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**New Brunswick Trade Strategy  
Task Force – Final Report**

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Expansion

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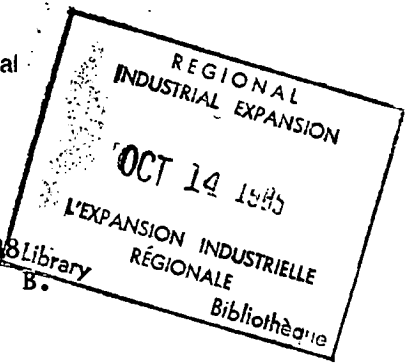
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Our file: 5005-1

June 14, 1985

Mr. J.P. Blanchard  
Regional Executive Director  
New Brunswick Region  
Department of Regional Industrial  
Expansion  
P.O. Box 1210  
Moncton, New Brunswick  
E1C 8P9

Dear Mr. Blanchard:

It gives me great pleasure to submit the final report of the New Brunswick Trade Strategy Task Force. Since the completion of its preliminary report in late March of this year, the Task Force has concentrated on refining and prioritizing its recommendations. It is very satisfying to the Task Force that its recommendations are receiving the careful consideration of federal and provincial officials formulating a Canada/New Brunswick Industrial Development Agreement.

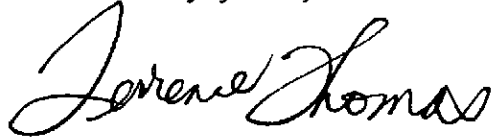
The Task Force members have found the exercise to be very interesting and rewarding. Our extensive consultations with industry associations and government departments have provided us with valuable insights into how the New Brunswick exporting community works.

In particular, the Task Force appreciated the opportunity to present their findings to the Honourable James Kelleher, Minister of International Trade, while he was in New Brunswick as part of his consultations on international trade.

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On behalf of the Task Force members, I would like to thank you for the opportunity to participate in this exercise.

Sincerely yours,

A handwritten signature in cursive script that reads "Terrence C. Thomas".

Terrence C. Thomas  
Chairman  
New Brunswick Trade  
Strategy Task Force

Attachment

NEW BRUNSWICK

TRADE STRATEGY TASK FORCE

FINAL REPORT

June 1985

(i)

TASK FORCE MANDATE AND APPROACH

The New Brunswick Trade Strategy Task Force was established by Mr. J.P. Blanchard, the Regional Executive Director of DRIE for New Brunswick in October 1984. The Task Force was asked to produce practical recommendations designed to increase New Brunswick exports. The Task Force adopted the following Terms of Reference to guide it in its deliberations.

- 1) Identify and analyze, on a specific product and market basis, the potential for New Brunswick producers to expand their exports of goods and services;
- 2) Undertake an analysis of the problems faced by New Brunswick exporters in maintaining their competitiveness and expanding sales in existing markets, in penetrating new markets and in developing new products and services for export markets;
- 3) Advise on the best opportunities for increased export sales and their contribution to the following areas;
  - a) the diversification of the economy with particular emphasis on those new industries whose growth potential is higher than average, particularly new technology industries involving manufacturing and parts of the service sector;
  - b) increased value-added and employment in New Brunswick by increasing the level of processing of New Brunswick resources; and
  - c) increased contribution of the primary resource sectors to the development of the provincial economy.
- 4) Advise on the effectiveness of the export development programs offered by the governments of Canada and New Brunswick including the degree of coordination between federal and provincial programs;
- 5) Recommend initiatives required on the part of business and government to increase the competitiveness of New Brunswick exporters and expand the export sales of New Brunswick goods and services.

Early on, the Task Force made a decision to focus on trade development aspects of export trade and specifically the issues associated with improving the marketing of New Brunswick products. This decision was reinforced by the release, in November 1984, of an Agenda for Economic Renewal by Finance Minister Wilson and by the Government of Canada's release in January 1985 of consultation papers in the areas of Export Financing and Enhanced Canadian Access to Export Markets. A number of associations including the CMA have responded or are responding to the request for input. In particular, a recent CMA submission to Trade Minister Kelleher contains many suggestions for the improvement of trade services which deserve careful consideration. The Fisheries Council of Canada has also responded to Minister Wilson with suggestions for improving support to fish exports.

In compiling this report, the Task Force has held extensive discussions through meetings with producer and business associations in the Province. In addition, those government departments most concerned with export trade have been consulted. Those consulted are listed in the accompanying table. The record of these consultations is found in Appendix C. Of particular note, the Canadian Manufacturer's Association, New Brunswick Branch, based their presentation in large part on the results of a survey covering some sixty of their members. The survey results are found in Appendix D.

The appendices noted above are available upon request.

N.B. TRADE STRATEGY TASK FORCE CONSULTATIONS

A. Associations

New Brunswick

Conseil économique du Nouveau-Brunswick  
N.B. Peat Producers Association Ltd.  
Association of Professional Engineers of N.B.  
Architects Association of New Brunswick  
New Brunswick Forest Products Producers  
N.B. Association of Industrial Commissioners  
N.B. Federation of Labor  
Canadian Manufacturers' Association - N.B. office  
Metal Working Association of New Brunswick  
New Brunswick Fish Packers' Association

Atlantic

Maritime Lumber Bureau  
Atlantic Provinces Transportation Commission

Canadian

Canadian Export Association

B. Government Departments

Federal

Energy, Mines and Resources  
Agriculture Canada  
Fisheries and Oceans  
Canadian Forestry Service

Agency:

Export Development Corporation  
Federal Business Development Bank

Provincial Departments

Natural Resources (Mines)  
Natural Resources (Forestry)  
Agriculture and Rural Development

C. Other

Saint John Port Development Commission



TASK FORCE MEMBERS

Terry Thomas  
Department of Regional Industrial Expansion  
Chairperson

Valmond Chiasson  
Directeur général  
Produits Belle-Baie  
Caraquet  
representing Le Conseil Économique du Nouveau-Brunswick

Neil Coy  
Assistant Deputy Minister  
Department of Commerce and Development

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New Brunswick Forest Products Association

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representing New Brunswick Trade Development Board and  
Canadian Export Association

John Richard  
Trade Division  
Department of Regional Industrial Expansion.

Tom Simms  
T.S. Simms & Co. Ltd.  
representing the Saint John Board of Trade and the  
Canadian Manufacturers' Association

Béatrice Landry  
Department of Regional Industrial Expansion  
Secretary

NEW BRUNSWICK TRADE STRATEGY TASK FORCE

FINAL REPORT

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APPENDICES

- A. Selected Export Trade Statistics
- B. The Program for Export Market Development (PEMD)
- C. Record of Consultations and Presentations
- D. Canadian Manufacturer's Association - Survey of Membership

I. INTRODUCTION

A successful export development strategy must be based on industrial competitiveness, aggressive marketing and on access to markets. Given this, it seems imperative that New Brunswick's trade development efforts be much more closely linked to the Province's overall economic development strategy than is currently the case. The capability to supply an export market with a quality product at a competitive price, depends on important factors such as: resource availability thus involving resource management policies; availability of skilled labor thus involving training and education; and manufacturing capability where increasingly the adoption of new technologies and processes and associated equipment is essential for international competitiveness.

II. NEW BRUNSWICK'S ECONOMIC DEVELOPMENT STRATEGY

The Canada/New Brunswick Economic and Regional Development Agreement (ERDA) signed in April 1984 sets out in Schedule A jointly agreed strategic economic development priorities. In broad terms, these can be summarized as follows:

- 1) to improve the productivity and competitive position and where possible expand the output of the Province's primary resource and resource based manufacturing industries;
- 2) to increase the processing of the Province's resources;
- 3) to diversify the industrial base by encouraging the growth of the secondary manufacturing and services sector with particular emphasis on goods and services embodying new and emerging technologies.

With 1984 employment levels below those of 1981, negligible employment growth and an unemployment rate in the neighborhood of 15%, the overriding priority is permanent job creation. The secondary manufacturing and services industries offer the major opportunities for job creation. Also of importance to a development strategy is the fact that according to recent studies<sup>1</sup> upwards of 80% of employment creation has come from small firms (i.e. those with less than 50 employees).

In the important fisheries and forestry sectors the available resource is being utilized to the limit although some opportunities may exist in under-utilized species (e.g. hardwood). New Brunswick's traditional resource exports, being largely processed or semi-processed are facing increasingly stiff competition in world markets which are not expected to grow at the rates of the recent past. While there are opportunities to increase present mineral and agricultural exports and produce new products for exports, real output and employment growth in the forestry and fishery sector will depend primarily on the production of new more highly processed products. The development of new products and processes embodying new technology may be one of the few means of strengthening and expanding the resource based sectors.

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<sup>1</sup>Agenda for Economic Renewal, Minister of Finance, November 8, 1980, pp. 40ff.

However, improved productivity and competitiveness is likely to be associated with lower levels of employment. Subsidiary agreements to the ERDA are in place for the resource sectors of Forestry, Agriculture, Minerals and Fisheries. The development priorities for these sectors are highlighted in Table 1.

### III. EXPORTS IN THE NEW BRUNSWICK ECONOMY

Appendix A to this report contains detailed data on New Brunswick exports. Only the highlights are given in what follows. Exports are more important to New Brunswick's economic health than to that of any other province. In 1981, which culminated a cyclical upswing in demand for New Brunswick resources, exports accounted for 43% of provincial gross domestic product as compared to 23% for Canada. In British Columbia, the province where exports are next most important to provincial product, they accounted for 30% of total output. In 1982, with the recession in world markets, New Brunswick's exports fell by 40% as compared to an increase of 1% for Canada. Employment fell by 4% as compared to 3% for Canada. Over the first nine months of 1984, exports were up by 44% over 1983 and the Conference Board advises that the New Brunswick economy recorded its strongest growth since 1973. Exports in 1984 are expected to approach the 1981 level but in nominal value only and total provincial employment is still below the 1981 level. It is worth noting that the New Brunswick economy has become increasingly dependent on exports in recent years as exports have accounted for an increasing portion of provincial economic growth.

In 1967, for example, the New Brunswick manufacturing sector relied on exports for 24% of its sales. By 1979, exports accounted for almost 35% of manufacturing shipments. In 1983, almost two-thirds of exports went to the U.S. with 19% to the European Economic Communities (EEC) [including U.K.]. Since the early 1970's the U.S. has gradually increased in importance while the EEC has declined in importance as a market for New Brunswick exports. Asia, especially Japan, South America and Africa have grown in importance. The strong value of the Canadian dollar in terms of European currencies has meant that European markets have declined in importance over the last year or two.

Information compiled by the New Brunswick Department of Commerce and Development indicates that in the manufacturing and processing sector, there are 455 exporting companies out of a total of approximately 1,350 manufacturers, exporting some 435 products. While no reliable data is available, it can be estimated that about 85% of New Brunswick's exports are accounted for by some 35 large companies. Accordingly, some 420 companies share 15% of exports worth just over 250 million in 1983. Outside of a few large exporters of resource products, the export scene is characterized by a very large

In order to develop export trade priorities which will complement the Province's development strategy, it is helpful to consider the circumstances facing New Brunswick's exporters in the following broad sectors.

A. Resource Products

Forest products are, of course, the dominant resource export accounting in 1983 for 45% of total New Brunswick exports. Wood pulp and newsprint are the major products with over half of exports going to the United States and the EEC and the U.K. being the next most important markets. All but one of the Province's 10 pulp and paper mills have undertaken modernization programs in recent years and consequently are well placed to meet increasingly stiff world competition in markets which will not be expanding at the rates of the past. Energy costs which are considerably higher than those of competitors in Quebec and Ontario are a source of concern to the industry. Currently the available forest resource is being utilized to the limit so that opportunities to increase exports can only come from the production of higher valued products such as specialty papers. The large national and multi-nationals which make up the pulp and paper sector generally have well developed export marketing capabilities and access to the state of the art technology employed in the industry world wide.

Solid wood exports make up about 10% of forest products exports and consist primarily of softwood lumber. The market for softwood dimension lumber has been in an oversupply situation for several years and prices are soft. The small mills are looking at alternative products to studs in order to use their capacity. In 1982 exports can be estimated to have accounted for about one-third of lumber shipments. Approximately 10 sawmills, most of which are integrated with pulp and paper operations, account for 85% of sawn lumber production. However, a number of small (generally less than 50 employees) sawmills depend heavily on exports. Currently some 29 sawmills are exporting softwood lumber.

A wide variety of wood products are exported such as cedar shingles (16 firms), wooden trusses, etc. The cedar resource is being utilized to the limit. Because there is an insufficient supply of sawlog quality material to supply the Province's existing sawmills, increased exports can only come from the production and sale of more fully processed



wood products. While some firms may be able to divert some production to higher value products, significant investments are not likely to occur until more of the roundwood is made available to the sawmills. This would result in significant value added to the resource with no adverse impact on the pulpmills. A considerable amount of kiln dried capacity has been put in place in recent years. With drywood a large number of manufactured products can be made. There is also a requirement for the smaller sawmill to improve productivity by adopting processes to efficiently saw smaller logs and moving to computerization of the sawmill. Improvements in productivity and development of finished products will require accelerated application of technology. A final requirement is to identify product market opportunities. White birch is now being manufactured into dowel board and white pine may have potential. The U.S. represents the best market for manufactured wood products.

Looking at the existing producers of manufactured wood products such as doors, windows, millwork, flooring or cabinets, there is only one exporter in the Province. Current producers need to increase the quality of their production before seeking exports. Increased use of CAD/CAM techniques may assist in this area. There is a surplus of fibre quality hardwood but there does not appear to be sufficient hardwood of the quality required to manufacture a wide range of quality products. However, quality hardwood is going into pulp which could feed a manufacturer economically. A number of foreign firms are assessing the possibility of combining imported hardwoods with New Brunswick materials to produce flooring, furniture or cabinets and there may be opportunities in this area. At least one small firm is using imported hardwoods in manufacturing wall panelling.

Over 50% of woods products exports go to the United States with 20%-25% going to the United Kingdom. The U.S. market appears to hold little promise for increased exports of lumber. Legislation which would restrict imports of Canadian lumber has recently been introduced in the U.S. Congress. Whatever the outcome, Canadian producers may be faced with voluntarily reducing shipments in order to appease protectionists. Emphasis might be put on penetrating the Middle East and African markets.

In the Christmas tree area, competition for the U.S. market is growing and there is now a need to identify and promote markets for the New Brunswick balsam fir if the industry hopes to sell all its potential production of 1 million trees as compared to the present level of 400,000 trees.

Fisheries products accounted for about 12% of New Brunswick's exports in 1983. Approximately 80% of the production of New Brunswick's fishery sector is exported. Fish products exports have recorded considerable growth in recent years with shellfish (primarily crab) accounting for the biggest part of the growth. However, 95% of the increase has been accounted for by price increases. The sector contains a few large firms with well developed marketing capability and a large number of small firms. About ten or so firms account for as much as 85% of exports. Most traditional species are currently being fished to the limit. However, there are opportunities to improve profitability such as expansion of fresh product sales and an increased capelin fishery. There may be opportunities to develop the redfish fishery and an offshore mackerel fishery. The crab section markets are remaining stable and in 1985 there should be further strengthening of prices in both Japan and the United States. Crab meat, however, is expected to remain weak. In the future, crab meat will continue to face stiff competition from the surimi product. Opportunities for increased exports can be found in the aquaculture area, (salmon, mussels and oysters primarily). However, presently the Norwegians are outcompeting us in the U.S. market with the value of the dollar being a factor of the moment. Considerable attention is being directed towards the improvement of product quality through the Federal Government's Quality Enhancement Program and the Canada/New Brunswick Subsidiary Agreement on Fisheries. Product quality is of crucial importance in capturing export markets. Attention should be given to upgrading the product mix of frozen groundfish packs in order to satisfy the premium U.S. market. New product development opportunities, particularly those which would add value to the product, should be carefully identified. There are a number of possibilities such as: seafood dinners utilizing crab, jarred and pailed herring, dried herring, crab substitutes using a portion of crab meat, smoked mackerel, fish burgers and battered nuggets. Some firms have been successful in developing in this area but the key appears to be the requirement for a brand name marketing distribution network.

The United States has historically taken about two-thirds of fish exports with the West Indies being the next biggest market followed by the E.E.C. and the U.K. Access to the United States market is threatened by efforts of United States fishing interests to restrict Canadian fish exports. Recently a 24% countervailing tariff has been levied against saltfish and there may be further countervailing action against fresh groundfish and scallops. The emphasis by government should be on identifying new markets and products for fish. Tariffs remain a barrier in the U.S. and EEC to export of more fully processed products.

Generally, Canada lags the Scandinavians in the development of fishing technology. There is a need to make processors more aware of the requirement to invest profits from the good years in technology in order to maintain long run competitiveness. There may be a need to more actively identify and acquire available foreign technology in order to improve product quality and lower processing costs.

Minerals and metals accounted for about 8% of total exports in 1983 with zinc concentrates and lead metal being the primary products. Mineral and metal exports will become considerably more important with increasing shipments of potash. Also the re-opening of the Consolidated Durham mine in 1985 will result in shipments of antimony and bismuth. Europe is the major market for lead and zinc while potash and tungsten go the the U.S. and Europe.

The mining industry in the Province is dominated by large national and multi-national firms with well developed export marketing capability. However, there are a number of small producers or potential producers who could use assistance in determining uses for their mineral deposits and identifying markets. The medium term market for zinc concentrates is expected to be approximately in balance. The outlook for lead is for continuing declines in usage. The medium term outlook for potash is somewhat better as demand is expected to slightly exceed supply.

The key to expanded base metal exports would appear to be the development of metallurgical processes which could improve metal recovery rates thereby improving mine profitability and possibly stimulating the development of known deposits. The sulphation roast leach process for base metal ores will shortly be piloted and work is beginning on

the ferric chloride leach process. Metallurgical work is also underway in an attempt to economically extract molybdenum and fluidized bed technology is being employed in an attempt to produce antimony oxides and trioxides more efficiently.

There are opportunities to further process certain mineral resources. The potential for potassium sulphate fertilizers is being examined and work has been done on developing an improved process for manufacturing sodium sulphate (salt cake) used in the pulp and paper industry. Because of the present severe overcapacity in the zinc refining sector, the outlook for a zinc refinery in the Province is not good.

Generally, very little further processing of New Brunswick minerals is done. One factor is that local firms do not have access to mineral resources because of the export distribution networks of the large producers. It may be possible to negotiate improved access for serious local producers if the extra distribution costs are explicitly recognized.

In the agricultural sector, exports are limited to seed and table potatoes, blueberries, dairy breeding stock and dairy industry technology, frozen food products and livestock feed such as forage and feed oats.

New Brunswick and P.E.I. possess a significant competitive advantage in world markets but New Brunswick's shipments of seed potatoes have declined over the last 10-15 years despite the fact that major investments have been made by governments in the infrastructure needed to ensure quality. New Brunswick shippers have tended to compete on price alone and have not paid enough attention to the need to deliver a quality product. There is a need for a more coordinated effort to avoid needless price competition between New Brunswick and P.E.I. shippers. The high cost of inland freight to ports is currently putting the New Brunswick shipper at a serious disadvantage with respect to P.E.I. potatoes loaded on ships at Summerside and Charlottetown. New Brunswick's share of Canadian seed potato sales has declined to 24% from 68% ten years ago.

Blueberry markets are currently saturated as a result of increased production from a number of areas. There is a continuing requirement to identify new markets and possible new products to provide an outlet for new stands now under

development. Market development is particularly important because the resource base and technology exist to further expand production.

The productivity and size of New Brunswick's dairy industry have resulted in it being a source of technology and cattle to developing countries under CIDA funded projects.

New Brunswick is now self-sufficient in forage and there is the opportunity to double production. Efforts have been made to identify markets on the eastern seaboard of the United States.

The small size of New Brunswick's production base has generally limited exports to the above-noted commodities. Improved market information is an important requirement for broadening the export base as the small producer lacks exposure to market opportunities. Export market identification must be supported by the application of new technology to produce a quality product at a competitive price.

Exports of food products exclusive of fish accounted for about 5% of total exports in 1983. Fresh and frozen fruits and vegetables accounted for about half of this with the remainder being made up of beer, molasses and miscellaneous products.

Electricity has, of course, become an important export, particularly with the export of nuclear power from Pointe Lepreau. In 1983, electricity accounted for 16% of exports making it the most important commodity behind woodpulp. Also refined petroleum is a major export accounting for close to 10% of New Brunswick exports.

Peat moss has become an important export in recent years. Currently there are 12 small producers and three large producers with the large producers accounting for about 50% of production. Currently the market for peat moss is in oversupply. New Brunswick producers have difficulty competing in the U.S. market with Quebec, Ontario and Manitoba producers because of higher transport costs. Currently producers are facing increased shipping charges through Saint John which threaten to price them out of the Japanese market. Spring weight restrictions also add to transport costs.

The Peat Research Centre has helped producers penetrate markets for better quality peat by giving them information on the nature of their product (PH level, moisture retention). The Center has also researched possible manufactured products from peat (e.g. fertilizers blending peat and fish meal). Producers have taken steps through their association to capitalize on the higher quality of New Brunswick peat by adopting a logo which can only be used if a minimum quality standard is met. The association is preparing a promotional program. There may be opportunities to market peat moss in North Africa perhaps through CIDA. In total, exports of resource products (forest, fish, agricultural and mineral) plus electricity and petroleum made up approximately 95% of exports in 1983.

In summary, many of the Province's traditional exports will be facing increasingly stiff competition in markets which will be less buoyant than those of the past. A priority will have to be placed on measures to improve productivity and product quality in order to remain competitive in world markets. Access to technologies, including foreign technology, has an important role to play here. There are opportunities in export markets for agricultural and aquaculture products, provided they can be grown competitively. There is the possibility of new mineral production for export. However, any growth in the volume of exports is most likely to come from moving to the production of higher valued products.

#### B. Secondary Manufacturing & Services

Since 1970 end products have averaged approximately 3%-5% of total New Brunswick exports, except in those years which saw export delivery of ships from the Saint John Shipbuilding & Drydock Company. In 1983, end products contributed just 2.2% of total exports. Data compiled by the New Brunswick Department of Commerce and Development indicate that 1983 exports of \$37.1 million were shared by 126 exporting companies exporting 196 different products.

It is useful to categorize secondary manufacturing and services into two types: resource related and non-resource related.

Resource related firms are those which have established and grown to serve the requirements of the resource industries in New Brunswick and Eastern Canada. This category would

include companies supplying pulp and paper and mining machinery, agricultural machinery and fishing and fish processing hardware and equipment, computerized processes and computer software, instruments and measuring devices and engineering and scientific services.

A number of firms have utilized the market advantage developed in the home market to jump to export markets and now rely on exports to varying degrees. There may be opportunities here to increase exports both by assisting existing exporters to expand their sales and assisting firms to get into export markets for the first time. The first step may be to help these firms build and strengthen their regional and Canadian market base through improving their marketing skills and capability. Government procurement can be a powerful tool in strengthening firms in the provincial and regional markets and governments should be alert to opportunities to use procurement such as the increased contracting out of research and development.

It is important to note that these firms generally face higher marketing costs than competitors in Central Canada because of the small local market and the distance to markets of Central Canada.

Once the firm is better established in domestic markets, government marketing support programs and services could assist the firm in making the jump to the high risk export market. Often the small firm does not have the access to the working capital required to penetrate export markets.

The approach to export development should be to target on those sectors and firms with the capability and desire to expand into export. The Provincial Government has initiated a major thrust in the form of the Manufacturing Technology Centre (MTC) to assist New Brunswick industry in employing CAD/CAM technology in their operations.

CAD/CAM technology has the potential to improve the competitive position of the smaller firm by, for example, eliminating the need for a large engineering staff. As yet only a few of the smaller firms have utilized the technology because of the costs involved. Efforts at export market development and improved production capability will have to be closely linked. Efforts should be focussed here on a few of the most promising machinery and metal fabricating firms in order to provide a demonstration effect for other firms. In the metal fabricating sector, the requirement seems to be

to identify products which could be manufactured for export. The sector largely functions now by doing custom and specialty service work for New Brunswick customers.

There are a few machinery firms which are presently exporting successfully. In 1982, it is estimated that almost two-thirds of machinery shipments went to export markets.

It is not generally recognized but the New Brunswick business services sector has penetrated international markets in a significant way. Data available for 1979 indicate that the sector exported 18% of its production as compared to only 8% for Canada as a whole.

A number of New Brunswick companies have developed a world class capability as a result of supplying equipment and services to the forest products industry. Examples here are technological expertise in wafer board production, pulping processes, pulp mill instrumentation, sawmill technology, and tree measuring devices. Some of these firms are now exporting and there is further potential in the forestry sector and in applications to other industries. The Forestry Complex now under development in Fredericton can provide a nucleus around which to develop increased exports of forest management and protection expertise, and the training of forest technicians.

The Research and Productivity Council has developed expertise in applying fluidized bed technology to areas such as: improving the metal recovery from New Brunswick's complex base metal ores; oil shale technology and coal combustion. There may be opportunities to market this expertise worldwide. The sulphation roast leach process continues to attract world wide recognition.

There may well be opportunities in boatbuilding for the fishery. Development work is underway on a fibreglass fishing boat which has export possibilities.

Most of the New Brunswick firms producing fishery equipment and machinery are busy with specialty and custom work. Nevertheless, consideration should be given to launching a few firms with the potential and capability into export markets. The New Brunswick fish processing industry has developed technology which could be exported. The Caraquet School of Fisheries has world class training expertise which is not fully utilized.



There appear to be opportunities for export in the area of surveying and mapping services based on the expertise resident at the U.N.B. Faculty of Surveying Engineering and the Land Registration and Information Service.

The second category of secondary manufacturing and services are the producers of non-resource related goods and services. Increasingly, these products and services are of the advanced technology nature. These products are in the area of electronic and non-electronic equipment, and instrumentation.

These firms face the highest risk as generally they must penetrate export markets very early in the growth of the firm to become viable. Often these firms are spin-offs from research done in local universities and research institutions.

There are also a number of small firms in the furniture, textile and clothing sectors which have either penetrated export markets or may be in a position to do so.

IV. SUGGESTED PRIORITIES - PRODUCTS/MARKETS

Table 1 outlines suggested trade development priorities by sector.

A. Resource Sectors

Generally, support should be directed to the small and medium sized firms in the fish products, wood industries and agricultural sectors which lack access to marketing information and expertise. It is suggested that the first priority be maintaining and strengthening the position of existing exports by means of increased market identification and promotion. This is particularly true because the traditional markets such as the United States, Europe and the Caribbean are expected to grow only moderately. Increasing competition can be expected in a number of areas (e.g. blueberries, lumber, Christmas trees). In addition, lumber, potato and fish exports face the prospect of restrictions in the U.S. market. Efforts should be directed to diversifying towards the faster growing markets of Asia, the Middle East and North Africa.

Marketing support efforts will have to be closely integrated with a range of efforts directed at improved competitiveness and product quality such as support for transportation and energy cost reduction, skills training, improved industrial productivity and the acquisition and adoption of new technology.

Another priority should be to identify markets for presently underutilized resources (e.g. hardwood, aquaculture commodities, silica, limestone and agricultural products).

Priority should be given to the identification of markets and support efforts to more fully process New Brunswick resources prior to export. Areas which have been identified are manufactured wood products, specialty fish food products, peat based fertilizers and potash based chemicals.

In the agricultural, wood product and minerals sectors, there seems to be potential to increase the number of firms exporting.

As a means of pursuing these priorities, an export trade strategy should assign particular attention to assisting companies in the acquisition of foreign technology through such means as joint ventures and licensing.

TABLE 1

NEW BRUNSWICK - RELATIONSHIP OF TRADE PRIORITIES

Sector	Development Priorities	Trade Priorities	Specific Product/Market Opportunities
<p>Resource Products</p> <p>1) Forestry</p>	<ul style="list-style-type: none"> <li>- improve international competitiveness with special attention to energy, transportation, wood costs and mill productivity (especially in sawmilling)</li> <li>- encourage development of new products and more highly processed products.</li> <li>- improve product quality in wood industries</li> <li>- encourage production of goods and services to supply the demands of the industry</li> </ul>	<ul style="list-style-type: none"> <li>- for the lumber industry as a whole, attention to the problem of maintenance of access to existing markets in U.S.</li> <li>- focus on small and medium sized firm</li> <li>- identify market opportunities for upgraded products, manufactured wood products and products from under-utilized hardwood resource</li> <li>- identify market opportunities for sale of forestry related expertise (e.g. forest management, forest products processing, protection etc.)</li> <li>- promote acquisition of forest products processing technology</li> </ul>	<ul style="list-style-type: none"> <li>- Christmas trees</li> <li>- maple products</li> <li>- increase the number of small wood products exporters</li> <li>- manufactured wood products in U.S. (e.g. flooring, wall panelling cabinets)</li> <li>- sawn lumber Middle East, North Africa</li> <li>- coated paper products</li> <li>- related manufacturing and services (see below)</li> </ul>

TABLE 1 (con't)

Sector	Development Priorities	Trade Priorities	Specific Product/Market Opportunities
2) Fisheries	<ul style="list-style-type: none"> <li>- improve consistency of quality of product</li> <li>- increase productivity at harvesting and processing stage thus improving cost-price margins</li> <li>- develop aquaculture</li> </ul>	<ul style="list-style-type: none"> <li>- identify market opportunities for more high processed fish products, fish specialty products</li> <li>- promote acquisition of technology especially in aquaculture</li> <li>- sustained marketing campaign to increase North American consumption of fish</li> <li>- priority attention to consistency of product quality</li> <li>- greater coordination between harvesting, processing and marketing</li> </ul>	<ul style="list-style-type: none"> <li>- fish specialty products</li> <li>- aquaculture products (salmon, oysters, mussels)</li> <li>- seek and develop new markets</li> <li>- requirement for sustained promotion to expand N.A. market by 2-3 lbs./capita</li> </ul>
3) Minerals	<ul style="list-style-type: none"> <li>- further diversify N.B.'s mineral production and identify higher grade deposits through exploration</li> <li>- identify and develop processes to increase the productivity of extraction and processing</li> <li>- identify market and product development opportunities particularly for more fully processed products</li> </ul>	<ul style="list-style-type: none"> <li>- focus on small companies, prospectors</li> <li>- identify market opportunities for deposits</li> <li>- identify market for quality peat moss in Europe</li> <li>- identify markets for quality peat moss products, fertilizers</li> <li>- blueberries, seed, potatoes, forage, dairy</li> </ul>	<ul style="list-style-type: none"> <li>- silica sand, limestone</li> <li>- peat moss products, growing mediums, fertilizers</li> <li>- North African and Middle East for peat moss</li> <li>- antimony oxides, potassium sulphate, molybdenum</li> </ul>
4) Agriculture	<ul style="list-style-type: none"> <li>- human resource development; farmer training</li> <li>- market development</li> <li>- technology transfer and improved land management</li> <li>- land development and soil conservation</li> </ul>	<ul style="list-style-type: none"> <li>- blueberries, seed, potatoes, forage, dairy</li> </ul>	<ul style="list-style-type: none"> <li>- seed potatoes, forage to New England and Eastern Seaboard of United States</li> <li>- dairy livestock and expertise to developing countries</li> </ul>

TABLE 1 (con't)

Sector	Development Priorities	Trade Priorities	Specific Product/Market Opportunities
Secondary Manufacturing and Services	<ul style="list-style-type: none"> <li>- upgrade technology in existing firms to attract new industries to broaden and diversify existing base</li> <li>- encourage New Brunswick firms and businesses to develop new products and processes</li> <li>- identify and develop new markets</li> </ul>	<ul style="list-style-type: none"> <li>- focus on small and medium sized firms</li> <li>- marketing complement to CAD/CAM thrust</li> <li>- focus on existing firms and start-up where viability is dependent on U.S. market</li> <li>- target on firms who have or could develop capability to grow by expanding into exports</li> <li>- focus on firms/sectors which can establish or grow supplying goods to existing industry</li> </ul>	<ul style="list-style-type: none"> <li>- New England; U.S. defence market</li> <li>- machinery</li> <li>- metal fabricating</li> <li>- electronics</li> <li>- equipment and materials for forestry, fishing and mining industry (e.g. linear measuring devices, chemicals, machinery for mining)</li> <li>- ideal products are resource based products for existing industry (e.g. potash based chemicals for pulp and paper industry)</li> </ul>
Services	<ul style="list-style-type: none"> <li>- target on services for existing industry which can be marketed nationally and abroad</li> <li>- forest products engineering</li> <li>- forestry equipment</li> <li>- metallurgical research</li> <li>- forest management</li> <li>- build on existing strengths in universities</li> <li>- surveying engineering</li> <li>- chemistry</li> </ul>	<ul style="list-style-type: none"> <li>- target to companies with the capability and interest to grow into export markets</li> <li>- put N.B. companies/ individuals into contact with larger Canadian interests</li> </ul>	<ul style="list-style-type: none"> <li>- fluidized technology (e.g. as applied to base metal ores)</li> <li>- computerization/sawmilling</li> <li>- forest products processing expertise</li> <li>- forestry management &amp; training</li> <li>- boatbuilding (fibreglass)</li> <li>- fisheries training (School of Fisheries in Caraquet)</li> <li>- surveying and mapping equipment and services</li> </ul>

B. Secondary Manufacturing & Services

1) Resource related

An export trade strategy should target on small and medium sized firms in the machinery, metal fabricating, instrumentation and management and engineering services sectors which have the potential to get into export markets or to expand their present exports.

Specific areas of priority are suggested as:

- a) an export marketing thrust to support the CAD/CAM initiative targeted on a few dynamic firms in the machinery, metal fabricating and manufactured woods product sectors;
- b) a market focus on the U.S. defence market, defence offset work and the New England market;
- c) development of export markets for: (1) forest management expertise building on the nucleus provided by the Forestry Complex (2) equipment and instrumentation (e.g. tree measuring devices) developed for the forestry industry (3) forest products technology (4) metallurgical research expertise, (fluidized bed technology) (5) surveying and mapping services and products (6) fisheries equipment and technology (including boatbuilding).

2) Non-Resource Related

Marketing support should be focussed on small firms in new technology industries such as electronics and software which need export markets to become established.

In addition, dynamic firms in other sectors such as textile and clothing, furniture, fertilizer and chemicals should be identified for support.

V. CONSTRAINTS TO INCREASED EXPORTS

A number of constraints to increased exports from New Brunswick have been identified. These constraints can generally be traced to weaknesses in the Province's industrial structure, many associated with the small size of firms, and the attitudes of businesspeople. The most significant constraints are as follows:

- 1) In many sectors, the industrial competitiveness and capability required to penetrate and hold export markets is lacking. As trade liberalizes and competition becomes increasingly fierce, this lack of competitiveness may mean that local and regional market share will be threatened. This problem can be illustrated by taking an example from the metalworking sector where Raytheon, the American contractor for the Federal Government's RAMP project, recently was unable to place offset work because New Brunswick firms lacked the capability to produce the precision components required. World markets are increasingly demanding a higher quality product and price competition is becoming stiffer posing real challenges for New Brunswick resource exports. A major factor here is a slowness in adopting the technology and approaches employed by the competitors. It is probably fair to say that the problems associated with expanding exports by further processing of resources or by diversifying into non-resource manufactures are related as much to a lack of industrial capability and initiative as to a lack of markets.
- 2) New Brunswick's dependence on resource products acts as a constraint in the sense that many of these markets are presently in oversupply with the long term outlook being for slow growth and increasing competition.
- 3) Many of the small and medium sized firms in the Province lack the marketing expertise required to position themselves strongly in local and regional markets let alone make the jump to high risk export markets. Too many firms have not done the basic work on market identification, planning and feasibility analysis to determine what world markets want and the most profitable market segments and appropriate promotion strategies. It seems that too many New Brunswick firms do not understand what marketing is all about. Another factor which relates to market promotion is that it is generally more expensive for New Brunswick based producers to promote their products in domestic markets than

it is for a competitor in Central Canada. It is more expensive to be available to customers. It is more costly to achieve the required reliability and speed of supply. When it comes to export marketing, many firms are not aware of the basic principle of getting into one market at a time and making a commitment to that market.

- 4) The small and medium sized companies which are prevalent in New Brunswick often lack the financial resources to attempt to penetrate export markets. Export marketing costs can be as much as three times as high as marketing costs domestically.
- 5) Although there are examples of New Brunswick companies successfully taking on and beating world competition, the New Brunswick business community has long been marked by an aversion to risk taking. This seems to be a major factor behind a general lack of motivation to export.
- 6) The support system for New Brunswick business appears to be weak relative to other areas as businesses do not support one another strongly and governments are perceived to be more ready to help outsiders than locals.
- 7) New Brunswick businesspeople must adopt a positive perception that they have valuable products for world markets. The New Brunswick business sector can be characterized as "inward looking" in that there is a general lack of awareness of export market opportunities and their potential profitability. This attitude is perhaps exemplified by a lack of understanding and participation by the New Brunswick business community in CIDA's Industrial Cooperation Program. This program is designed to assist businesses in participating in industrial development projects in third world countries.



Despite the fact that the program's budget has increased greatly until recently and that CIDA has done some promotion in New Brunswick, activity has fallen off to almost nothing. This is a problem of attitude which can only be addressed by an educational program. Such an education program would begin by attempting to dispel the myth that exports are only for the large multi-national firm by demonstrating that lots of small companies successfully penetrate export markets every year and that export markets can be very profitable. Further to this, efforts could be directed to giving businesses "how to export" advice on regulations, marketing and distribution, etc.

- 8) Transportation deserves special mention because of its importance to the competitiveness of New Brunswick exports on world markets. Because most New Brunswick exporters are price takers on world markets, improvements in transportation quality and costs are an important means of improving profitability. In the survey conducted by the CMA, transportation and distribution were the most commonly cited problems impeding exports. The poor quality of highways and the resultant wear and tear on equipment are a perennial concern. Spring weight restrictions in the North of the Province also add to costs. Recently the new "super conference" serving Asia has levied increased rates on shipments. With the advent of the Trans-Pacific West Bound Rate Agreement, one avenue open to exporters is to group cargo in a cooperative venture to increase leverage.

The importance of the Port of Saint John to the Province's exporters deserves special attention. The Port of Saint John is a tremendous asset being served by two railways and having the highest productivity of any North Atlantic port. Many of the facilities are world class such as FORTERM, the forest products facility. Saint John is competing with ports on a world wide basis and particularly with ports on the U.S. Atlantic Coast.

It is important that the Port of Saint John retain and enhance its competitive position so that the services which

it offers to exporters can be improved and kept cost competitive.

The Port of Saint John presently lacks a modern roll-on/roll-off (Ro-Ro) facility. The lack of such a facility has made it difficult to compete for traffic to the Middle East and North African markets where combination Ro-Ro and container vessels serve a lot of the traffic. In fact, the port has lost the Saudi Arabian line.

A rail rate subsidy known as the At and East allows Saint John and Halifax to compete for the export shipments of flour and grains with other Eastern Canadian ports. This subsidy results in significant economic benefits for the port and brings vessels into port which wouldn't otherwise come. Also, consideration should be given to developing water unloading facilities for grain to further develop this trade.

Since 1983, the shipping conferences serving Eastern Canada have levied an additional charge for shipments on a Saint John Bill of Lading (currently \$280 per container). Accordingly, most shipments from New Brunswick destined for Europe cost more than shipments from Montreal.

Saint John has not had a line serving Northern Europe for some years. There is probably not enough traffic now to justify the use of Halifax let alone Halifax and Saint John. A line starting up in Saint John would probably have to offer rates on a loss basis at least initially to attract the business. Another factor which operates to Saint John's disadvantage is the policy of the railways to apply the same rates on a goods moving to or from Halifax and Saint John from or to points outside the Atlantic Region.

VI. GOVERNMENT EXPORT SUPPORT PROGRAMS

It is suggested that the government role should be to create a framework which is supportive of the private sector's export marketing activities. The support framework should ensure that the New Brunswick exporter is not put at a disadvantage relative to competitors. However, it cannot substitute for competitiveness, aggressive marketing and a commitment to export markets on the part of the private sector. It should also be noted at the outset that governments are not the only or arguably even the major sources of support for export marketing. Industrial associations, Chambers of Commerce, private sector trading houses, customs brokers and the chartered banks all provide valuable advice and services. The Canadian Manufacturers Association (New Brunswick Branch), for example conducts export seminars through its Export Forum. The Atlantic Provinces Transportation Commission provides valuable assistance and information on transportation to businesses by such means as giving out rate and routing advice. It will be argued that a major focus of a New Brunswick trade strategy should be to encourage the private sector to strengthen the support it provides and to better coordinate public and private support services.

A. Federal Government Support System

1. Description

The trade development function must be seen as a continuum — a chain of information and assistance helping to match Canadian suppliers to export sales opportunities. The effectiveness of the total trade development function depends on whether each link in that chain is properly organized and oriented to provide the kind of information and assistance that Canadian business needs, in a timely fashion and in a coordinated way, to capitalize on export opportunities. DRIE provides information on the federal network programs and services as well as export trade intelligence obtained from various sources within and outside government. More specifically, the DRIE regional offices:

- identify current opportunities in export markets
- help local businesses use government programs to develop export markets for their products and services

both on an individual basis and through workshops and seminars:

- offer detailed information on approaches to exporting
- advise on export pricing, financing, insurance, documentation and transportation
- identify and notify potential Canadian suppliers in response to product sourcing inquiries from abroad
- introduce potential exporters to foreign buyers and others who can assist their export trade efforts
- maintain a close working relationship with provincial and territorial governments and work to coordinate federal and provincial export trade initiatives
- participate in the delivery of Department of External Affairs (DEA) funded activities such as the Program for Export Market Development (PEMD) and the Promotional Projects Program (PPP)

Complementing and supplementing the work of regional offices, DRIE's industry sector branches in Ottawa provide counselling for Canadian exporters and are responsible for delivery of certain sections of PEMD. The sector branches are intended to be centres of expert and up-to-date knowledge of the respective industries, supply-demand trends, and other relevant factors influencing the growth prospects of the sector in a world context. In addition to providing a basis for formulating industrial policies, this detailed industry expertise is important in assisting potential Canadian exporters. The sector branches are a prime point of contact for incoming foreign product sourcing inquiries at a national level.

In Canada, DRIE's regional offices provide a focal point for contact with current and potential exporters. Abroad, the focal points are the trade commissioners and commercial staff at DEA's posts. The linkages between the DRIE regional offices, the DRIE headquarters industry sector branches, DEA's geographic bureaux and international trade development branch, and the foreign posts complete the system. On the one hand, Canadian businesspeople interested in export markets for their

products can seek information and assistance through the DRIE regional offices, and on the other, information on products demanded in particular foreign markets can be conveyed from posts abroad to the regional offices and potential Canadian suppliers.

2. Programs

a) Program for Export Market Development (PEMD)

PEMD, the best known of the export promotion programs of the Federal Government, is a responsibility of External Affairs but delivered by DRIE through its regional and headquarters offices. PEMD provides up to 50% of the costs incurred by a company in its penetration of new markets. These contributions are repayable if sales are made to that market within a three year period. PEMD provides assistance under a number of categories including:

A - Specific Project Bidding; B - Market Identification; C - Participation in Trade Fairs Abroad; D - Incoming Foreign Buyers; E - Formation of Export Consortia; F - Sustained Export Market Development; R - Agriculture Fish and Food and; S - Export Related Activities of Non Profit Organizations. Appendix B contains a detailed description of PEMD activity in New Brunswick and only the highlights are presented here.

In 1983-84, for Canada as a whole some 4,100 PEMD applications were approved with an associated contribution of \$42.0 million. \$27.0 million was actually expended. In New Brunswick 54 applications were approved for \$248,000. Average contribution per project was approximately \$3,300 in 1983/84. New Brunswick activity then in terms of approvals amounted to 1.3% of Canadian activity. As a comparison, New Brunswick contains 3.1% of firms listed on Business Opportunities Sourcing System (B.O.S.S.). In New Brunswick, 52% of activity over 1971-83 has been in PEMD-B, 28% in C, 8% in Food and Fish and 7% in A.

PEMD activity in New Brunswick has increased considerably since 1977 with a widening in the applicability of the program and a decentralization in the delivery of sections B, C and D in 1977. Prior to

1978, sections B and D were not available for the U.S. and until 1980 these sections were available only to companies who had never exported before. Nationally the program has quadrupled in size since 1980.

Between October 1977 and September 1984, 174 different New Brunswick firms used PEMD. Since the New Brunswick Department of Commerce and Development lists 455 firms as exporters in manufacturing only, there appears to be ample opportunity for the program in New Brunswick to widen its coverage. As evidence of this, in 1983-84, 46% of New Brunswick applications originated from first time users, the highest percentage in Canada.

PEMD is generally well regarded by the business community. The program in New Brunswick has a low rejection rate (11%). Withdrawals and the great majority of cancellations (24%) occurred after being approved. Because sales were guaranteed, the firms decided in a number of cases to assume the full costs while using the structure and services available to PEMD users. The turnaround time is low, averaging three weeks in 1983-84.

Some firms have complained that the paperwork is too burdensome. The program is complex and labor intensive to administer. It would appear that modifications should be considered to improve the efficiency of delivery. It has been suggested that a PEMD contract could be signed with a firm for a stipulated period of time for an agreed range of activities. Although the costs of enforcing repayment probably match or exceed amounts received, this feature may well be required to meet GATT obligations.

The PEMD program seems to suffer from a proliferation of sections beyond what is required for effective export promotion. For example, there appears to be no reason why agriculture, food and fish should have a separate section. Consolidation could reduce overhead and make the program more transparent to the user.

The growth in the program in addition to the fact that there is no way to accurately judge the program's impact on incremental export sales has brought it under careful scrutiny in the current climate of restraint in government spending. There is a danger that PEMD funds will be directed to the more cost-effective portions of the program, notably PEMD-A, bidding. This would have adverse consequences for New Brunswick which generally does not have the industrial base capable of bidding on international projects.

There are, however, changes which could be considered to make the program more useful to the small business. For example, the number of trips permitted under PEMD-B to a particular market area could be increased from one to three. This recommendation has been made in the past. Also, market areas could be sub-divided into smaller sections. For example, New England is now one market area. One trip to a market area is not enough especially for a small firm. PEMD records indicate that 75% of sales are recorded by repeat users.

Further, the guidelines state that a firm must have three successful years in business to qualify for PEMD. Although this guideline has been administered flexibly perhaps the PEMD should be more broadly applicable to the start-up, considering that because of the small size of regional markets many new businesses must break into export markets immediately. In order to make the program more useful to the small and medium sized businessman and increase its impact in New Brunswick, more of the budget could be directed to PEMD-B and C.

b) Promotional Projects Program (PPP)

The Promotional Projects Program is the funding vehicle through which the government underwrites some of the cost to industry in participating in promotional events that are organized by the Department of External Affairs. These events are designed to increase the knowledge of foreign buyers about Canadian products and capability and to undertake export market intelligence-gathering operations.

The program encompasses a wide variety of trade promotional techniques within three categories: fairs abroad, trade missions and trade visitors. These projects are initiated by the government and reflect those events developed in consultations between the Departments of External Affairs and Regional Industrial Expansion to achieve the government's market development objectives for the manufacturing and services sectors. The choice of projects also ensures recognition of commitments implicit in ministerial missions, policy statements and the signing of international trade agreements.

Expenditures are forecast at \$16.0 in contributions for 1984-85. Annually, some 170 trade exhibits outside of Canada and 75 outgoing missions and visits by foreign delegations receive funding.

i) Trade Fairs

External Affairs sponsors and organizes the participation of Canadian firms, trade organizations, associations, etc., and coordinates the design, construction, erection and operation of the exhibits. The objective of the trade fair exhibit is to permit Canadian companies and others to expose products or services to the governments, business community or consumers in foreign markets at a nominal cost. The program provides participating firms with a full exhibition service at a nominal fee. Solo exhibitions are undertaken when it is felt that no regularly scheduled trade shows are available.

The information booth is used to provide presence at a fair where the market opportunities do not justify full scale participation.

ii) Trade Missions

Participation in government sponsored trade missions is by special invitation of the Minister of External Affairs or his delegate. Both outgoing and incoming missions may be sponsored under the missions section of the Promotional Projects Program.

In general, outgoing missions are organized to achieve trade objectives such as the promotion of Canadian equipment, products and services. However, in the



case of senior level missions, they may be used to negotiate trading agreements or the reduction of the trade barriers.

iii) Trade Visitors - Incoming Buyers

Under its trade visitors' activity, the government invites influential foreign businesspeople (buyers) and government representatives (delegates) to examine Canadian goods and services and to inspect the industrial capability of Canadian firms. Visits may also be arranged to Canadian trade fairs or exhibitions where Canadian products are being displayed. As such, these projects are complementary to incoming missions and trade fairs.

The composition of the Promotional Projects Program is dependent on input from the Sector Branches and Regional Offices of DRIE, the posts abroad and the Trade Development Division of External Affairs and is based on a product marketing strategy and an appropriate promotional plan.

The Regional Office of DRIE in cooperation with the Province and private sector identifies the most appropriate trade fairs and missions for New Brunswick producers to participate in and recruits New Brunswick exporters to participate in overseas trade fairs and missions.

In the opinion of the business clients, this program is a useful and effective one. Firms have an opportunity to promote their products, make on-site sales, appoint agents, assess the competition and gain market intelligence. Some illustrative examples of recent PPP activity affecting New Brunswick is provided in Table 2. Actual PPP activity for 1983/84 and 1984/85 is outlined in Table 2(a).

Some 60% of New Brunswick activity has been in food products. As such, serious consideration should be given to using the PPP as a vehicle to bring targeted firms in the non-resource sectors into the export market.

Continuing attention is required to ensure careful coordination of the Promotional Projects Program with similar activity funded by the Province.

TABLE 2

PROMOTIONAL PROJECTS PROGRAM

ILLUSTRATIVE AND REPRESENTATIVE PARTICIPATION BY N.B. FIRMS

1. Trade Fairs and Information Booths

a) Trade Fairs:

SEAFOOD 84' - Boston - 15 New Brunswick firms in attendance among 75 Canadian firms - 75K-80K cost to Federal Government; led to interest on part of Dallas consulate in pushing fish; 5 officers from U.S. consulates in attendance

America East - Boston

b) Information Booths:

Saudi Food - Saudi Arabia

industry provides literature to a booth; 2 New Brunswick firms in attendance

c) Solo Shows:

Fish Show - Dallas

outgrowth from Seafood '84; discretionary funding; 5 firms from New Brunswick

2. Missions

a) Incoming Missions:

1) Buyers

European Fish Mission - Moncton

discretionary funding; brought in because of drop off in fish exports to Europe; brought in 10 fish buyers and trade officers; held with New Brunswick Fish Packers Association; 21 New Brunswick firms; sales results in the order of 400K - 500K

TABLE 2 (cont'd)

2) Other:

Japanese Fish Mission - New Brunswick

10 buyers; trying to show them a variety of products;  
toured 8 plants; province participated by holding a  
reception; 25 other companies involved

b) Outgoing Missions:

1) Ministerial:

China

2) Other:

Sectorial - Caribbean

2 New Brunswick firms out of total of 7 firms

3) Incoming Visitors

Fish Sweden

LEVEL OF ACTIVITY (over 4 years)

Approximately 20 events per year, 50 different firms, 80  
participations, 60% of activity in food products.

TABLE 2(a)

PROMOTIONAL PROJECTS PROGRAM

NEW BRUNSWICK ACTIVITY

1983/84

1. Seafood '83 - Boston - 11 firms exhibiting - 6 firms attended
2. International Food Exhibition, London, England - 3 firms
3. Seed Potato Mission, Egypt - 10 firms
4. Seed Potato Mission, Portugal - 10 firms
5. Foodex - Food & Beverage Show - 4 firms
6. NRA - National Restaurant Association Show, Chicago - 2 firms
7. Anuga '83, World Food Market, Cologne, Germany - 2 firms
8. Ministerial Mission to Russia - 1 firm
9. Musikmesse '83 - 1 firm

1984/85

1. Seed Potato Mission, Argentina - 10 firms
2. Seed Potato Mission, Brazil - 10 firms
3. Fish Mission, Europe - 21 firms
4. Seafood '84, Boston - 15 firms exhibiting  
11 firms attended
5. America East Building and Materials Show, Boston - 3 firms
6. International Food and Drink Exhibition, London, England -  
3 firms
7. Food Ex, Tokyo, Japan - 4 firms
8. S.I.A.L. '84, International Food Products Exhibition, Paris,
9. Saudi Food '85, Riyadh, Saudi Arabia - 2 firms
10. Musik, Germany - 1 firm
11. Food and Hotel Asia '84 Show, Singapore - 1 firm

c) Industrial and Regional Development Program (IRDP)

i) Marketing Element

Under the marketing element, assistance to a maximum level of assistance of 45% may be available to non profit organizations that support commercial operations collectively and on a broad base. Non profit organizations include economic business or technological centres; national or regional associations representing manufacturing or industry sectors; municipal corporations, municipal industrial development corporations, provincial governments or agencies and educational institutions. Assistance can be given to promote standards and product specifications, to publish and disseminate catalogues and literature; to carry out market research and analysis; for advertising and for trade shows, seminars or other events. In addition, contributions ranging from 30%-37.5% for consultant studies to examine the feasibility of the above listed projects or activities may be made.

This program element has been scarcely used. In fact in two years only one association, the Printing & Associated Industries of New Brunswick, have used the program. It would seem that this program element could be more usefully employed to stimulate and support collective export marketing efforts by New Brunswick industry.

ii) Consultant Studies - Marketing Research

Under the IRDP, assistance may be made available toward the cost of hiring qualified consultants for market research studies associated with innovation or research and development projects, or projects involving the establishment of new production or expanding or modernizing existing manufacturing or processing operations. Contributions can range from 30%-50% depending on the type of project and the area of the Province in which it is located.

This provision of the IRDP is being quite widely used and has proven quite effective in enabling the firm to develop a market strategy for the product(s) involved.

d) Canadian International Development Agency (CIDA)

Official Development Assistance from Canada to the Third World and developing countries amount to \$1.7 billion in 1983-84 and the bilateral programs of CIDA accounted for just over \$600 million. This is a significant potential market for exporters. In its June 1983 submission to the Export Trade Development Board, the New Brunswick Trade Development Board pointed out the regional imbalance in CIDA services contracts and made several recommendations designed to make more use of CIDA in expanding Canadian export trade and in bringing a better regional balance to the supply of goods and services to international development activities in which CIDA is involved.

1) CIDA Services Contracts

CIDA is aware of the regional imbalance in contracts awarded for consulting services, manufacturing and construction projects. While regional balance is a concern, their resources are fully committed to their first priority, aid, and they are not in a position to actively seek New Brunswick participation.

New Brunswick industry working with the Department of Commerce and Development has formed consortia in some 12 basic sectors where it was felt New Brunswick industry has the expertise. The idea here was to be able to compete with the large consulting companies. As yet this exercise has borne little fruit. A lot of work would still have to be done by these consortia in order to make a credible bid on a CIDA contract as they have very little experience in working together.

A few New Brunswick based firms have picked up CIDA contracts through taking the initiative and marketing their services aggressively.

While the consortia approach should be continued, there appear to be other possible approaches to increasing the participation of New Brunswick based firms which should be considered. Any approach to be successful requires a serious commitment from the firms involved that they are selling their

expertise in the world market and not just as an add-on to other activity.

Firstly, a firm should be prepared initially to take a small study. CIDA officials recognize that it is expensive and time consuming to do business with CIDA especially for the small firm. CIDA currently has as many as 200 standing offers with small firms for assistance with structuring projects and are prepared to consider employing capable New Brunswick firms on a standing offer basis. This would provide firms with an opportunity to learn the ropes in CIDA. In addition, information on upcoming CIDA activity could be made more readily available. Also, consideration should be given to means by which the small New Brunswick firm can be given more support and assistance in bidding on CIDA projects (e.g. a New Brunswick advocate with CIDA).

Secondly, New Brunswick firms should consider sub-contracting to the large firms winning CIDA contracts. Some New Brunswick firms have had success in this area. The lists of companies winning contracts are readily available to anyone who requests them. CIDA can and has put pressure on the large companies to pick up regional suppliers.

ii) Industrial Cooperation Program

The Industrial Cooperation Program is designed to assist Canadian business in developing business relationships in developing countries such as joint ventures, direct investments, management contracts, licensing agreements, co-production arrangements, technical cooperation and technology transfer. The program can provide funding for travel, profitability and risk analysis, product/technology testing for project preparation studies as a lead in to large capital projects, and for demonstration/test projects as a lead in to technology transfer.

This program is an excellent one in the opinion of users and its budget has increased considerably in recent years and exceeded \$23 million in 1983-84. However, New Brunswick participation has dropped in recent years and currently is very low. CIDA has done some promotion of the program but with little apparent success.

In the future, CIDA is likely to become more selective in the application of the program because of a restriction on available funds. The program may well be targeted on particular sectors. Markets and firms will be carefully assessed as to their financial and management capability to successfully undertake the project. CIDA may well be consulting with the provinces to determine their sectoral priorities.

CIDA also administers technical missions and technology transfer exhibitions which have been highly successful in terms of resultant joint ventures. The CMA has done missions to India and other Asian countries.

There is an opportunity for New Brunswick business associations to explore and develop joint ventures under the Industrial Cooperation Program. The Canadian Export Association, for example, is currently using the program to put together a joint venture in the Cameroon. This type of venture can be very beneficial in forging relationships between firms.

e) Counselling Assistance for Small Enterprise (CASE)

This program run by the Federal Business Development Bank can provide the services of retired executives to provide marketing assistance (identification, feasibility, promotional strategies). The cost is nominal at approximately \$15 per hour. The program is limited in the range of industrial and marketing expertise it can offer but it has proven extremely useful to the small firm.



f) Other Federal Government Departments

i) Energy, Mines and Resources (EMR)

EMR has an International Minerals Group which is becoming more active in trade promotion. Under the Mineral Policy Branch are the Commodity officers who maintain a detailed knowledge base of their commodity.

Minerals Specialists are located in five posts abroad (London, Washington, Tokyo, Brussels and Canberra). Most mining companies deal directly with these commercial counsellors.

It would be useful to have the commodity officers visit New Brunswick more frequently. Also the CANMET division can provide useful knowledge on market opportunities for New Brunswick deposits.

Under the Canada/New Brunswick Minerals Agreement, EMR and the New Brunswick Department of Natural Resources deliver an economic development program designed to identify opportunities and develop strategies for realizing them. Currently studies are in progress in the areas of potassium sulphate, limestone, mineral aggregates, building stone, silica and barite.

The Agreement also contains a program element which can provide firm specific assistance for product marketing. This program, however, is not yet operational.

11) Agriculture Canada

The department administers an export expansion program which consists of technical exploratory and trade missions designed to alleviate technical and non-tariff barriers to trade.

The department funds a Seed Potato Export Promotion Program with the bulk of support going to Potatoes Canada. Potatoes Canada, based in Fredericton, has been effective in market development through activities such as trial plots and missions but the cooperation between seed exporters on the selling end has not materialized as hoped.

The department has a major impact on exports through its inspection program and its research activities (e.g. development of yellow flesh varieties for export). There is concern that the move to cost recovery in inspection services will have a relatively large impact on the New Brunswick agriculture industry.

Under the Canada/New Brunswick Agri-Food Development Agreement, Agriculture Canada and the New Brunswick Department of Agriculture are administering a \$6 million marketing program over the period 1984-89. The Programs are:

1. Infrastructure - Provides grants for facilities and equipment, emphasis is on livestock feed storage and handling.
2. Market Risk - Provides financial assistance for market research projects designed to benefit N.B. products.
3. Promotion - Provides financial assistance to commodities, groups or individuals to promote N.B. products; provides funds to operate the generic "N.B. Grown" program and the annual Maritime Foodland exhibition at the Moncton Agrena.
4. Market Development - Provides financial assistance for developmental trips to trade fairs, missions in and out, market testing, training and related activities.

5. Market Information Service - To provide a quality market information service for commodities produced in New Brunswick.
6. Market Risk - Guarantees a share of cost of production to a producer who will grow a new commodity for an identified market.

iii) Department of Fisheries and Oceans (DFO)

Support is primarily provided through the Marketing Directorate whose focus is to:

1. Increase domestic and international sales of Canadian fish and fishery products, maximizing the financial returns from the marketplace.
2. To install a market-driven approach to the management of the fisheries, develop and expand markets, improve market returns and efficiencies and provide market intelligence, early warnings and forecasts.

The Marketing Directorate is organized under three functional areas: Market Intelligence, Market Extension Services and Fish Promotion.

Market Intelligence

This service is designed to assist industry in the development of marketing plans and strategies in order to improve returns from the marketplace, and to provide marketing input into fisheries management within DFO.

The Market Intelligence Service can help industry in the following ways:

1. providing market information including market forecasts, marketing studies, assessments and early warning advice on a market/species-basis

2. identifying sales opportunities
3. assessing competition

#### Market Extension Services

This service is designed to assist industry in improving market returns from the available fish resources. (e.g., improving product mix and better control of product costs).

Help can be provided in the following ways:

1. Providing small/medium companies with better systems to control costs and improve product mix. (Micro-plan system)
2. Assisting industry/DFO Development by providing marketing input in developing and expanding product options.
3. Assisting producers and industry in expanding fresh fish sales and facilitating and improving distribution.

#### Promotion

The primary objective of the Promotion Services is to raise awareness, knowledge and usage of Canadian fish and seafood in domestic and international markets.

The promotional section can help the fishing industry in the following ways:

1. Providing consumer information
2. Providing promotional materials and advice to industry and trade
3. Presenting Canadian fish and information at shows and exhibitions
4. Advertising and generating publicity
5. Providing information on consumer and market trends.

g) Export Development Corporation (EDC)

The EDC offers a wide range of insurance guarantees and loan services on essentially a commercial basis to ensure foreign accounts receivable in export markets. The bulk of EDC support is to exports to Eastern European and Third World countries.

i) Export Credit Insurance

Normally the EDC will assume 90% of the commercial and political risk of insuring export sales against nonpayment. The EDC normally wants all of the exporters business but some exclusions are possible (e.g. U.S. business).

ii) Export Guarantees

The EDC will provide guarantees to banks to facilitate export financing if the deal is very beneficial to Canada. Again, the goods and services must be insured by EDC. Insurance and guarantees are offered on a full cost recovery basis.

iii) Export Loans

The EDC will make long term loans to foreign buyers. These loans do not cover all payment risks to the exporter and once again the exporter must use EDC insurance services. The EDC will extend lines of credit to a number of countries to allow Canadian exporters to bid on foreign projects.

The EDC is not a big factor in export financing in New Brunswick. Currently, the total EDC clientele in the Atlantic Region numbers less than 30 firms with about 10 of these in New Brunswick.

Most of EDC's insurance business is done with small and medium sized business. However, in the area of financing the strict credit worthiness standards demanded by the EDC mean that most small businesses can't qualify.

There have also been complaints that EDC information requirements are very complex and that EDC is too slow in responding to requests for financing assistance.

The most serious complaint is that the EDC services are not competitive with those offered by other countries. The requirement that both high and low risk insurance business must go to EDC means that the overall insurance rates are uncompetitive. Other companies offer loans and lines of credit on longer and more attractive terms.

The Government of Canada's consultation paper on Export Financing recognizes the problem of access for small business and suggests a number of options for consideration such as: a working capital guarantee program; export lines of credit for small business and lower fees and rates.

### 3. Services

The regional office of DRIE is the focal point for providing a wide range of services to exporters. Table 3 lists an illustrative sampling of the services provided by the DRIE trade unit.

An important area of concentration for the DRIE trade unit is that of export education which involves conducting workshop seminars and meetings to acquaint businesses with export marketing and provide counselling. As part of this education service, a wide range of publications is available covering for example advice on export marketing, "how to" booklets for specific countries and areas and market profiles for countries. In addition, External Affairs will conduct market studies for specific product/market areas if requested by more than 20 firms. A list of the available studies is found in Table 4.

Another important service is sourcing product inquiries identified by the posts abroad. In 1983/84 there were 470 incoming telexes of which 131 were referred to companies. In 1984/85, 836 inquiries were received with 250 being referred.

The B.O.S.S. system developed to assist in this process does not appear to be adequate to the task and accordingly appears to be little used at this time.

A number of important exporters are missing from the B.O.S.S. listing for New Brunswick. Many businesses feel it is not worth the effort required or are unwilling to reveal the information. The system does not usually have the product detail required for responding to inquiries and is usually 1½ to 2 years old. Access to the system is also a problem and currently there is an experiment underway to provide a few U.S. posts with computer access to see if this will make the system more useful.

However, the B.O.S.S. system is the most effective tool available at present and it is crucial that the New Brunswick registration be increased if exporters are to benefit from the system.

SERVICES OF DRIE TRADE UNITSIllustrative and Representative Services

1. Commercial officer from Egypt visit.
2. List of Canadian T.V. manufacturers.
3. Visit to firm with possible export capability.
4. Coordination of Dallas, Los Angeles fish show.
5. New exporter leading to possible IRDP and PPP participation.
6. Arrange for samples to be sent to possible client.
7. Statistical review of New Brunswick exports to a specific market area for Saint John Port Commission.
8. Providing input on IRDP application.
9. Sourcing product for inquiry.
10. Doing an evaluation of incoming buyer from Sweden under PPP.
11. Requesting market information from post for possible visit of firm and setting up itinerary.
12. Making arrangement for export award.
13. Get tariff and non-tariff information and labeling regulations for firm exploring market possibility in Middle East.
14. Company looking for market in Montreal for product.
15. Proposal for International Chair at U.N.B.
16. Participations in CETM exhibitions, seminars, etc.
17. Research market conditions in seven countries for product.
18. FBDB request for market information in the Greek market for purposes of loan to a company.
19. Provide list of possible suppliers of product to Ottawa buyer.
20. Review sector marketing plan for a geographic marketing area.



MARKET STUDIES OF THE UNITED STATES

1. The Potential for Marketing Canadian Dairy Replacement Heifers in a Nine State Area of the Southern United States
2. The Potential for Marketing Canadian Beef Breeding Stock in a Nine State Area of the Southern United States
3. The Potential for Marketing Canadian Swine Breeding Stock in a Nine State Area of the Southern United States
4. The Market for Cardiac Products in the Mid-Atlantic States
5. The Market for Consumable and Disposable Hospital Products in the Mid-Atlantic States
6. The Market for Clinical Laboratory and Diagnostic Products in the Mid-Atlantic States
7. The Market Potential for Selected Canadian Manufactured Wood Products in Southern California
8. Southeastern Wood Products Opportunity Study
9. The Market Potential for Canadian Woodworking Machinery in the State of California
10. On-Board Fishing Vessel Equipment: Accessing U.S. West Coast Markets
11. The New York Market for Residential Furniture
12. The Market Potential for Canadian Packaging Machinery in California
13. The Market Potential for Canadian Packaging Materials and Equipment in Southeastern U.S.
14. Market Opportunities for Canadian Forest Harvesting Machinery and Equipment in Southeastern U.S.
15. The Market Potential for Selected Canadian Hardware in the Chicago Area
16. Steel Castings Market in Illinois, Indiana, Michigan, Ohio, Pennsylvania and Wisconsin

TABLE 4 (cont'd)

17. Sales Potential for Selected Canadian Hardware in the Chicago Area
18. Opportunities for Canadian Data Processing Hardware and Software Products in the Southwestern U.S.A.
19. Market Study of Residential Furniture in the Northwestern United States
20. Marketing Study: Canadian Pulp and Paper Mill Machinery, Southeastern U.S.A.
21. An Analysis of Market Opportunities for Selected Canadian Residential Heating Equipment in the Northeastern U.S.A.
22. Southern California Offshore Drilling Equipment and Technology Opportunities Study
23. Simplifying Your Transportation to Southern U.S. Markets
24. OEM Automotive Stampings: U.S. Great Lakes Area

B. Provincial Government

Provincial Government activity has been restricted by budget constraints but can cover the following areas:

1) Market Planning and Implementation

Firms can be assisted in developing and launching market plans. This may be direct in-house help from departmental staff or cost-sharing consultant help, usually on a 50-50 basis. A broad range of market related activities can qualify, such as consultants, travel, brochures or market research. Approximately 30-50 companies per year are assisted.

2) Promotion of N.B. Firms in Their Efforts to Sell to Major Accounts

A capital projects newsletter is published. A slide show on New Brunswick products and services is available for presentation to groups. The Department encourages firms to form consortia to tender for CIDA contracts. The Department advises other Departments on New Brunswick content in tenders and conducts value-added analysis. Government purchasing needs are scrutinized to see if New Brunswick firms can be organized to supply the needs.

3) Market Missions

A market mission is a visit to a market for the purpose of gaining awareness and hopefully representation. Visits to an area can coincide with ongoing trade shows or seminars and conferences relative to the interests of the participating firms, or can be organized apart from the above.

Missions can be initiated for individual companies on a one to one situation, or collectively, where more than one company participates.

Missions can be used to pursue opportunities in Canada, the United States, Japan or any other area that demonstrates potential for sales for New Brunswick products.

Efforts are continuously being made to encourage New Brunswick companies to participate in federally organized missions when they are appropriate to their market interests.

4) Trade Shows

Exhibiting at trade shows as a means of gaining market awareness and penetration can be most effective; however, it is a more expensive vehicle to use as a trade promotion tool.

In some instances, trade shows are the avenue through which the industry does its annual selling. They can serve to solidify one's presence in the market place and provide support for representation already existent. They can also provide the opportunity to gain new or expanded representation in a market place.

Companies can participate in trade shows either individually or as a group under the provincial logo. Provincial aids including folders, posters, buttons and bags, etc., aid in developing an identity that is professional, consistent and competitive. Frequently, grouping companies under one theme increases impact and recognition, while allowing for individuality.

The use of the trade show to promote New Brunswick companies will be widely used. Such a vehicle can serve as a very effective nucleus around which many promotional activities can be planned. An example is advertising in major trade journals. Every effort will be made to utilize the trade show in the most cost effective way to obtain the maximum benefits for New Brunswick firms.

5) Promotional Assistance

In preparation of companies to expand their markets, to participate in fairs and missions or to respond to inquiries from the market place, a corporate or industry image is all important. Attractive packaging, promotional and technical literature are vital to a company being successful in the market place.

As such, efforts will be made to ensure companies have proper and effective packaging and sales material with which to do business.

6) Trade Information

A major part of the Trade Services Section relates to providing advice and information to the industry on market data, pricing, tariffs, packaging requirements, general trade statistics, trade shows and missions.

The degree of financial assistance for a given activity varies according to the activity and the funds available in the budget. Table 5 outlines the assistance provided during 1983-84 which was the first year of activity after a several year layoff.

7) Transportation Advisory Assistance

The Atlantic Provinces Transportation Commission (APTC) is an organization funded in part by the Province of New Brunswick and has the objective of obtaining for business and industry the best transportation services at a cost that will enable them to compete in the markets of Canada throughout the world. Firms are able to utilize the expertise and services of the APTC in securing suitable transportation services and negotiating competitive freight rates to export (and domestic) markets. The APTC is in direct contact with most exporters in New Brunswick providing information and assistance in exporting their products. Included among the services offered by the APTC is the publication of a Directory of Ocean Containership Services which enables exporters to determine the availability of ocean carrier services from ports in the Atlantic Provinces to more than 150 world ports. Through the APTC membership in the Canadian Shippers' Council, exporters in New Brunswick have the ability to reflect regional concerns in any national response to ocean carrier activities. Because many New Brunswick exporters are relatively small in relation to national or international companies, ways to strengthen their bargaining power with transportation carriers is important if such regional firms are to secure and maintain access to export markets. Working through the APTC is a means of strengthening the New Brunswick exporter's ability to secure competitive transportation rates and services.

TABLE 5

TRADE SERVICES SECTION ASSISTANCE PROVIDED - 1983-1984

<u>Name of Activity</u>	<u>Date</u>	<u>No. of N.B. CO's</u>	<u>Results</u>
<b>I. DOMESTIC</b>			
<b>A) <u>Trade Shows</u></b>			
Hostex, Toronto (Dept. Sponsored)	Apr./83	8	- Ntl. Account Established (2) - Direct Sales (4) - Representation Established Ontario and Quebec (3) - New Market (4)
Maritime Food Night Saint John (Dept. Sponsored)	Sept./83	36	- Regional Co-op Activity with N.B., N.S., P.E.I., to Promote Food/ Beverage Products to Local Market. N.S. in 1984 & P.E.I. 1985.
Food Fair Atlantic Halifax (Solo Company Participation)	Sept./83	1	- Co. Gained Wider Exposure in Atlantic Region. - New Product
CORE Halifax (Dept. Coordinated)	Oct./83	12	
<b>B) <u>Missions</u></b>			
Ont.-Quebec Mkt. Solo Missions	Various Dates	72	- New Market (6) - Representation Established (5)
<b>II. EXPORT</b>			
<b>A) <u>Trade Shows</u></b>			
Seafood Expo Chicago (Dept. Coordinated)	Sept./83	6	- Increased Knowledge of Mkt. - Direct Sales (1)
Seafood 84 Boston (Dept. Coordinated)	Feb./84	10	- Increased Knowledge of Mkt. - Reinforced Presence with Brokers (8) - Representation Established (2) - New Market (2)

TABLE 5 (cont'd)

- 2 -

<u>Name of Activity</u>	<u>Date</u>	<u>No. of N.B. CO's</u>	<u>Results</u>
Seafare 84	Jan./84	7	- Established Representation (2) - New Market - Increased Market Awareness - Reinforced Presence in Mkt.
N.Y. Fisheries Reception (Dept. Coordinated)	Oct./83	5	- Representation Established (1) - New Market (2) - New Product (1) - Reinforce Market Presence - Market Awareness
B) <u>Missions</u>			
Anuga-Germany (Solo Mission)	Sept./83	2	- Increased Sales - New Product - Increased Market Knowledge
Seafood 84 Boston (Dept. Coordinated)	Feb./84	2	- New Market - New Product - Increased Market Awareness
Intl. Boat Show New Orleans (Dept. Coordinated)	Jan./84	4	- Licensing and Joint Venture Opportunities Explored (2) - New Processes and Products (2)
III. <u>PROMOTIONAL ASSISTANCE</u>		2	- New Logos and Labels (1) - Presentation Kits (1)

C. Observations

1) Lack of Coordination

There has been a growing proliferation of departments, agencies, programs and services involved in providing support to Canadian exporters. Federal line departments have created export marketing support in relative isolation from External Affairs - Minister of International Trade. As a result, federal export support activities have been undertaken to serve differing objectives and with a lack of coordination. The priority on trade promised in 1982 does not appear to have materialized in External Affairs. Businesspersons find it difficult to access assistance from External Affairs. Federal and provincial governments have unduly competed for credit in the conduct of trade support activities.

The small businessperson has suffered from the proliferation of departments and programs. Many businesspersons do not know who to contact in the Federal Government for assistance. The vast array of federal and provincial programs and services is complex and confusing and businesses do not have one focal point where they can get advice on the total range of support services.

2) Lack of Awareness

There is a continuing lack of awareness by businesspeople on the range of services available due partly to the factors in (1) above. Despite the program promotional efforts which have been made in recent years, more could usefully be done.

3) Export Education

More effort needs to be directed to demonstrating to the private sector that there are profitable opportunities in export markets, and that exports are not the exclusive preserve of big business. More effort can usefully be placed on the "how to" of export, in terms of advice on customs, regulations, distribution etc.

4) Support for Basic Marketing

There appears to be a gap in the support which can be provided to assist a firm in developing its basic marketing capability and knowledge and in developing a



marketing strategy. More support should be given to assisting firms with basic marketing information such as potential volumes in a market, prices, market growth, etc. The need appears to be for more accurate and timely information on specific product and market opportunities than is presently available.

5) Support for Ongoing Marketing Costs

With a few exceptions such as PEMD-F, and some Provincial Government assistance, there is little support for ongoing marketing costs such as packaging, literature, brochures etc. On the other hand, research and development (both operating and capital) qualifies for tax incentives and grants. It should be noted that the Export Success Fund of the Ontario Provincial Government matches out of pocket marketing costs for 12 months to a maximum of \$35,000. This grant is not repayable.

- 6) A number of programs are unnecessarily complex and involve too much "red tape".
- 7) The marketing support programs do not provide sufficient support to the small business or start-up.
- 8) Marketing support programs are not sufficiently integrated with industrial development support programs.
- 9) The programs of the Export Development Corporation are not well suited to the needs of small business because of the strict credit worthiness standards required and slow response time. In addition, better terms are offered by competitor nations.
- 10) The growth of support programs and services offered by provincial governments in Alberta, Ontario and Quebec has the potential to put New Brunswick exporters at a serious disadvantage.
- 11) The trade commissioners located in the posts abroad are, in the opinion of those businesspeople consulted by the Task Force, doing an outstanding job.
- 12) Businesspeople consulted by the Task Force have complained that too often incoming missions and buyers are not brought east of Quebec. It has been suggested that incoming buyers should be organized on an individual company basis. Incoming buyers visiting a number of companies have played one company off against another, (e.g. fish products; peat moss).

## VII. CONCLUSIONS AND RECOMMENDATIONS

Consideration of New Brunswick's economic development strategy, the role and importance of exports, export opportunities and constraints, and the impact of present government support programs leads the Task Force to propose the following export trade strategy for New Brunswick.

### A. Guiding Principles for a Strategy

As a first step in defining a strategy, it is suggested that the strategy should be guided by the following principles:

- 1) Government programs and services can not be a substitute for initiative and aggressive marketing by the private sector. Accordingly, the role of governments is to create a framework to support the initiative of New Brunswick exporters and put them on an equal footing with their competition in export markets.
- 2) It is very important to foster a greater role for the private sector in aggressively seeking out and obtaining export markets and in supporting one another in these efforts.
- 3) A wide range of effective federal and provincial programs currently exist. Therefore, the emphasis will be on improving accessibility to the clientele, improving the efficiency of delivery and improving federal/provincial coordination and not on creating new programs and services.
- 4) Despite the wide range of programs, more support can be justified for the export efforts of small and medium sized business. A major focus of the strategy will be to fill some priority gaps in the range of programs and services as they apply to small business.
- 5) A priority should be put on technical support intended for example to enable businesses to increase their marketing skills and not financial support;
- 6) The strategy should incorporate a targeting of the best product/market opportunities in view of scarce resources and in order to meaningfully bring all private and government resources to bear on the opportunity;

- 7) Trade development should be more tightly linked to economic development.

B. Recommendations

1) Improved Support for Marketing

There is a need to go back to the basics and consider the steps that a business must take to successfully export and determine where government support is most necessary. In general, there appears to be a need to better prepare the businessperson for export by assisting in the development of marketing knowledge and expertise and strengthening his position in domestic markets.

It appears that there may also be a need to provide more support for the ongoing costs of export marketing.

The following specific recommendations are made:

- a) That firms with potential to enter or expand in export markets be identified and carefully brought along.

This could be done by some or all of the following means:

- financial assistance with developing marketing plans and strategies designed to improve their profitability and identifying export markets. Consideration should be given to expanding the market planning and implementation program offered by N.B. Department of Commerce and Development.
- financial assistance for hiring marketing expertise such as a sharing of salary for a two-year period or seconding government employees through Interchange Canada.
- the provision to business of more accurate, timely and practical information on specific product and market opportunities than is currently available. Firstly, it is recommended that governments put more emphasis on a market consulting service utilizing the Regional Development Commissions and offered on a "one on one" basis. This consulting service would assist on market surveys, offer advice on priority markets and provide advice on export procedures and regulations, financing and foreign exchange.

Secondly, an extensive range of marketing expertise exists in the public and private sectors including: federal departments in Ottawa, the CASE counsellors of FBDB, the posts abroad, customs brokers, banks, private consulting houses and business associations. It is strongly recommended that this expertise be identified and assistance given to the business in accessing it.

- an increased priority in management training activity for export marketing courses, seminars and workshops with an emphasis on follow-up in the firm
  - increased publication of "how to export" manuals
  - increased publication of "success" stories as a means of motivating businesspeople to export
- b) Consideration should be given to revising PEMD to make it more useful to the small businessperson and the small start-up including:
- improving the flexibility of the program to respond on short notice (e.g. 2 weeks or less)
  - increasing the number of market identification trips in a given market area from one to three
  - assisting the business to better prepare itself for the PEMD trip to the point of accompanying the businessperson on the trip
  - widening the applicability to include new businesses
  - sub-dividing market areas (e.g. New England)
  - allocating more program money to Sections B and C
- c) The development and strengthening of New Brunswick based capability should be an explicit objective of government procurement policy. Opportunities for increased contracting out should be identified and positive preference extended to competitive New Brunswick suppliers. Progress has been made in assisting New Brunswick businesses to obtain work on large industrial projects and this effort should be continued.

- d) Increased financial support should be provided to assist small firms with the financial risk in entering export markets. This could take the form of loans or loan guarantees for working capital. The Province of Quebec offers a working capital loan program for exporters and a working capital guarantee program has been introduced on a trial basis in the U.S. Ways of making EDC programs more useful to small business should be explored such as: foregoing credit checks on small accounts, less stringent credit worthiness requirements for the exporter, lower fees and rates for the first time and small exporter and delegation of approval authority to the Atlantic Region.
  
- e) A high level commitment to increase the proportion of contracts awarded under CIDA's bilateral program to New Brunswick should be obtained. Specifically CIDA should be required to establish regional allocations for the award of contracts. DRIE and the Province of New Brunswick should work closely with CIDA in attaining the allocation. The following approaches are suggested:
  - i) Increased efforts on identifying opportunities stemming from development projects funded by CIDA (and the multi-lateral agencies). Increased use of PEMD and CIDA's Industrial Cooperation program to assist companies in identifying opportunities in developing countries;
  
  - ii) Increased support and advice should be provided to New Brunswick firms bidding on CIDA contracts. A follow-up activity should be instituted whereby CIDA would advise on where the company went wrong.
  
  - iii) Efforts should be made to identify companies willing and capable of taking on standing offers utilized by CIDA for project development.
  
  - iv) Efforts should be made to link up New Brunswick companies with large companies winning CIDA contracts.
  
- f) Serious consideration should be given to tax incentives for export marketing costs. This would be the best incentive for the established firm.

- h) Consideration should be given to means of assisting small firms and start-ups with the development and implementation of their export marketing strategy (e.g. market planning, packaging, promotion brochure and literature development and distribution).

2) Strengthening Industrial Capability for Export

- a) Certain industrial sectors are faced with the classic "chicken and egg" situation where export markets cannot be obtained without improved capability (e.g. precision machining capability) but the capability cannot be financed without sales commitments.

It is suggested that for priority sectors and products (e.g, machinery and metalworking) federal and provincial governments take a proactive team approach with trade development and industrial development personnel working together.

- b) Better information and increased technical and financial assistance should be provided to encourage the business sector to enter industrial cooperation agreements. It is suggested that available support programs (e.g. PEMD, PPP) place a higher priority on support for the identification and acquisition of foreign technology. Also, it is suggested that financial assistance be provided for the costs of concluding industrial cooperation agreements such as the costs of licensing foreign technology.
- c) Ongoing attention must be paid to the quality and cost of transportation. Particular attention should be directed to ensuring that the Port of Saint John maintain and enhance its international competitiveness. Two priorities would be the construction of a modern Ro-Ro facility and consideration to means of increasing port promotional activity.
- d) Increased priority must go to the training of skilled personnel, particularly in the metal fabricating sectors.

- e) In view of the fact that such a considerable portion of the Province's forest and mineral resources are exported in unprocessed or semi-processed form, governments should support serious efforts by local businesses to get improved access to resource materials. Potash and hardwood are two examples where it may be possible to achieve improved access through negotiation and suasion, recognizing the increased distribution costs to producers.
- f) Ongoing activities of trade development support must be integrated more closely with industrial development support activities. For example:
  - 1) PEMD applications and product sourcing inquiries should be reviewed by development personnel for opportunities or requirements for developing the capability of the firm;
  - 2) Trade development personnel should be consulted on the export market potential for industrial development proposals.

3) Strengthening the Private Sector Role and Support System

A number of program elements currently exist to support cooperative efforts on the part of business (e.g. PEMD-E Consortia, PEMD-S, the IRDP Marketing Element, CIDA's Industrial Cooperation Program). These programs are little used. While the programs are there to assist, the impetus towards more "self-help" must come from the private sector. Voluntarily agreed to support systems are more effective than government provided services as businesspeople are more likely to listen to advice from each other. There is, however, probably a role for government to play as a catalyst in bringing businesses together.

The following specific suggestions are made:

- a) Introduce and match small New Brunswick exporters to Trading Houses. Initial steps might be to familiarize exporters with trading houses operating in the Atlantic Region and to bring a delegation of Trading House representatives to New Brunswick. One area where Trading Houses might assist is in the growing field of counter trade where generally it is difficult for the small company to make arrangements.

- b) Encourage producer associations to influence their membership to utilize CIDA's Industrial Cooperation Program to establish industrial cooperation arrangements in the developing world. This activity can bring benefits in terms of firms learning to work with one another in addition to any trade benefits.
- c) Develop an awareness of export opportunities and requirements for success for the small firm and increase the motivation to export by encouraging and assisting the private sector in improving the export education services they provide their members (e.g. seminars using case studies on the benefits of exports and available opportunities, talks by successful exporters, workshops on the feasibility of export markets, and seminars on export documentation similar to those offered by the CMA's export forum). One message to get across is the necessity of commitment to the market in terms of meeting the quality standards demanded by the market on a consistent basis.
- d) Encourage more joint government and industry activity in market identification and research. The world wide fish marketing studies sponsored by the Department of Fisheries and Oceans a few years ago have been suggested as a useful model.
- e) Encourage and assist producers and producer associations to cooperate more fully in the area of marketing (e.g. market identification, research, advertising). Assist and encourage associations to undertake more trade missions such as those successfully run by the CMA.
- f) Assist producers and producer associations to identify areas where greater cooperation in selling (e.g. trading houses, consortia) including bidding on contracts is feasible and profitable. Examples might be construction, seed potatoes, forestry, architecture, herring bloaters and smoked fish. The SOVEBEC (Société de Vente de bardeau en cèdre) is a possible model as is the trading house activity conducted by Dead River Lumber.
- g) The associations with support from government, should ensure that New Brunswick capabilities are recognized and should make a greater effort at putting businesspeople in contact with major Canadian suppliers and consulting houses who win overseas



contracts. As one example, efforts are now being made by the DRIE trade unit to get New Brunswick firms on the EDC lists of sub-contractors. If improvements were made to the BOSS system, it could help in this area. Alternatively, the Canadian Trade Index of the CMA or the New Brunswick Government's Directory of Manufacturers could be employed.

- h) Encourage the universities to play a greater role in developing the marketing capability of New Brunswick business by, for example, establishing courses in international marketing and business. External Affairs has been approached to fund a university chair in international marketing and this should be further pursued.
  - i) Pursue opportunities to train foreign students in the forestry complex facilities. This will provide benefits in terms of linkages with students after graduation. The possibility of using the facilities of the School of Fisheries at Caraquet for training foreign students should also be explored.
  - j) Encourage firms to pool export shipments in cooperative ventures to increase leverage with the shipping conferences. The APTC has offered their services here.
- 4) Improved Delivery and Coordination of Federal and Provincial Programs and Services
- a) The first priority is to improve the accessibility of services to the small businessperson and increase the coordination of federal and provincial programs and services. It is suggested that a New Brunswick Trade Service be established and widely promoted as the "one window" for businesspeople to approach for trade assistance. This service could be staffed by secondment from federal and provincial governments and possibly, on a short term basis, from industry. The Trade Service would be involved in the delivery of all federal and provincial trade programs and services and programs. Hopefully, a New Brunswick Trade Service would reduce the number of conflicting signals now sent to businesspeople and ensure that governments cooperate more and compete less in the provision of services. It might be possible to fully integrate services such as missions at least on a pilot basis.

An important role of the Trade Service would be to assess the business' requirement and direct it to the expertise or financial assistance required wherever it is located. The Trade Service may well have to be located in a number of locations or provided with a "hot line".

- b) Because the small businessperson generally doesn't have access to Ottawa, priority must go to improving the link between the DRIE regional office, the DRIE Sector Branches, External Affairs and other departments so that New Brunswick business has access to sectoral and market expertise. Also, consideration should be given to moving sectoral expertise out of Ottawa to the regions.
- c) Increased promotion of available support programs and services is required. The Regional Development Commissions can play a role here. The suggestion has been made that the range of literature be available in commission offices. This can be easily done. Business associations such as the Export Forum of the CMA can be approached to assist here.
- d) Certain programs, notably PEMD, need to undergo modification to improve their efficiency and reduce "red tape". Specifically the suggestion has been made that the Agriculture, Fish and Food section be integrated into PEMD-B, C and D. The idea of a PEMD contract deserves careful consideration.
- e) The B.O.S.S. system is not doing the task forseen for it in bringing New Brunswick industrial capability to the attention of customers because the coverage of New Brunswick firms is very low. However, B.O.S.S. is the best tool available and is being used more widely by the posts abroad. The present system should be examined to determine how it can be made a more effective tool for displaying New Brunswick industrial capability. The B.O.S.S. system needs to be "sold" to the private sector as a valuable marketing tool if it is ever to reach its potential.

- f) Priority attention must be given to improving and speeding up the flow of information back from the posts abroad. Businesspeople have complained that information gets back more slowly to Canadian businesspeople than to competitors in the U.K. or Japan. Attention should be given to computerized systems developed in consultation with industry. Perhaps these systems could involve producer associations in dissemination.
  
- g) It is suggested that the support system including Ottawa and the posts abroad will function more effectively if it is directed towards the attainment of specific product/market goals. These will provide the basis for monitoring and evaluating the effectiveness of the system and for making corrections. Accordingly, it is suggested that priority product opportunities be identified and that governments and business work together to develop export development plans.

C. Priorities

Discussions based on the Preliminary Report of the New Brunswick Trade Strategy Task Force have determined that the above recommendations can be grouped into four priority areas as follows:

- 1) the adoption of a pro-active one-on-one approach to the provision of trade support activities which would involve identifying firms in priority sectors with the potential to become exporters or expand existing exports and carefully bringing them along;
- 2) improved the accessibility of business to the vast array of programs, services and expertise offered in public and private sectors and improved coordination of provincial and federal activities;
- 3) increased marketing support for the export efforts of small and medium sized business with an emphasis on developing marketing capability and expertise;
- 4) increased activity by the private sector in aggressively seeking and maintaining export markets including an increased realization by the business sector of the fundamental requirement for success - a commitment to supply the standard of quality demanded by the customer market on a consistent and reliable basis.

APPENDIX A

Export of Selected CommoditiesNew Brunswick and Canada1979

Commodity	Exports as a Proportion of Total Shipments	
	New Brunswick	Canada
2. Other Agricultural Products	9.8	10.0
3. Forestry Products	13.9	1.9
4. Fishing & Trapping Products	15.2	17.5
5. Metallic Ores & Concentrates	59.2	47.6
6. Minerals & Fuels	54.7	27.2
7. Non-Metallic Minerals	55.6	47.3
8. Services Incidental to Mining	0.0	0.0
9. Meat, Fish & Dairy Products	42.9	13.4
10. Fruit, Vegetables, Feed & Miscellaneous Food Products	4.8	6.5
11. Beverages	11.3	12.2
13. Rubber, Leather, Plastic Fab. Prod.	10.5	8.2
14. Textile Products	5.7	5.4
15. Knitted Products & Clothing	1.	3.4
16. Lumber, Sawmill, Other Wood Prod.	37.5	45.9
17. Furniture & Fixtures	.4	7.2
18. Paper & Paper Products	77.5	50.7
19. Printing & Publishing	.4	2.6
20. Primary Metal Products	48.4	29.6
21. Metal Fabricated Products	12.4	9.3
22. Machinery & Equipment	42.1	18.2
23. Autos, Trucks, Other Trans. Equip.	30.4	n/a
24. Electrical & Communications Prod.	4.3	11.8
25. Non-Metallic Mineral Products	.9	.9
26. Petroleum & Coal Products	61.4	15.7
27. Chemicals, Chemical Prod.	26.5	16.9
28. Misc. Manufactured Products	21.8	13.9
32. Transportation & Storage	3.4	7.8
33. Communications Services	.9	1.7
34. Other Utilities	33.2	8.9
35. Wholesale Margins	22.6	12.3
38. Other Finance, Insurance, Real Estate	2.0	.7
39. Business Services	18.0	8.1
41. Transportation Margins	22.4	31.4

Source: Statistics Canada, Input-Output, Tables, 1979.

SUMMARY  
NEW BRUNSWICK EXPORTING COMPANIES  
BY  
INTERNATIONAL TRADE CLASSIFICATION

Number of Exporting Companies	455
Number of Companies Exporting to U.S. only	270
Number of Companies Exporting to Foreign Countries only	43
Number of Companies Exporting to Both U.S. and Foreign Countries	142
Number of Products Exported	435

NEW BRUNSWICK EXPORT PRODUCT GROUPING

BY

INTERNATIONAL TRADE CLASSIFICATION

Group 2 - Food, Feed, Beverage and Tobacco

Number of Exporting Companies in Group	137
Number of Companies Exporting to U.S. only	57
Number of Companies Exporting to Foreign Countries only	26
Number of Companies Exporting to Both U.S. and Foreign Countries	54
Number of Products Under the Group	79

Group 3 - Crude Materials, Inedible

Number of Exporting Companies in Group	32
Number of Companies Exporting to U.S. only	17
Number of Companies Exporting to Foreign Countries only	2
Number of Companies Exporting to Both U.S. and Foreign Countries	13
Number of Products Under This Group	20

Group 4 - Fabricated Materials

Number of Exporting Companies in Group	160
Number of Companies Exporting to U.S. only	106
Number of Companies Exporting to Foreign Countries only	9
Number of Companies Exporting to Both U.S. and Foreign Countries	45
Number of Products Under This Group	140



Group 5 - End Products

Number of Exporting Companies in Group	126
Number of Companies Exporting to U.S. only	90
Number of Companies Exporting to Foreign Countries only	6
Number of Companies Exporting to Both U.S. and Foreign Countries	30
Number of Products Under This Group	196

DOMESTIC EXPORT BY COMMODITY  
 PROVINCE OF LADING - NEW BRUNSWICK  
 (thousands of dollars)

ANNUAL

Commodity Group	1979	1980	1981	1982	1983
I. LIVE ANIMALS	722	1,132	1,181	1,471	1,160
II. FOOD, FEED, BEVERAGES & TOBACCO	145,708	181,888	270,247	289,571	279,166
Fish, Fresh or Frozen	39,882	34,199	38,855	36,326	33,019
Fish, Preserved or Canned	29,864	35,698	45,222	50,043	46,043
Shellfish	45,844	56,030	70,204	115,450	123,447
Fruits & Vegetables	20,873	33,389	52,417	41,843	31,095
All Others	9,245	22,572	63,549	45,909	45,562
III. CRUDE MATERIALS, INEDIBLE	172,739	115,893	182,062	176,308	149,981
Wood Materials	16,914	17,714	14,518	17,220	13,659
Pulpwood	7,389	9,088	5,082	3,572	2,985
Mineral Products	140,406	82,622	150,797	141,304	119,044
Metals	137,095	76,865	143,325	139,086	117,308
Coal & Crude Petroleum	43	27	11	21	3
Non-Metallic	3,268	5,730	7,461	2,196	1,733
All Others	15,419	15,557	16,747	17,784	17,279
IV. FABRICATED MATERIALS, INEDIBLE	1,629,185	1,929,514	1,904,979	947,553	1,198,177
Wood Fabricated Materials	65,580	79,506	84,359	48,599	68,703
Lumber	54,007	62,968	69,699	38,372	57,381
Woodpulp	401,596	492,865	533,210	428,867	409,686
Paper and Paperboard	188,267	278,427	319,267	221,797	259,543
Newsprint	165,907	246,374	294,160	196,829	227,976
Chemical Products	20,552	20,464	20,110	9,236	10,889
Fertilizers	19,158	17,307	16,588	7,516	8,180
Petroleum & Coal	776,568	869,143	720,071	48,341	154,433
Metallic Products	46,609	42,322	32,604	30,099	23,032
Non-Metallic Products	1,860	2,532	3,109	2,855	1,539
Miscellaneous	125,547	140,705	189,248	153,926	267,249
Electricity	125,097	139,781	188,380	152,972	266,257
All Others	2,606	3,550	3,001	3,833	3,103

V. END PRODUCTS, INEDIBLE	96,674	50,668	78,033	45,397	37,060
Industrial Machinery & Equipment	14,212	20,877	22,487	18,529	14,264
Transportation & Comm. Equipment	59,749	2,359	9,458	7,848	3,109
Other Equipment & Tools	6,519	6,324	5,708	2,596	2,686
Personal & Household Goods	1,110	1,486	1,373	1,114	735
Miscellaneous End Products	15,084	19,622	39,006	15,311	16,266
VI. SPECIAL TRANSACTIONS TRADE	4,819	3,147	4,334	2,005	2,137
TOTAL EXPORTS	2,049,847	2,282,242	2,440,837	1,462,305	1,667,680

**DOMESTIC EXPORTS BY COMMODITY**  
 Province of Lading - New Brunswick  
 1983  
 (\$)

	I Live Animals	II Food, Feed Beverage & Tobacco	III Crude Materials Inedible	IV Fabricated Mater- ials, Inedible	V & VI End Products/ Special Transactions	TOTAL
TOTAL U.S.	1,159,100	200,676,610	22,928,184	847,333,620	27,120,967	1,099,218,481
New England States	1,141,797	127,886,502	16,532,926	598,024,825	12,964,086	756,550,136
Mid Atlantic States	11,930	25,263,597	2,884,529	168,880,990	5,132,392	202,173,438
Other U.S.	5,373	47,526,511	3,510,729	80,427,805	9,024,489	140,494,907
TOTAL E.E.C.	-	14,523,378	102,536,290	197,933,581	1,652,439	316,645,688
Ireland (017)	-	61,829	-	3,929,427	-	3,991,256
Belgium-Luxembourg (044)	-	1,700,660	57,624,474	14,403,948	4,349	73,733,431
Denmark (049)	-	90,353	-	19,890	35,773	146,016
France (054)	-	1,331,134	12,772,769	16,196,565	263,071	30,563,539
West Germany (055)	-	1,415,647	10,119,302	45,026,105	220,198	56,781,252
Greece (059)	-	11,067	-	15,085	-	26,152
Italy (067)	-	518,092	7,124,338	10,804,401	798,683	19,245,514
Netherlands (073)	-	1,406,637	4,705,451	30,759,415	36,266	36,907,769
United Kingdom	-	7,987,959	10,189,956	76,778,745	294,099	95,250,759
Spanish Africa (484)	-	-	-	-	-	-
Japan (559)	-	23,487,446	7,045,795	42,665,884	606,406	73,805,531
Columbia (758)	-	-	-	4,898,567	105,523	5,004,090
Ecuador (763)	-	-	-	13,576,821	-	13,576,821
Venezuela (785)	-	61,394	1,425	6,173,740	211,653	6,448,212
Jamaica (824)	-	824,274	-	2,819,262	414,475	4,058,011
Trinidad-Tobago (828)	-	4,069,308	7,537	3,086,010	469,312	7,632,167
Puerto Rico (986)	-	1,376,412	2,854	8,763,040	4,055	10,146,361
Yugoslavia (288)	-	-	6,039,642	-	-	6,039,642
All Other Countries	546	34,147,275	11,419,642	70,926,102	8,611,391	125,104,956
GRAND TOTAL	1,159,646	279,166,097	149,981,369	1,198,176,627	39,196,221	1,667,679,960

