Technology Partnerships Canada
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TPC

MAY 1999

News for you

Welcome to the first issue of the bi-monthly newsletter of Technology Partnerships Canada (TPC), an agency of Industry Canada.

Every two months, we'll be bringing you news about how TPC is working to prepare Canadians for the 21st century.

TPC makes repayable investments in technology projects that are building our economy: environmental technologies, enabling technologies (biotechnology, information technologies, advanced manufacturing and advanced materials), and aerospace and defence.

Whether you're an innovative company looking for a TPC investment or a Canadian wanting to know more about exciting technologies, we're sure that you will find the information you need here in the TPC newsletter.

Highlights in this issue:

- TPC's positive results
- Investments across Canada
- Help for SMEs
- Leading-edge technologies
- TPC report card
- Action on climate change

Fiscal responsibility and flexibility add up to success

Technology Partnerships Canada (TPC) is achieving positive results because it is both fiscally responsible and flexible.

By placing investments worth $775 million, TPC has leveraged an additional $3.6 billion in private sector investment. That's more than four dollars for every dollar invested by TPC.

The repayment of TPC investments is a key factor in the program's future success.

When TPC was launched in 1996, repayments on investments went into the government's consolidated revenue fund. Now, this money will be added directly to TPC's investment fund — thus strengthening the program's ability to make investments in Canada's future.

Repayments in the 1998-99 fiscal year totalled $13.1 million. These will increase annually as more new products, supported by TPC, enter the marketplace.



Pasteur Mérieux Connaught Canada

TPC is also flexible. It has become a government-wide tool for supporting the delivery of other initiatives, partnering with Natural Resources Canada and Environment Canada on climate change, with National Defence on de-mining, and with the National Research Council on small and medium-sized business development.

Canada

TPC investments stretch from sea to sea

Technology Partnerships Canada is making investments in Canada's future with innovative companies all across Canada.

Examples of these investments:

- **SCC Environmental Group Inc.** A $492,500 investment from TPC will help this Newfoundland firm redesign a contaminated soil treatment system. This will be used to treat and recover valuable fluids from drilling muds and cuttings produced in oil and gas drilling operations.
- **MOSAID Technologies Incorporated.** TPC invested $6.2 million to assist the Nepean, Ontario, company with the development of advanced computer chip products, providing users with easier, seamless access to more computer systems and networks.
- **DynaMotive Technologies Corporation,** of Vancouver, British Columbia, is developing a product that recycles organic waste, including forest, agricultural and municipal garbage, producing a fuel that burns cleaner *and* reduces waste. TPC invested $8.24 million in the project.

In addition, TPC projects are benefiting other companies — suppliers — that often are located away from the main industrial areas of Canada.

TPC helps innovative SMEs move forward

Technology Partnerships Canada knows the importance of small and medium-sized businesses to Canada's economy.

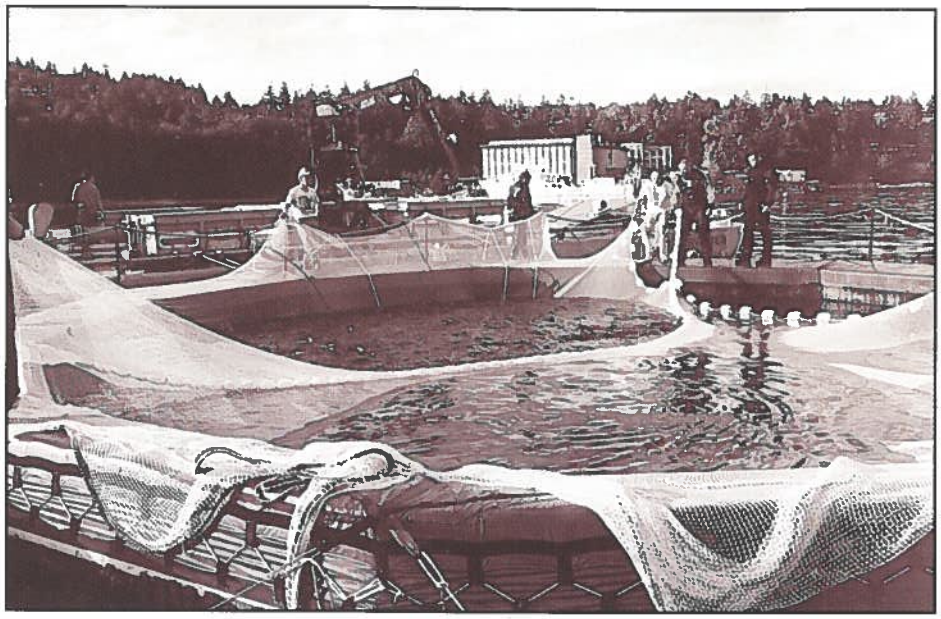
TPC is also keenly aware that timely investment in these companies can make a real difference to their success and help get projects off the drawing board.

That's why TPC has been increasing its support for SME projects.

Some of our SME investments:

- **Future SEA Technologies Inc.,** of Nanaimo, British Columbia, received a TPC investment of $1.7 million to help this small business develop a new fish farming system, which has the potential to produce high-volume, high-quality fish at low cost.
- **MethylGene Inc.** TPC invested $4.8 million to assist this Montreal firm to develop therapeutic agents for various forms of cancer. The primary targets are lung, breast, colorectal, ovarian and pancreatic cancers.
- **Research in Motion Limited,** of Kitchener, Ontario, received a TPC investment of $5.7 million to help develop the next generation of two-way interactive messaging products that will help connect Canadians to the wealth of opportunities on the Information Highway.

To date, SMEs accounted for more than 60 percent of all TPC projects and almost 20 percent of total funding.



Future SEA Technologies Inc.

TPC's partnership with the National Research Council's Industrial Research Assistance Program (IRAP) provides local, simplified and quicker delivery to SMEs. The IRAP-TPC initiative, with $30 million earmarked annually, further strengthens support for innovative SMEs across Canada. To date, there have been 40 project investments, totalling more than $15 million — these figures are in addition to projects previously announced (see above) under TPC.

TPC investments ensure Canadian leadership in leading-edge technologies

Ballard Power Systems Inc., of British Columbia, is a world leader in hydrogen fuel cell technology. TPC has invested in the development of the next-generation fuel cell and its application to stationary power development. This has helped Ballard secure international partnerships valued in excess of $700 million with DaimlerChrysler, Ford, GPU International Inc., ALSTHOM SA and EBARA Corporation.

Pasteur Mérieux Connaught Canada (PMCC), in Ontario, is now one of the leading companies in the world conducting cancer vaccine research. TPC leveraged the world mandate for the development, production and distribution of all cancer vaccines produced by PMCC's parent Rhône-Poulenc. This work will involve research institutes, universities and small biotech firms across Canada.

Bombardier, in Ontario and Quebec, is *the* world leader in regional and business aircraft. TPC helped launch the Dash 8-400 and the RJ 700, and leveraged five Canadian sub-systems suppliers (Avcorp, AlliedSignal, Menasco, Pratt and Whitney Canada, and Sextant).

Pratt and Whitney Canada, in Alberta, Ontario, Quebec and Nova Scotia, is *the* world leader in small gas turbine engines. TPC helped launch a new family of higher-powered engines and supported research and development for next-generation development.

Report Card



Technology Partnerships Canada (TPC)

Since its launch in 1996, Technology Partnerships Canada has successfully demonstrated that targeted, repayable investments in key technologies are positioning Canada for the economy of tomorrow.

By working with some of the country's most resourceful entrepreneurs, TPC is helping keep Canada at the forefront of the technological revolution that is transforming economies around the world.

TPC is encouraging Canadian companies to take the kinds of risks that often lead to ground-breaking innovation. Improved productivity and competitiveness are innovation's offspring.



Successful Results

- TPC has invested over $775 million in 79 projects across Canada.
- This has leveraged new private sector investments of $3.6 billion.
- The projects supported by TPC are expected to create or maintain 18,222 jobs.
- In addition, there have been 40 investments, totalling more than $15 million, under IRAP-TPC.

Visit TPC on the WWW:
http://tpc.ic.gc.ca

Climate change: A challenge TPC is helping fight

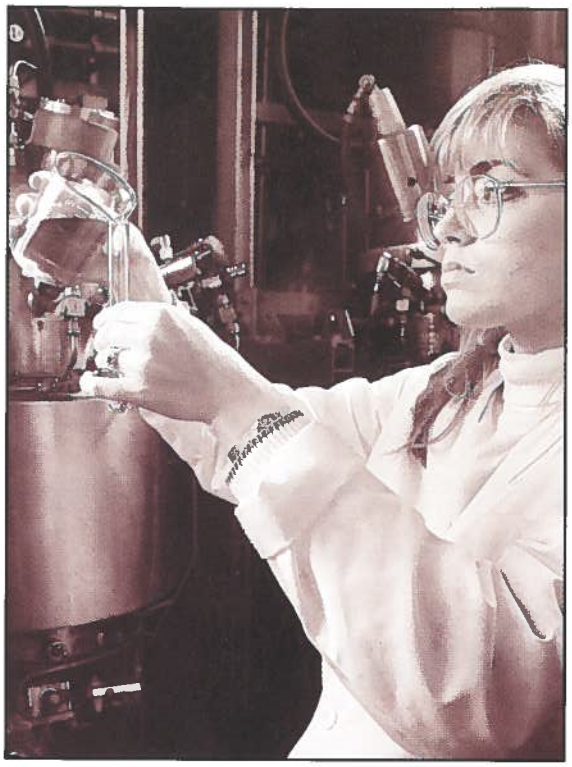
Countries around the world are facing the environmental chaos linked to climate change.

Through support for new technologies, TPC is helping develop cleaner, environmentally sustainable applications that can help reduce greenhouse gases at their source.

TPC partnerships show clearly just how a cleaner environment can be created — not by sacrificing growth, but by strengthening it, thus creating valuable jobs for Canadians in the process.

In addition to commitments in **Ballard Power Systems Inc.**'s fuel cell projects, TPC is making other investments that are helping protect our environment.

- **Stuart Energy Systems Inc.** has received a $5.8 million investment for an improved refuelling system for hydrogen fuel cell-powered buses and other vehicles. (*TPC's support has been combined through a partnership with the Climate Change Action Fund — CCAF.*)
- **Iogen Corporation** received a $10 million investment for development of a cost-effective process for the production of ethanol to power motor vehicles — using a variety of natural products, such as straw and oat hulls from farms. (*Also with CCAF.*)
- **GFI Control Systems Inc.** TPC invested $4.3 million for the development of a fuel control system that will enable cars to use propane, natural gas or gasoline in a standard internal combustion engine.



Iogen Corporation

TPC Newsletter

Published every two months by Technology Partnerships Canada (TPC) — an agency of Industry Canada.

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