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INVESTMENT CANADA

CORPORATE PLAN

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Preface

Investment Canada faces new challenges in fulfilling its mandate. International competition has greatly intensified during the past decade and global corporations have emerged to meet this competition. As multinationals develop into more global structures, joint ventures, mergers and acquisitions are blurring the traditional distinction between domestic and foreign firms. This is the case for most industrialized countries. Foreign investment is rapidly becoming the strategic instrument by which firms - foreign and Canadian - achieve globalization. Foreign direct investment secures access to regional markets, to networks that promote the development and use of the best technological practices, to the scale needed to rationalize business activities in a global market, and to international managerial expertise.

This Corporate Plan sets out the approach to our mandate formulated in light of this evolving environment. An organizational chart and a description of the Agency's executive committees are provided at the outset. The Plan then presents a summary of Investment Canada corporate priorities and expected results. A synopsis of the plans produced by each group in the Agency follows, and thereby the Plan allows specific group priorities and objectives to be situated within more general corporate priorities. More detail is available from the corporate plans prepared by each group and the recently published Main Estimates, Part III.

The task is now to implement this Corporate Plan effectively, and in a way that fully reflects the collective purpose articulated in the Plan.

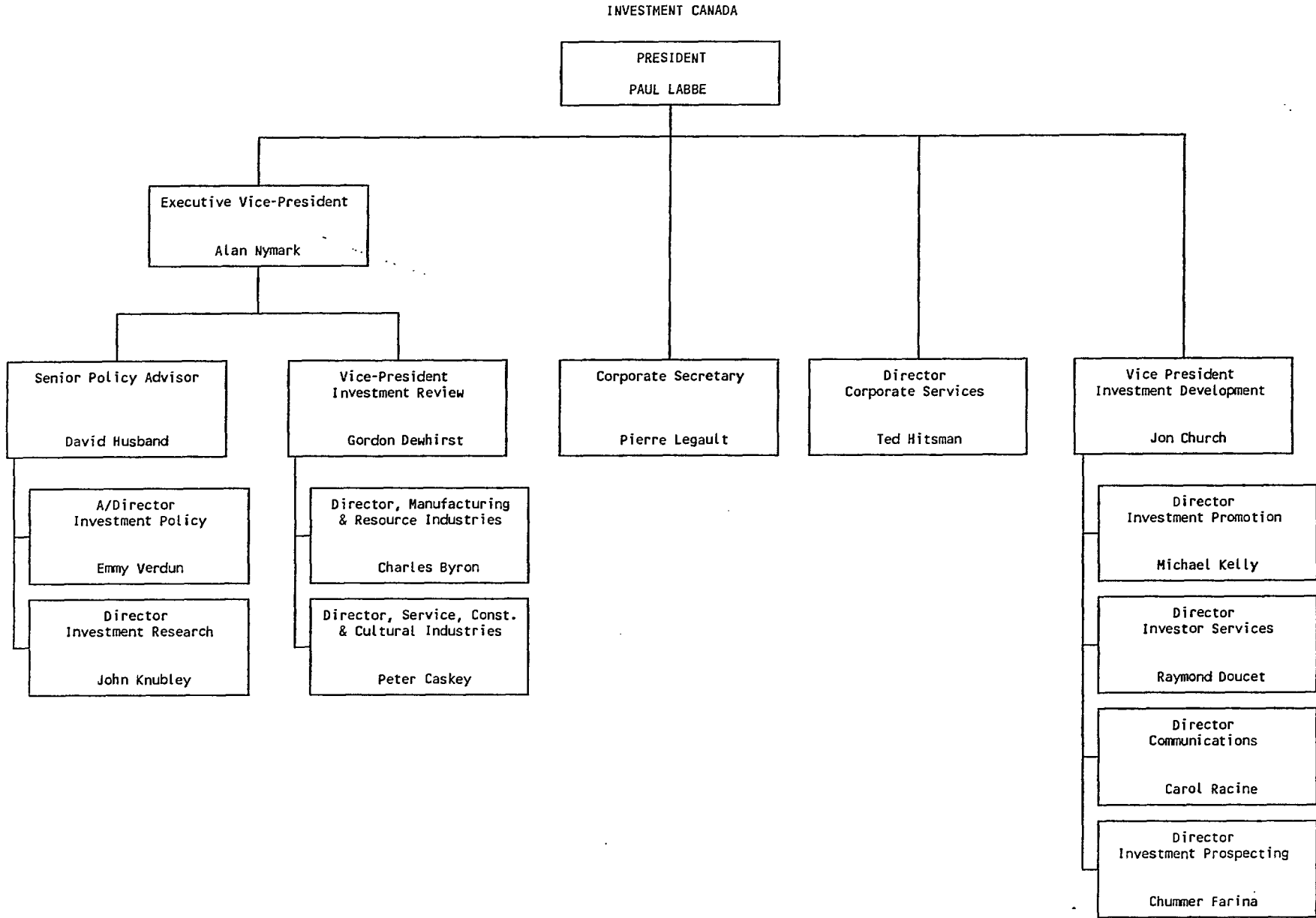
Paul Labbé,
President

INVESTMENT CANADA: CORPORATE PLAN

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Organizational Chart



Executive Committees

To ensure effective ongoing management of the Agency and to foster coordination and cooperation across all organizational units at Investment Canada, the following executive committees are in place.

Executive Committee

Chaired by Paul Labbé, President, the committee consists of high level senior management. Its purpose is to address Agency-wide issues that concern the mandate and client groups of Investment Canada and to ensure consistency of Agency initiatives with government priorities. In addition, it reviews quarterly the progress on the implementation of operational and resource management plans.

Operations Committee

Chaired by Alan Nymark, Executive Vice-President and Chief Operating Officer, the committee has as members the senior executive of each division of the Agency. Middle management attends on a selective basis depending on the issue under discussion. The Operations Committee serves as a forum for discussions among divisions of operational and policy issues facing the Agency.

Management Committee

Chaired by Paul Labbé, President, this committee involves senior and middle managers. It addresses on a monthly basis Agency-wide plans, with a focus on the management of front-line operations and on general management/administrative issues.

Audit Committee

Chaired by Paul Labbé, President, the committee consists of high level senior management. Its purpose is to oversee the Agency's audit program. It approves annual audit plans, receives reports, and follows up on previous audit undertakings. It directs, when required, special audits.

1. Corporate Priorities and Expected Results

1.1 Strategic Context

It is difficult to predict accurately the future course of globalization. An increase in protectionism could greatly restrict the impact of global markets. Technological change could alter the business environment in ways that today are unimaginable. Moreover, there will be continuing tensions between globalism and nationalism -- both in Canada and abroad. Nevertheless, over the past few decades, globalization has been a gradual process with its main features persistent and enduring -- for example, the rapid growth of world trade and investment, the emergence of global corporations and the standardization of markets, the development of a "multipolar" world economy no longer dominated by the U.S., and the formation of regional trading blocs.

These global forces are leading to sweeping changes in the business environment, and competitiveness has become an even greater business imperative. Testimony to these changes is the wave of mergers and acquisitions that occurred during the late 1980s, not only in Canada but also abroad, as well as the rapid growth of corporate alliances.

Multinationals as well as medium- and small-sized firms are adopting corporate structures that better facilitate integrated international strategies and production. A purely domestic focus is no longer a viable business strategy in many industries. The concept of comparative advantage is becoming increasingly complex, with the home-base of a firm more footloose. The mobility and skills of human resources have become crucial components of competitiveness. The rising cost and importance of research and development are forcing alliances among what were staunch competitors. To some degree, the dichotomy between high technology and low technology is disappearing. The effective application of high technology is often crucial to the development both of new products and of less costly methods of production in traditional industries. The emphasis is on restructuring to improve quality and to develop market niches for global markets.

The Canada-U.S. Free Trade Agreement (FTA) offers special opportunities and challenges for Canadians in this environment. Canadian firms are restructuring to serve a North American market, and thereby are better positioned to compete globally. Potential investors can now serve the entire Canada-U.S. market and beyond from a base in Canada.

Foreign investment has always been an important contributor to Canada's economic development. Its relative importance will likely continue to grow in this global environment, with a corresponding increase in international competition for foreign investment. Moreover, Canadians and their firms are increasingly participating in the international environment. This is demonstrated by the fact that during the past decade, overseas Canadian investment grew at twice the rate of foreign investment in Canada. These are the realities of globalization.

Many Canadians continue to express concern about the implications of a more open economy, but the scope for insulating ourselves and the nation from these realities is relatively small and costly. To meet the challenges of globalization successfully, Canadians must confidently embrace an outward orientation, becoming world-class competitors. This way, Canada can achieve its full economic potential in the 1990s, thereby positioning our nation for a world leadership role in the twenty-first century.

1.2 Mandate

In this global environment, Investment Canada has a three-pronged mandate:

- * to promote investment in Canada by Canadians and non-Canadians;
- * to undertake research and provide policy advice on matters relating to investment; and
- * to review major foreign investments to determine if they are likely to be of net benefit to Canada.

1.3 Agency ("Montebello") Goals

The main corporate goal of the Agency is to act as Canada's recognized centre of excellence and as the focal point within the Canadian government for matters related to investment. In this context, there are a number of goals which emerge in light of our mandate and the forces of globalization:

- * to increase the appreciation of the importance of investment to Canada's future economic health, and related issues on the national agenda in the 1990s;
- * to contribute in measurable ways to foreign and domestic investment that increases the welfare of Canadians and that promotes a strong economic environment in Canada;
- * to develop a better appreciation among Canadians of the value

and efficacy of the review process;

- * to develop further our networks of key relationships within the private and public sectors vital to investment; and
- * to foster a workplace that attracts, develops and maintains a highly professional, enthusiastic and cohesive workforce with a strong commitment to the mission.

1.4 Corporate Priorities

The corporate priorities which emerge for management and each division are the following:

Management Priorities

- * to develop Investment Canada's role as a centre of excellence by ensuring effective consultations with business, academia and other departments/governments, and by promoting the highest degree of professional expertise in the Agency;
- * to better manage and coordinate the Agency's internal activities, and thereby enhance the overall performance of the Agency; and
- * to foster a high degree of communication and cooperation among Agency divisions and staff.

For further information, please contact the office of Alan Nymark, Executive Vice-President and Chief Operating Officer, at (613) 995-9605.

Development Priorities

- * to promote Canada as an investment location, particularly with respect to the international competitiveness of Canadian industry and business;
- * to formulate and coordinate federal activities on investment development, and to communicate Agency messages and themes to selected audiences; and
- * to assist Canadian firms in meeting their investment needs (e.g. strategic partnering).

For further information, please contact the office of Jon Church, Vice-President, Investment Development Division, at (613) 995-9455.

Research and Policy Priorities

- * to play a major role in the interdepartmental formulation of the federal economic agenda and in particular Canada's positions on key investment issues;
- * to analyze and to monitor investment patterns at home and abroad, and to study the evolution of corporate behaviour in terms of globalization, rationalization, R&D, etc.; and
- * to foster a better understanding of investment issues among interested Canadians (mergers and acquisitions, foreign investment and R&D).

For further information, please contact the office of David Husband, Senior Policy Advisor, Research and Policy Division, at (613) 992-3847.

Review Priorities

- * to conduct the review of investments in a fair and timely manner while providing the Minister with sound and clearly presented advice on the merits of reviewed investments; and
- * to increase public understanding of the value and efficacy of the review process.

For further information, please contact the office of Gordon Dewhirst, Vice-President, Review Division at (613) 995-9456.

1.5 Expected Results

The challenge now is for Investment Canada to translate these priorities successfully into real accomplishments. From this perspective, the following are expected results:

- * concrete demonstrations to the public of a high order of competence and knowledge relating to investment activity and corporate behaviour;
- * more effective working relationships with the business community and the provinces;
- * increased public understanding of Investment Canada's role and activities, in particular the Review function;
- * increased public awareness of the importance of investment to Canada's economic health;
- * more foreign "greenfield" (new) investments in Canada;

- * greater access for Canadian firms to foreign investment;
- * the establishment of an interdepartmental investment development program and planning cycle, building on the "Going Global" program;
- * the development of better information on Canadian industrial prospects for investment, including the scope for strategic partnering;
- * a five-year review of the Agency's activities;
- * a better understanding of globalization's impact on investment policies and trends;
- * a major role for the Agency in the development of domestic and international investment policies related to the GATT, OECD and other instruments;
- * a streamlined foreign investment review process;
- * completion of a review of Agency investment data banks in light of the needs of all divisions; and
- * closely coordinated and complementary staff activity.

2. Group Priorities/Objectives

2.1 Investment Promotion

- * to develop interdepartmentally a five-year federal strategy for investment promotion;
- * to provide continued leadership of the Investment Development Program;
- * to create a closer working relationship with the provinces in the area of investment development (e.g. through federal-provincial workshops on investment promotion activities and approaches);
- * to develop more coherent programs for the U.S. and the Pacific Rim; and
- * to enhance the Agency's expertise on strategic partnering and to promote this activity.

For further information, please contact the office of Micheal Kelly, Director, Investment Promotion, at (613) 992-4916.

2.2 Investment Prospecting

- * to consolidate and to capitalize on the projects launched last fiscal year;
- * to attract investment in the priority fields of biotechnology, information technologies (including optoelectronics, artificial intelligence and software), environmental technologies and advanced materials; and
- * to assist Canadian firms in priority sectors to gain access to foreign investment.

For further information, please contact the office of Chummer Farina, Director, Investment Prospecting, at (613) 995-0306.

2.3 Investor Services

- * to provide the highest professional information and advisory services to potential investors;
- * to assist foreign subsidiaries in Canada to fully exploit reinvestment opportunities; and
- * to assist in the matching of foreign investors with Canadian investment opportunities.

For further information, please contact the office of the Director, Investment Services at (613) 996-7874.

2.4 Policy

- * to maintain Investment Canada's role as a prime contributor to the formulation of the Government's positions on international investment policies, with a major focus on the Uruguay Round of the Multilateral Trade Negotiations in GATT, as well as OECD negotiations;
- * to monitor and analyze investment-related policy developments, particularly in the U.S., Europe and Japan;
- * to ensure that the Minister and the Agency's senior managers receive timely advice about the plans and priorities of the federal government as they affect investment policies in general and Investment Canada in particular; and
- * to coordinate the development by the Agency of the building of stronger relationships with the provinces.

For further information, please contact the office of Emmy Verdun, Acting Director, Investment Policy, at (613) 995-9603.

2.5 Research

- * to strengthen the Agency's knowledge of domestic and world investment patterns, as well as of emerging trends in corporate behaviour in the evolving global environment;
- * to manage effectively the two main outside research projects on mergers and acquisitions and foreign ownership/R&D (involving the research, conference and publication phases of the projects);
- * to build stronger links with the investment research community in academia and governments, and thereby promote a better understanding of investment issues by Canadians; and
- * to maintain and analyze various investment activity databases, and to ensure that they are accessible to the Agency.

For further information, please contact the office of John Knubley, Director, Investment Research, at (613) 995-7077

2.6 Review

- * to manage and to carry out effectively the ongoing foreign investment review process;
- * to streamline the review process (e.g. examine procedures for routine cases, early identification of sensitive cases, review follow-up procedures and guidelines, development of guidelines for investors/counsellors to encourage detailed applications);
- * to develop more effective means of publicizing the results of the review process and the considerations that influence review decisions; and
- * to redesign the NRIS database to increase its utility to the Agency and the public.

For further information, please contact the offices of Peter Caskey, Director, Services, Construction and Cultural Industries, at (613) 992-4843, or Chuck Byron, Director, Manufacturing and Resource Industries, at (613) 996-2729.

3. Administration and Management Priorities/Objectives

The overall objective is to provide executive direction, control and operational support in managing the Agency by providing cost-effective internal support services.

3.1 Corporate Services

- * to provide administrative services to the Agency consistent with relevant government policies (completing the implementation of recently installed "core" systems and the Agency policy manual);
- * to improve financial practices of the Agency, to maintain a financial framework for the management of operating budgets and to increase the delegation of financial authority/accountability to responsibility centre managers (including high-level financial management training to responsibility centres);
- * to deliver personnel services to management in an environment of Public Service 2000, in particular the Multi-Year Human Resources Plan, and to improve the Agency's focus on staff training and development; and
- * to provide information management support to the Agency (e.g. office automation and user-friendliness of Agency systems; complete the transition to PC technology).

For further information, please contact the office of Ted Hitsman, Director, Corporate Services, at (613) 995-3452.

3.2 Communications

- * to develop communications strategies, services and products to help increase public awareness of the importance to Canada of foreign investment and the Agency's roles and mandate;
- * to assist in increasing Canadians' understanding of the dynamics of the international investment environment, including such aspects as mergers and acquisitions;
- * to jointly manage - in consultation with other government departments - the delivery of coordinated federal messages on investment matters; and
- * to reinforce Canada's international profile as a prime location for investment.

For further information, please contact the office of Carol Racine, Director, Communications, at (613) 995-4128.

3.3 Information Centre

- * to continue to locate and deliver information as required to support the various activities of Investment Canada;
- * to increase awareness of available information sources, especially databases;
- * to promote the availability of information electronically (in cooperation with corporate services) with emphasis on user-friendliness; and
- * to contribute in a substantial way to the coordination of all information resources in Investment Canada.

For further information, please contact the office of Camrose Burdon, Manager, Information Centre, at (613) 995-2422.

3.4 Corporate Secretary

- * to provide legal advice and direction on the interpretation and application of the Investment Canada Act and regulations to interested parties;
- * to ensure timely certification of all notices and applications submitted by investors for review pursuant to the Investment Canada Act;
- * to coordinate requests received under the Access to Information and Privacy Act;
- * to audit and to assist in monitoring reviewed investments for compliance with commitments given to the Agency, and to enforce compliance with the Act by the investment community;
- * to prepare Ministerial opinions on questions submitted by investors;
- * to respond to and advise the Minister on requests for early implementation; and
- * to strengthen the carrying out of these services (by completing an access and privacy procedures/policy manual, updating the opinion data bank, ongoing assessment of the legal advisor role, maintaining regular contact with legal services in other departments and with Bar associates).

For further information, please contact the office of Pierre Legault, Corporate Secretary, at (613) 995-9260.