abroad; and organize the 1997 Asia Pacific Economic Cooperation (APEC) SME Ministerial Meeting and Business Forum to foster increased trade, investment and technology relationships among SMEs in the Asia Pacific region. We will also continue to work with the provinces to have all parties meet their outstanding commitments in the Internal Trade Agreement and set the stage for needed improvements.
- Working with the Department of Canadian Heritage and private sector stakeholders, we designed policy and regulatory frameworks for the Information Highway that support competition (see box, right). We will develop a national access strategy for the Information Highway; bring forward proposals for a legislative framework governing the protection of personal data in the private sector; develop policy for the telecommunications infrastructure (e.g. new wireless technologies); and promote Canadian interests in the areas of international telecommunications standardization, radio regulations and access to frequency spectrum and satellite orbital locations.
- Working with all science-based departments, we brought forward the government's new Science and Technology (S&T) Strategy. Activities during the period included releasing the government's S&T Strategy (*Science and Technology for the New Century*), which sets priorities for the government's science-based departments and agencies and establishes a new method of governance to coordinate activities; helping to develop and provide secretariat support to the new Advisory Council on Science and Technology (ACST) announced by the Prime Minister; working on an approach to report on federal S&T activities; and launching a major work program on S&T indicators

RECENT ACCOMPLISHMENTS: A NEW CONVERGENCE POLICY

- Industry Canada and the Department of Canadian Heritage issued the government's convergence policy in August 1996, setting the framework for competition in all Information Highway facilities, products and services while providing for continued support for Canadian content.
- Industry Canada created a more open marketplace for new wireless communications services by opening up two new spectrum allocations for local multipoint communications systems (LMCS) and personal communications services (PCS).
- With the Department of Canadian Heritage, Industry Canada developed policy directions for direct-to-home broadcasting services.

with Statistics Canada. Looking ahead, we will make S&T progress and plans transparent through an annual report to Parliament; continue to support the work of ACST and the Committee of Federal S&T Advisory Bodies; improve linkages between business and academe through the Networks of Centres of Excellence; strengthen the commercialization of S&T through, for example, Technology Partnerships Canada; improve our understanding of the role of S&T in the economy through better statistics and indicators; and work with our Portfolio partners to implement the Industry Portfolio S&T Action Plan.

Industry Sector Development

Industry Sector Development helps make Canada a place where business can get on with creating growth, jobs and wealth for more Canadians. We work to improve the climate for growth, to find and remove obstacles, and to promote innovative products and operations. We help business take advantage of new opportunities, both at home and abroad.

Our programs fall into three general groups:

- developing international trade and investment
 - supporting new technology and communications
 - providing background support to business.
- We have introduced new approaches designed to increase the number of exporting firms and diversify markets (see box, below). In the coming years, we will allocate federal international business development resources more strategically to industry sectors through Canada's International Business Strategy (CIBS); expand trade development networks through the National Sector Teams and the Regional Trade Networks; target services to exporters better; and exploit export opportunities arising from the International Business Opportunities Centre.

**RECENT ACCOMPLISHMENTS:
INTERNATIONAL BUSINESS
DEVELOPMENT**

- With DFAIT, Industry Canada began to implement the International Business Development strategy, based on a Team Canada approach. This strategy is composed of Canada's International Business Strategy (CIBS), Regional Trade Plans and the International Business Opportunities Centre (IBOC), all joint initiatives with DFAIT.
- CIBS comprises some 27 industrial sector strategies developed by national sector teams, providing a coordinated approach to targeted trade initiatives in key sectors of the Canadian economy.
- Ten Regional Trade Plans and Regional Trade Networks harness the expertise of provincial and territorial governments as well as some municipalities and private sector groups.
- The IBOC has followed more than 3,500 trade leads and contacted more than 9,000 companies.

- With DFAIT, Industry Canada launched Investment Partnerships Canada to attract new foreign direct investment and to retain existing investment. We will expand our targeted investment promotion activity through this program. This highly specialized team will identify potential opportunities to retain, expand and attract new international investment, select the best of those opportunities for intense promotion, establish investment strategies for each of the selected opportunities and implement the targeted strategies.
- We have introduced a major new program, Technology Partnerships Canada (TPC), to encourage technological innovation and improve the rate of adoption of advanced technologies (see box, next page, left). In the next three years, we will support technology development in industry through this program; develop Technology Roadmaps to identify critical new technologies; support Phase II of the Pre-Competitive Advanced Research Network (PRECARN); continue development of the Canadian Technology Network; and revitalize the National Biotechnology Strategy.
- We promoted growth in the information technologies and telecommunications industries, and helped to place Canada and Canadians at the leading edge of the global Information Highway (see box, next page, right). We will continue to develop programs to connect Canadians to the Internet. Looking ahead, we will
 - bring the total number of communities linked to the Information Highway to 5,000 (Community Access Program) by the year 2000
 - develop plans to ensure the long-term viability of SchoolNet
 - link all of Canada's 16,500 schools, 3,400 public libraries and 450 Aboriginal schools to the Internet by 1998 (SchoolNet)
 - develop First Nations on-line educational resources (SchoolNet)
 - significantly increase the number of computers and software packages transferred to schools from governments and the business community (Computers for Schools)
 - employ 1,500 young Canadians to digitize historical collections, resulting in 350 new SchoolNet collections (SchoolNet Digital Collections)

- involve more than 2,000 students and train more than 50,000 business managers on the Internet's business capabilities (Student Connection).
- We conducted and supported R&D in advanced telecommunications technologies (see box, next page, left). We will expand the number of Communications Research Centre (CRC) partnerships with external organizations to enhance technology diffusion; increase private sector access across Canada to CRC's specialized facilities; expand CRC's Innovation Centre in support of Canadian SMEs; and, in partnership with industry, expand CRC research in the connectivity, interactivity, mobility, and wireless access and capacity of the communications network of the future.

**RECENT ACCOMPLISHMENTS:
TECHNOLOGY PARTNERSHIPS
CANADA — STRENGTHENING
OUR TECHNOLOGY BASE**

- Technology Partnerships Canada (TPC) is a central element in the government's agenda to promote technological development as a catalyst for economic growth and job creation through increased productivity and competitiveness.
- TPC has made \$150 million available in 1996-97 (with funds rising to \$250 million in 1998-99) in contingently repayable contributions to firms pursuing targeted technology development. These repayable contributions share both risk and reward with the private sector and are intended to ensure that products with a high potential to stimulate economic growth and job creation reach the marketplace.
- TPC makes investments in technology development to support new environmental technologies, enabling technologies, and aerospace and defence industries including defence conversion.

**RECENT ACCOMPLISHMENTS:
PLACING CANADA AND
CANADIANS AT THE LEADING EDGE
OF THE INFORMATION HIGHWAY**

- Public access to the Internet for more than 700 rural communities was provided in 1996-97 under the **Community Access Program (CAP)**. More than 800 jobs were created for students to work with CAP during the summer of 1996.
- The number of Canadian schools connected by **SchoolNet** reached 8,500 (of 16,500); 220 First Nations schools signed agreements to connect.
- **Computers for Schools** delivered 13,000 computers in 1996-97, for a total of approximately 25,000 computers and 45,000 pieces of software donated since the program began in the fall of 1993.
- **SchoolNet Digital Collections** has funded the digitization of more than 100 heritage and science and technology collections by more than 600 young Canadians to display on SchoolNet.
- **SchoolNet Virtual Products** successfully completed the National Graduate Register pilot project, with 10,000 students enrolled to date, and launched 30 new services for SchoolNet.
- **Student Connection** allows post-secondary students to introduce SME managers to innovative on-line methods to meet their business needs; students gain the business experience and computing skills necessary to compete successfully in today's job market. Since May 1996, more than 1,000 students have been employed and more than 6,000 business managers trained.

**RECENT ACCOMPLISHMENTS:
COMMUNICATIONS RESEARCH
CENTRE**

- CRC responded to the Information Highway Advisory Council's recommendations by increasing the role of its testbeds (e.g. BADLAB, satcom, fibre-optics, wireless) and undertaking research on the interoperability and interconnectivity of radio, satcom and fibre-optics systems.
- The Innovation Centre provided an "incubation" home to eight companies developing innovative products.

- We produced and delivered strategic business information to Canadian businesses 24 hours a day, seven days a week through *Strategis* (see box, right). Looking ahead, we will enhance *Strategis*, Industry Canada's Internet site (and the largest business information site in Canada), by focussing on
 - an expanded information collection
 - introduction of powerful interactive services, such as diagnostic tools
 - enhancements to interactive program delivery and electronic transactions
 - improved and individually customized interfaces
 - more partnerships to enable greater improvements to *Strategis*, better service to SMEs and more focussed co-marketing
 - targeted marketing to increase the number of SMEs who can benefit from *Strategis*
 - continued improvements to client feedback and monitoring capacities, including focus groups, on-line feedback and evaluations.

**RECENT ACCOMPLISHMENTS:
STRATEGIS — THE POWER
OF INFORMATION**

<http://strategis.ic.gc.ca>

- *Strategis* is a world of information spread across 325,000 electronic documents, 750,000 pages of searchable text, three billion bytes of economic data, and hundreds of hot links to sites around the world.
 - Through *Strategis*, users are able to access the latest information on trade data, micro-economic policies, the marketplace, emerging technologies, and how to manage a business.
 - *Strategis* logs more than 190,000 hits per business day. This represents 33,500,000 total hits since *Strategis*' launch in March 1996.
 - In the same period, users have retrieved documents 7,200,000 times from *Strategis*, an average of almost 60,000 per day.
 - From March 1996 to March 1997, *Strategis* served more than 200,000 individual users.
- We have helped SMEs gain access to capital and information (see box, next page, left). We will continue to provide support to SMEs through the *Small Business Loans Act*; implement the second round of competitions under the Canada Community Investment Plan; and improve the business information, tools and technologies of the Canada-Ontario Business Service Centre. We provided information on all federal government services and programs dedicated to SMEs through a guide to Government of Canada SME programs and activities, as well as a series of conferences and "information fairs" across the country.

RECENT SME ACCOMPLISHMENTS: ACCESS TO CAPITAL

- Some 34,000 small businesses registered loans under the *Small Business Loans Act* in 1995-96, supporting the creation of 181,259 jobs.
- The Canada Community Investment Plan was launched to help communities work with their growth-oriented businesses to access existing local, regional and national sources of risk capital. Eleven communities were selected for funding in 1996-97.

ACCESS TO INFORMATION

- After the pilot in Regina in November 1996 of the series of about 30 small business conferences and information fairs, events in 19 locations across the country from January to March 1997 have attracted some 38,500 participants, nearly half representing the small business "start-up" category.
- More than 160,000 copies of *Your Guide to Government of Canada Services and Support for Small Business 1996-97* have been distributed. The guide has also been made available electronically on *Strategis*.

- We worked to improve economic development in Northern Ontario through the Federal Economic Development Initiative in Northern Ontario (FedNor). In the past year, we have established a new approach to economic development in Northern Ontario. This approach, to be implemented over the next several years, focusses on increasing the availability of capital, encouraging the development of telecommunications and business networks, enhancing access to business information and services, supporting trade and marketing efforts, encouraging community partnerships in economic development, and ensuring a strong Northern Ontario voice at the national level.

- We helped to strengthen Aboriginal businesses and their capital base. In upcoming years, will work with the National Aboriginal Economic Development Board to deliver on new priorities and directions for Aboriginal businesses and to increase the participation of Aboriginal businesses in the new economy through technology adoption, participation in the Information Highway, youth entrepreneurship and trade initiatives.
- We helped to increase the global awareness of Canada as a desirable tourist destination and provided core statistical information to the tourism industry (see box, below). In the coming years, we will expand promotional efforts in key international markets, notably the U.S. leisure market, returning visitors from Europe, and current and emerging markets in the Asia Pacific region; stimulate development of more diverse Canadian travel packages, particularly promoting fall and winter destinations; and integrate Aboriginal tourism into international marketing programs.

RECENT ACCOMPLISHMENTS: THE CANADIAN TOURISM COMMISSION

- The Canadian Tourism Commission (CTC) was created in January 1995 to expand tourism marketing and promotion in domestic and major international markets, in partnership with industry.
- By the fall of 1996, the CTC attracted more than 1,400 partners and increased partner contributions to more than \$62 million in 1995-96. These partner funds, combined with Industry Canada's \$50 million investment, will promote Canada as a tourism destination and should help to reduce Canada's travel deficit in the future.
- One joint marketing agreement between the CTC and JCB International, a major credit card company, is increasing awareness of Canada among 34 million card-holders worldwide.

Marketplace Rules and Services

This line of business has eight components:

- bankruptcy and insolvency supervision
- competition law enforcement
- consumer information and marketplace analysis
- consumer labelling and advertising regulation
- corporations regulation
- intellectual property protection and dissemination
- measurement regulation
- spectrum management (broadcasting licensing).

Business and consumer confidence rely on a well-run marketplace that is fair, efficient and competitive. Our activities are designed to develop and support clear "rules of the game." We are responsible for

- marketplace information and services
- marketplace standards and regulations
- administration and enforcement of "the rules"
- promotion of Canadian standards in global markets to help Canadians compete more effectively.
- **We delivered information and services that enable businesses and consumers to contribute to, and benefit from, an efficient and stable marketplace** (see box, right). We will process more than five million marketplace service transactions annually with higher productivity and efficiency; develop new services and information products such as electronic filing for incorporations, distribution of information through *Strategis* and production of spectrum licences and invoices locally.
- **We improved standards and regulations to better encourage a fair, efficient and competitive marketplace.** We revised regulations and standards to reduce paper burden and costs for business in key areas related to consumer products, patent and trade-mark rules, bankruptcy supervision, incorporations, competition information and spectrum management. In the period ahead, we will undertake regulatory reform in support of amendments to marketplace legislation, including revising selected radio communication and broadcasting regulations, technical standards and regulatory procedures to allow introduction of digital radio and television broadcasting, and examining credit disclosure rules.

RECENT ACCOMPLISHMENTS: KEY MARKETPLACE SERVICES TRANSACTIONS IN 1995-96

- 68,000 intellectual property applications
- 32,000 new articles of incorporation and fundamental changes: amendment, amalgamation, dissolution and name decisions
- 165,000 statutory filings under the *Canada Business Corporations Act* and other corporate laws
- 133,000 information requests related to corporations
- 200,000 compliance and enforcement activities related to federal corporations
- 46,700 competition transactions (complaints, merger prenotifications, advance rulings and information requests)
- 65,400 radio licences, 4,600 broadcast applications and notifications, 250,000 bilateral proposals and international notifications for frequency assignments, 25,500 radio operator examinations, 2,700 radio and telecommunications equipment approvals, and more than three million certification labels for telecommunications equipment
- 83,400 total filings, including 78,700 bankruptcies, as part of bankruptcy and insolvency supervision
- 12,000 consumer product inspections and warnings
- nearly 34,000 measurement standards calibrated and certified
- more than one million measuring devices (electricity and natural gas meters, scales, liquid meters, etc.) inspected, and 450 prototype measuring devices evaluated and approved for trade use in Canada
- more than 15,000 disputes between buyers and sellers of electricity and natural gas investigated and resolved

- We administered and enforced laws and regulations that maintain business and consumer confidence. In the next couple of years, we will promote more industry self-regulation in areas such as accurate pricing with electronic scanners; work with provinces in formulating cooperative enforcement strategies for consumer protection; and expand education, information and feedback mechanisms to promote compliance.
- We promoted international acceptance of Canadian marketplace standards that help Canadian businesses compete internationally. We negotiated international cooperative arrangements that supported development of international standards or coordinated approaches for measuring devices, textile and precious metals marking, telecommunications equipment, patent

protection for deposit of micro-organisms, and cross-border deceptive marketing practices. We will continue to work with other departments to promote Canadian "marketplace framework" interests abroad by participating in international bodies such as the World Trade Organization, the North American Free Trade Agreement, the Organization for Economic Co-operation and Development, the World Intellectual Property Organization, the World Radio Conference, the International Committee of Legal Metrology, and International Organization for Standardization Technical Committees; and to increase international coordination and cooperation among marketplace enforcement and service providers in key areas such as competition law and policy, consumer protection, measurement and intellectual property.

Industry Canada: A Look Ahead

Micro-economic Policy

In the course of fiscal year 1997–1998, Industry Canada's micro-economic policy line of business will respond to key challenges by developing policies, strategies and frameworks to

- improve information and benchmarking on micro-economic issues
- continue modernization of marketplace and regulatory frameworks
- strengthen trade development and international agreements, and increase foreign direct investment
- sustain deregulation and competition on the Information Highway
- improve performance in innovation and science and technology.

The Micro-economic Policy line of business will conduct and support leading-edge research on micro-economic issues as a basis for current and future policy decisions . . .

- continue to act as the government's centre for strategic micro-economic information, and support Industry Canada's policy decisions, particularly in the areas of productivity growth, innovation and electronic commerce
- analyze regional and provincial economic trends and provide a regional perspective for policy-making
- conduct research on and develop programs for young Canadians to enhance their technological and entrepreneurial skills
- work with other government departments and the private sector to find ways of reducing the paper burden on small business

. . . develop modern and effective marketplace framework laws and policies . . .

- amend key legislation including the *Small Business Loans Act*, the *Canada Business Corporations Act*, the *Bankruptcy and Insolvency Act* and the *Competition Act*

- modernize intellectual property policies, concentrating on issues surrounding the Internet and the Information Highway
- develop Industry Canada's Sustainable Development Strategy
- implement the Business Impact Test across the federal government
- develop federal policies for the use of the National Standards System and promote, with the Standards Council of Canada, voluntary standards

. . . increase trade and investment by participating in the development of investment and trade policies . . .

- strengthen the International Business Development strategy with a view to doubling the number of successful Canadian exporters by the year 2000
- participate in World Trade Organization activities
- negotiate a binding multilateral investment treaty among OECD members
- organize and host the 1997 APEC SME Ministerial Meeting and Business Forum (see box, next page, top)
- work with the provinces to strengthen the Internal Trade Agreement and to reduce interprovincial trade barriers

. . . design policy and regulatory frameworks for the Information Highway that support competition . . .

- develop, with the Department of Canadian Heritage, a national access strategy
- propose, with Justice Canada, a legislative framework to protect personal data in the private sector
- provide a solid foundation for electronic commerce by removing legal barriers, updating cryptography policies and acting as a model user
- develop policy and regulatory frameworks that support competition, promote convergence, ensure world-class telecommunications and communications infrastructure and services, and clarify rules for new content-based services

THE 1997 ASIA PACIFIC ECONOMIC COOPERATION SME MINISTERIAL MEETING AND BUSINESS FORUM

■ Industry Canada will chair the APEC SME Ministerial Meeting, to be held in Ottawa in September 1997. For the first time, the event will combine a business forum with a cross-Canada business matchmaking component, reaching 1,000 SMEs.

■ Expected results include

- increased trade, investment and technology partnerships among SMEs in the APEC region
- policy recommendations to improve the capacity of SMEs to do business in that region
- increased awareness of leading Canadian technologies among other APEC members.

STRATEGIC ADVICE ON SCIENCE AND TECHNOLOGY

In its first year of operation, the Prime Minister's Advisory Council on Science and Technology will focus on

- improving the supply of highly qualified personnel
- speeding up the commercialization of new knowledge
- expanding public and private sector leadership of the knowledge-based economy.

... help implement the federal S&T Strategy and promote innovation ...

- assist in developing and implementing the Canada Foundation for Innovation

- support the work of the Prime Minister's Advisory Council on Science and Technology (see box, below)
- prepare the government's annual report to Parliament on federal science and technology
- implement, with other Industry Portfolio partners, the Industry S&T Portfolio Action Plan
- develop ways to measure innovation in a knowledge-based economy and identify "best practices" in this area to help Canadian companies adjust to technological change
- provide advice on university research issues and on federal support or "megascience" initiatives
- promote the commercialization of government and university research results.

Industry Sector Development

During 1997-1998, the Industry Sector Development line of business will help Canadian business compete in the global environment (see box, next page, left) by

- promoting industrial growth and competition
- helping Canadian businesses strengthen their export orientation and optimize investment in capital equipment, technology and human resources
- strengthening Canadian business' long-term planning capacity
- developing and increasing the availability of strategic information on trade patterns, opportunities and technological change
- seizing opportunities to maintain and increase Canada's share of global tourism.

The Industry Sector Development line of business will increase the number of exporting firms and diversify markets ...

- develop services, products and training programs in support of exporters, including new Internet-based interactive information sources
- strengthen National Sector Teams and Regional Trade Networks to develop sector-specific and region-specific goals, determine strategic allocation of resources, and implement trade strategies

**INDUSTRY SECTOR DEVELOPMENT —
HELPING BUSINESS COMPETE
THROUGH**

- sector development
 - Sector Competitiveness Frameworks
- trade development
 - Team Canada
- investment development
 - Investment Partnerships Canada
- technology development
 - Technology Partnerships Canada
- information technologies and telecommunications
- communications research
 - Communications Research Centre
- strategic information
 - *Strategis*
- services to business
 - Canada Business Service Centres
 - Small Business Loans Administration
- Canada-Ontario Infrastructure Works
- Federal Economic Development Initiative in Northern Ontario (FedNor)
- Aboriginal Business Canada
- Canadian Tourism Commission

- match Canadian capabilities, particularly among SMEs, with business leads supplied to the International Business Opportunities Centre by trade commissioners abroad
- produce and deliver strategic business information through *Strategis* and develop new tools for customization of its services to meet individual needs
- increase Canada's market share of projects financed by international financial institutions
- increase Canadian procurement in the growing infrastructure privatization market

... attract new foreign direct investment and retain existing investment . . .

- expand existing foreign investment in Canada and attract new investment by multinational enterprises through Investment Partnerships Canada (see box, below)
- implement marketing campaigns focussed on the world's top five source countries for investment: the United States, Japan, the United Kingdom, France and Germany
- build new federal-municipal and government-private sector partnerships to attract investment
- develop criteria for sustainable development performance evaluation of key programs

**A NEW INITIATIVE: INVESTMENT
PARTNERSHIPS CANADA**

- A joint Industry Canada-DFAIT initiative announced in October 1996, Investment Partnerships Canada is mandated to secure strategic investments from key multinationals in growth sectors and to work to retain investments that are at risk.
- A highly specialized team will target a select group of firms with a significant opportunity for attracting high yield investment. It will
 - identify potential opportunities to retain, expand and attract new international investment
 - select the best of those opportunities for intense promotion
 - establish investment strategies for each of the selected opportunities, and implement the targeted strategies.

... encourage technological innovation and increase the rate of adoption of advanced technologies by industry ...

- make strategic and successful investments through Technology Partnerships Canada (TPC) in key environmental and enabling technologies, and in new aerospace and defence industry developments, including defence conversion
- expand TPC's focus on SMEs
- identify new growth sectors for potential TPC investment
- apply, with industry, Technology Roadmaps that identify new technologies required by Canadian industries to meet future market demands
- continue to support Phase II of the Pre-Competitive Advanced Research Network (PRECARN) to increase industry collaboration in the development and use of technology transfer in the areas of advanced robotics, neural networks and other intelligent systems
- lead a comprehensive review of the competitiveness of, and policy framework for, Canada's automotive industry to ensure its long-term growth
- expand technological cooperation with trading partners such as the U.S. and Japan and promote the use of international standards and quality management

... promote the growth of information technologies to keep Canada at the leading edge of the global Information Highway ...

- continue to help Canadians connect to the Information Highway, especially in rural and remote areas, among youth, and with SMEs
- expand existing SchoolNet services, particularly among First Nations, and promote programs to put more computers into more schools
- cost-share precompetitive R&D for critical Information Highway technologies, especially for Canadian leadership in asynchronous transfer mode (ATM) use
- further the development of the Canadian Network for the Advancement of Research, Industry and Education (CANARIE)
- conduct and support R&D in advanced telecommunications research through the Communications Research Centre

... improve SME access to capital and information, improve economic development, strengthen Aboriginal businesses, and increase tourism in Canada ...

- provide support to SMEs through the *Small Business Loans Act* (SBLA) and anticipate providing guarantees for some 40,000 loans in 1997-98 totalling approximately \$2.3 billion, supporting the creation of more than 100,000 jobs
- help communities work with growth-oriented businesses under the Canada Community Investment Plan to access existing local, regional and national sources of risk capital
- support distribution of strategic information to SMEs through *Strategis* and the Canada Business Service Centres
- support infrastructure improvements in Ontario, and economic development in Northern Ontario
- strengthen Aboriginal Business Canada through investment, partnership arrangements and support for entrepreneurship, especially among young Aboriginals
- increase national and foreign awareness of Canada as a tourism destination, through targeted marketing programs and collaborative working arrangements with provincial and private sector tourism representatives

Marketplace Rules and Services

In the course of fiscal year 1997-98, the Marketplace Rules and Services line of business will continue to promote a fair, efficient and competitive marketplace for businesses and consumers by

- improving information and service delivery
- anticipating and supporting legislative reform
- changing compliance-monitoring requirements
- expanding national and international partnerships.

EXAMPLES OF NEW WAYS OF WORKING TO IMPROVE SERVICE DELIVERY

- Provide on-line diagnostic tools to help businesses avoid costly errors in labelling or advertising consumer products.
- Continue to expand content and interactive components for "Consumer Connection" on *Strategis*, and provide the platform for a national Consumer Research Information Network.
- Expand the pilot project for Canadian patent bibliographic information on *Strategis* to include abstracts and primary drawings.
- Explore options to link clients electronically to the Office of the Superintendent of Bankruptcy (OSB) through a private sector service provider. This will allow users to access information and to register all bankruptcy and insolvency proceedings electronically.
- Expand OSB's Internet site to include useful information for debtors, first-time creditors and an expanded user friendly statistical database.
- Continue to provide Canada-wide 1-800 access to the Competition Bureau and expand services of its centralized Complaints and Public Enquiries Centre.
- Explore the possibility of setting up partnerships with industry to provide improved licensing services for certain categories of radio equipment.
- In consultation with clients, examine ways to devolve measurement inspection services to accredited third-party providers.

The Marketplace Rules and Services line of business will improve delivery of information and services so that business and consumers can contribute to, and benefit from, an efficient and stable marketplace and respond to changing conditions . . .

- process more than five million client transactions annually with higher productivity and efficiency
- develop new information products and take advantage of new technology allowing electronic filing for incorporations, publishing compliance policies, guidelines and information kits on *Strategis*, and producing spectrum licences locally
- provide increased service to Industry Canada's broadcast services client base as a result of the introduction of new broadcast transmission formats
- increase the accessibility of intellectual property data
- develop competition-related information and education products for SMEs and for on-line distribution

. . . develop standards and regulations that encourage a fair, efficient and competitive marketplace . . .

- revise the federal statutes and regulations governing competition, bankruptcy, cooperatives, securities, copyright and industrial design, radiocommunications and consumer protection, and draft new credit disclosure rules
- explore consumer compliance issues, such as price scanner accuracy, textile care labelling and fibre content claims, precious metals and diamond claims, pet food labelling, and harmonization of international regulatory standards
- explore dispute resolution mechanisms as alternatives to the court system for consumer redress
- explore a competitive bidding process for use in future spectrum licensing initiatives

. . . administer and enforce marketplace laws and regulations to maintain business and consumer confidence . . .

- work with the provinces to develop cooperative ways to enforce consumer protection and to standardize credit disclosure rules

- re-engineer the bankruptcy and insolvency compliance framework, develop debtor and trustee compliance strategies and streamline the consumer bankruptcy process
- develop, as an alternative to prosecution, more cost-effective approaches to maintaining compliance with the *Radiocommunication Act* and Radiocommunication Regulations
- continue effective enforcement of *Competition Act* provisions relating to conspiracy, bid-rigging, merger, abuse of dominance and misleading advertising

. . . promote international acceptance of Canadian marketplace standards . . .

- participate in international bodies such as the World Trade Organization, the Organization for Economic Co-operation and Development, and others to promote Canadian marketplace standards globally, ensure harmonization of processes and protect Canadian business and consumer interests
- increase cooperation on Canada-U.S. cross-border antitrust and telemarketing activities
- pursue an international agreement to provide unrestricted use and free movement of Global Mobile Personal Communications System telephones and terminals around the world

Developing New Ways of Working

Managing a shrinking financial and human resources base . . .

- Improving Canada's economic performance and prospects significantly depends on bringing the federal deficit and debt under control. Industry Canada, like other federal departments, is making a major contribution to this effort. In the February 1995 budget, Industry Canada's financial resources were reduced by more than 50% (not counting the Canada-Ontario Infrastructure Works program), its staff was reduced by more than 20%, and the number of Industry Canada programs was cut from 54 to 11. Over the past year, a number of new programs such as Technology Partnerships Canada have been approved, but all have been financed by reallocation either within Industry Canada

or from within existing government resources. The department's budget continues to decline, dropping from \$968 million in 1996-97 to \$710 million in 1999-2000.

. . . while responding to a growing desire from both the private and public sectors to see a major improvement in the efficiency and responsiveness of government . . .

- Meeting the department's goals with the resources available will require the adoption of a number of innovative measures. These include designing new kinds of organizations that are better able to respond to client needs; developing the skills and knowledge of staff; and using the most up-to-date work practices and technologies to reduce costs and improve service quality.

Industry Canada is developing new ways of working to get greater value from diminishing resources and serve clients better . . .

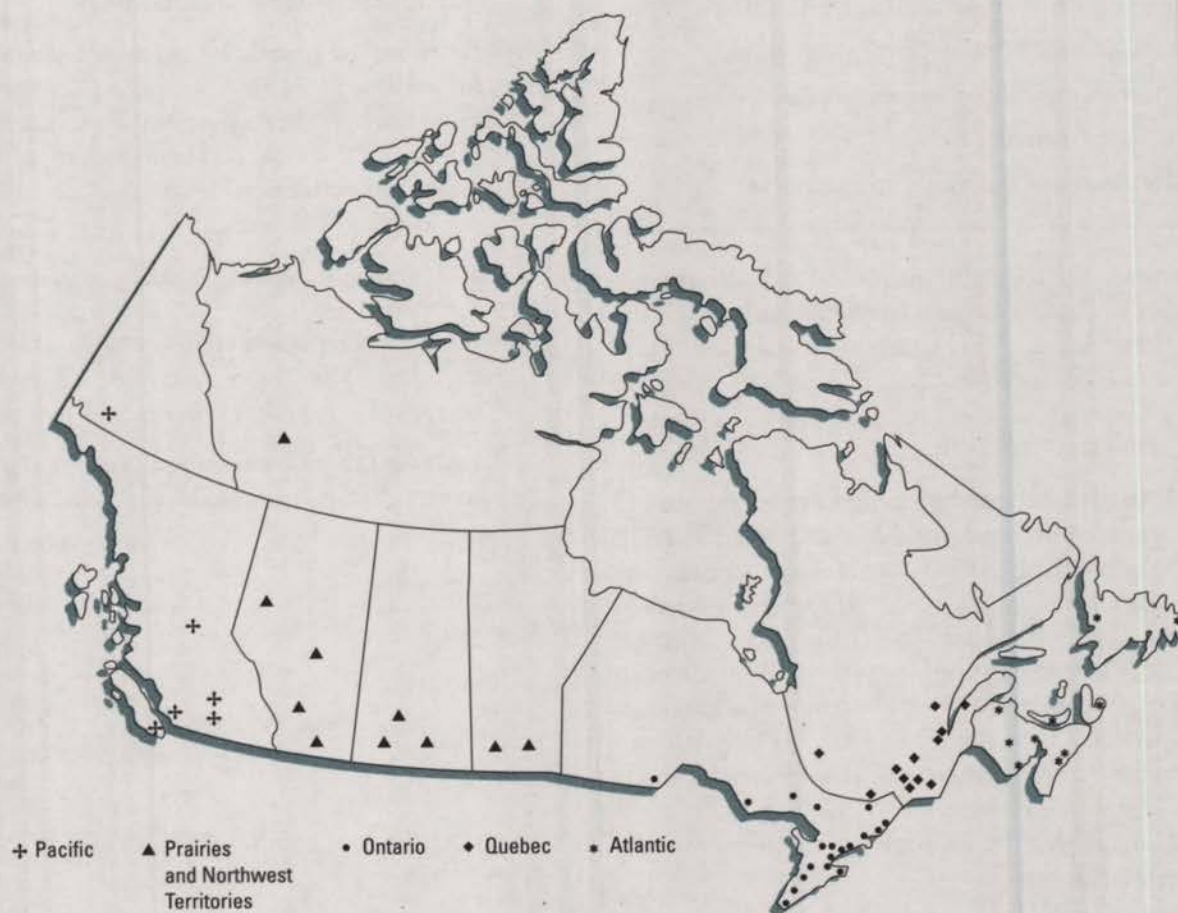
- Industry Canada has launched a number of initiatives to modernize programs and services to meet the needs of Canadians, today and in the future. They include
 - using **information technology** to provide more accessible, relevant and responsive information products and services to clients at less cost. *Strategis* is Industry Canada's flagship vehicle for providing service to clients more efficiently and effectively 24 hours a day, seven days a week. Without the use of electronic technology, this scale of client reach would be impossible to achieve, regardless of budget cutbacks.
 - identifying more opportunities for **alternative service delivery** including re-engineering processes, creating more flexible institutional structures, entering into partnerships with the private sector and other levels of government, and privatizing certain services. The department has five Special Operating Agencies (SOAs) or equivalent (see box, next page) established or approved, with more to come. These agencies are part of the department and, in several cases, also have significant input from private sector advisory boards.

INDUSTRY CANADA'S SPECIAL OPERATING AGENCIES

- Canadian Intellectual Property Office
- Canadian Tourism Commission
- Communications Research Centre
- Measurement Canada
- Technology Partnerships Canada

- improving **results measurement and accountability** to Parliament and to clients, enhancing the department's ability to report factually on its performance related to its key goals and strategies, and ensuring it continues to deliver cost-effective programs and services that meet Canadians' needs
- expanding **partnerships** with the private sector and other governments, nationally and internationally, to help achieve common goals. Leading-edge partnerships developed through Trade Team Canada (e.g. National Sector Teams), Investment Partnerships Canada, Technology Partnerships Canada, the Canada Business Service Centres, the Canadian Network for the Advancement of Research, Industry and Education (CANARIE), the Communications Research Centre, and the Canadian Tourism Commission are examples of the department's new approach
- developing **quality service initiatives** to improve understanding of client needs and expectations, setting client service standards, increasing employee training and seeking client feedback
- **renewing and revitalizing Industry Canada's work force** through a university recruitment program, more effective career planning approaches, better training for both staff and management, and introducing innovative management practices to improve the working environment
- achieving **more effective financial management** with more emphasis on the collection and reinvestment of repayable contributions and revenues, including fuller cost recovery and increased use of vote netting and other financial mechanisms
- improving **client consultation** as part of the development of policy frameworks, programs and services.

Industry Canada Regional Offices: Serving Clients across Canada



Pacific Region

Whitehorse
 Prince George
 Vancouver
 Victoria
 Penticton
 Kelowna

Prairies and Northwest Territories Region

Yellowknife
 Grande Prairie
 Edmonton
 Calgary
 Lethbridge
 Saskatoon
 Swift Current
 Regina
 Winnipeg
 Brandon

Ontario Region

Sault Ste. Marie
 Thunder Bay
 Barrie
 Kitchener
 London
 Chatham
 Windsor
 Hamilton
 St. Catharines
 Mississauga
 Toronto
 Don Mills
 Belleville
 Kingston
 Brockville
 Ottawa
 Acton
 North Bay
 Sudbury

Quebec Region

Trois-Rivières
 Val-d'Or
 Laurentides
 Montréal
 Hull
 Saint-Rémi
 Sherbrooke
 Sainte-Foy
 Rive-sud
 Rimouski
 Sillery
 Chicoutimi

Atlantic Region

Charlottetown
 Moncton
 Bathurst
 Fredericton
 Saint John
 Halifax
 Dartmouth
 Sydney
 Corner Brook
 St. John's

Strategis: Industry Canada's business information web site provides Internet access to strategic information 24 hours a day, seven days a week — <http://strategis.ic.gc.ca>

Goals

- Economic Growth
- Employment Growth
- Income Growth



STRATEGIC OBJECTIVES



WORKING WITH INDUSTRY CANADA'S CLIENTS AND PARTNERS Our Performance Goals by Line of Business

MICRO-ECONOMIC POLICY	INDUSTRY SECTOR DEVELOPMENT	MARKETPLACE RULES AND SERVICES
<ul style="list-style-type: none"> • Conduct and support leading-edge research on micro-economic issues as a basis for current and future policy decisions • Develop modern and effective marketplace framework laws and policies • Increase trade and investment through participation in the development and implementation of investment and trade policies • Design policy and regulatory frameworks for the Information Highway that support competition • Implement the federal Science and Technology Strategy and other Science and Technology initiatives 	<ul style="list-style-type: none"> • Increase the number of exporting firms and diversify markets • Attract new foreign direct investment and retain existing investment • Encourage technological innovation in industry to improve the rate of adoption of advanced technologies • Promote growth of the information technologies and telecommunications industries • Place Canada and Canadians at the leading edge of the global Information Highway • Conduct and support R & D in advanced telecommunications technologies through the Communications Research Centre • Produce and deliver strategic business information to Canadian businesses through <i>Strategis</i> • Improve SME access to capital and information • Improve economic development in Northern Ontario through FedNor • Strengthen Aboriginal businesses and their capital base through Aboriginal Business Canada • Increase the global awareness of Canada as a desirable tourist destination and provide information to the tourism industry to support decision making through the Canadian Tourism Commission 	<ul style="list-style-type: none"> • Deliver information and services that enable businesses and consumers to contribute to, and benefit from, an efficient and stable marketplace and respond to changing conditions • Develop standards and regulations that encourage a fair, efficient and competitive marketplace • Administer and enforce marketplace laws and regulations to maintain business and consumer confidence • Promote international acceptance of Canadian marketplace standards to help Canadian businesses compete internationally



CORPORATE AND MANAGEMENT SERVICES

- Manage and control departmental funds
- Increase efficiency by developing new ways of interacting with clients using information technology, better facilities management and management consulting
- Streamline management practices and improve risk management, performance measurement and accountability
- Renew and revitalize the work force to provide the best possible service to Canadians
- Communicate to Canadians what Industry Canada does
- Promote the highest standard of public service