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More to P.E.I. than Spuds! — Page 12

Reports from Hong Kong, Paris . . .

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The Honourable Herb Gray
Minister of Industry, Trade and Commerce

The Honourable Charles Lapointe
Minister of State
for Small Businesses

The Honourable Edward C. Lumley
Minister of State
for Trade

Editor:
Anna Hibberd

Contributing editors:
Don Wight
Bob McDonell
Shirley Plowman
Lillian Jones

Designer:
Stephen Shewchuk

Correspondence to:
Canada Commerce (98)
Department of Industry, Trade and
Commerce
Ottawa, Ontario, K1A 0H5

Telephone:
(613) 995-7489

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Editorially speaking. . .

Ever been puzzled by the expression “first annual” this event or that? How can it be annual if it is the first? Presumably the intention is to indicate that the event is the forerunner of others in a similar vein which the organizers plan to produce at regular yearly intervals. Very well then, this is the “first *monthly*” Canada Commerce to be produced in some years. Welcome aboard!

Travellers through the following pages will find themselves roaming from Hong Kong to France and thence to Mexico, and in Canada from Alberta to Prince Edward Island. Cover story “There’s more to P.E.I. than spuds” was written with a tender touch by native Islander and contributing editor Don Wight following a visit there this summer.

A very different island is described by Senior Trade Commissioner in Hong Kong, Doug Campbell, whose enthusiasm is so catching one feels that the already crowded area will sink into the sea under the weight of onrushing Canadian exporters! This article is an appropriate kick-off to a new Commerce series dealing with the Canadian trade thrust into countries of the Pacific Rim.

Talking about Trade Commissioners, there is a new updated list available of **Canada’s Trade Commissioners and Commercial Officers** in posts throughout the world. This will no longer be carried as part of the magazine itself, but printed separately. Copies are easily obtained, free of charge, by filling in the business reply card at page 28 of this issue.

Read on — and enjoy!

A.H.

Trade Fairs and Missions Branch of IT&C has been involved in assisting Canadian industry to put on exhibits at fairs throughout the world for a number of years. The Branch has acquired considerable expertise and highly experienced project managers who co-ordinate the 1,001 details which go towards a successful presentation. One such is Chief of the Branch's Europe, Middle East and African Division and the author of this two-part article. . .

So You Want to Make an Exhibition of Yourself?

by J. A. Quarrington

Part I — Planning well in advance

Taking part in a trade fair or exhibition is considered by many to be an essential part of a marketing program. Thorough planning well in advance of the event is, however, essential to avoid such pitfalls as an exhibitor who arrived on site with a small model of a steam engine which was driven by compressed air. Unfortunately the exhibitor forgot to include a pressure reducing valve so that when 100psi compressed air was applied to the model designed for 10psi, it took off with a sound resembling a dentist's drill and we were lucky that parts did not fly over half the exhibition hall.

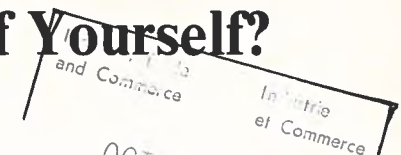
On personal matters attention to formalities is necessary. One company representative, for example, failed to get a visa for entry into Australia and only some remarkably hectic maneuvering by the local trade commission staff prevented him from being thrown to the sharks or other dread fate. One of our own staff neglected to keep an eye on his visa in a Middle-East country so that when the time came for him to depart his baggage passed through and made the plane without problem. But the body was stopped at passport control as it was found his visa had expired and he was sent back into the country with the impression that he was going to spend the next few weeks looking after the camels and picking dates. Once again by some persuasive work of local staff, he was able to leave the country three days later and join his baggage in a West European destination.

First of all, the question has to be raised "Why attend a trade fair at all?" In many parts of the world, trade fairs have been a means of doing business for centuries and to a certain degree, the tradition continues. Much more important in this day and age is that exhibiting at selective trade fairs may form an essential part of an overall marketing strategy. A trade fair may be likened to a shop window. If you have goods to sell and you display them attractively, a poten-



tial customer will come in and inquire about your goods. On the contrary, if you don't show what you have to sell, how is the customer going to know what you have unless you act like a door-to-door salesman and peddle your stuff around? Trade Fairs offer many various opportunities to make direct sales, to continue contact with old customers and introduce your goods to new customers. They also offer the opportunity of comparing your own products to those of competitors and an important feature is the extent of business which is generated between exhibitors. In some parts of the world, such as Eastern Europe, trade fairs are the only way in which products can be introduced to potential end users without getting involved in a tortuous maze of bureaucracy. Additionally, certain countries such as some Middle East nations make 50 per cent or more of their annual offshore purchases directly at, or associated with, their trade fair.

In certain other instances, nations look upon their own international trade fairs as

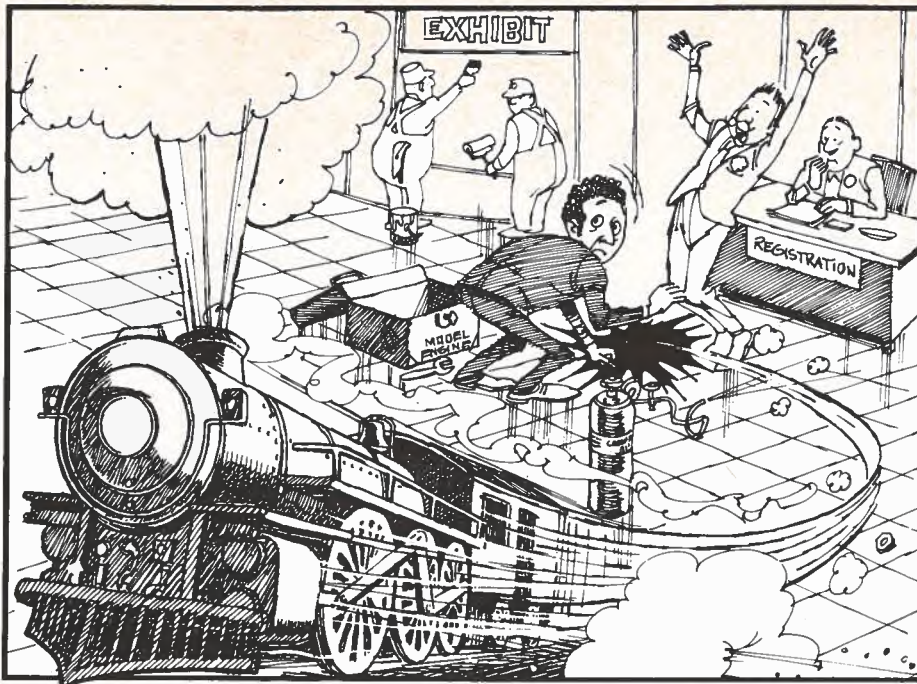


an event of great national importance and prestige and if one wishes to do business in that country, some form of presentation at their national trade fair is most desirable to establish or maintain an essential good will.

Obviously one of the first moves is to determine whether any given trade fair fits into the marketing strategy of the company. This calls for a determination of the suitability of the company's products in the area served by the fair, an assessment of the type of visitors expected to attend and whether the allocation of personnel and the costs of taking part are justifiable. Throughout the world, fair organizers are convinced that their promotion is by far the most important in the field and constantly will try to persuade anyone they can speak to that this is so, and that they should exhibit in their fair.

The Trade Fairs and Missions Branch of the Department of Industry, Trade and Commerce most carefully analyzes all solicitations received from throughout the world, in consultation with the Trade Commissioner Service and many other branches within the Department. From this wealth of information careful selection is made of those fairs at which it is felt maximum benefit can be gained per dollar expended both from government sources and from industry.

There are basically two types of fairs to be examined. There is the vertical exhibition — that is to say an exhibition oriented towards a specific industry and at which the products and capabilities of this industry or others closely associated are shown. Alternatively, there is the horizontal or general exhibition at which everything from buttons to bulldozers is accepted. A vertical exhibition is usually easier to evaluate and indeed easier to organize once participation has been decided. By sheer diversity of scope, a horizontal exhibition generally tends to be more difficult. In particular, sometimes a horizontal exhibition comprises



a number of halls, each assigned to specific products, so that the situation arises where there are effectively a number of "vertical" exhibitions (each in its own hall) taking place at the same time and on the same fair-ground. This can result, for example, in a Canadian presentation from a number of different industry sectors being scattered all over a fairground in individual halls and making any type of co-ordination most difficult without a good pair of legs or even a bicycle to continuously make the circuit between our exhibitors.

Whatever the type of fair, advance planning in detail is absolutely essential. It is sometimes difficult for a manufacturer of, say, a small but highly sophisticated piece of hardware about the size of a radio clock, to realise that full details of his product, company, promotional literature, etc. are required six or more months in advance of the fair date.

But it may be understood that this exhibitor is part of a national stand at which anything from 8 to 40 companies may be showing their equipment.

In the first instance, a number of prestigious fairs have all their space booked out up to two years in advance and, in many cases, space for the succeeding fair is reserved during the course of the current fair. It is essential therefore to have at least an idea of the facilities for an exhibition far in advance so that the best possible space can be obtained. Prime space obviously goes first and late application for space could result in our national exhibit being in a secluded area of an exhibition hall bounded by the ladies' washrooms and the hot dog stands. While such two adjacent facilities may have some convenience, they do not add stature to our national exhibit.

In the same vein, it is sometimes difficult to realize that material for publicity is

required six to eight months ahead of the exhibition. This is particularly the case when the publicity onslaught is to include advertising in prestigious international magazines, inclusion in the fair catalogue, approaches to potential customers with direct pre-show mailings, interviews in the media, etc.

It will be appreciated that in a number of instances much of this publicity material has to be translated into a language relatively unfamiliar in Canada so that such work has to be sent to the distant country for translation and then possibly returned to Canada for printing and binding into brochure form.

Let us consider then that a company has made a market survey perhaps with the assistance of departmental officers located in the areas into which an exhibition is supposed to bring penetration, and that this company has received an offer to participate on a national stand being organized by the Department. What then are the next moves? A package of documents will be sent to the company by the Trade Fairs and Missions Branch of the Department making an offer to participate. This package of documents includes an "Application for Space and Participation Agreement," which will eventually form a contract between the company and the Department. It is usual for some form of data bulletin giving a brief description of the fair itself to be included, to outline assistance which can be provided and to provide some information on the market area covered by the fair. Also there are forms for application for hostess/interpreters if required and, in certain instances, applications for reservations for accommodation. This package is sent to a company at a time period sufficiently in advance of the fair for the necessary preparatory work to be carried out.

It should be noted that this advance time period can vary widely depending upon the location of the fair. For example, in Western Europe, six or seven months is usually adequate to set up and organize participation. However, in Eastern Europe, or perhaps the Middle East, this period can be up to a year. As a general principle the department understands that many companies are reluctant to make commitments six, nine, or 12 months in advance and effort is made to avoid sending the document package at too early a date. However, a company intending to participate is urged to return the documents as soon as possible. First of all, in all probability it has only been possible to book a limited amount of space and secondly, preparation of the necessary publicity activities, design of the stand, construction of the stand and graphics all have to be carefully scheduled to meet a clearly defined shipping date.



Next month: Part II — Getting Down to Details

Telidon Today — and Tomorrow

Canada's communications industry, like Cinderella, has been transformed! In this modern-day, rags-to-riches tale, the Fairy Godmother is Telidon — transforming the familiar TV set into a remarkable information retrieval system. With Telidon, the TV set will be at the heart of a two-way communications system from which viewers may conduct business, take educational courses, or even send and receive information at the speed of light.

Videotex or 2-way TV technology is among the most promising offspring of the marriage between computer and telecommunications technologies which will transform the information universe in the 1980s.

Of the many videotex systems now in existence, Telidon — a truly Canadian government and industry development — is the most advanced. First demonstrated for the public in August 1978, this new videotex system offers unique and unprecedented advantages to information providers — the corporations and individuals who put information into videotex data banks where it can be accessed by residential or business users.

Two major international sales of the Telidon system in recent weeks — the first to the Corporation for Public Broadcasting in the U.S. and the second to the government of Venezuela — both in competition with other leading nationally developed systems — speak well for the future of the Canadian system in what is estimated to be a multi-billion dollar market for the eighties.

Telidon, developed by the Department of Communications at its laboratories on the outskirts of Ottawa, consists of a slightly modified television set or display monitor, an interface decoder device, a telecommunications system and a central computer into which the electronic publisher places his information.

While these are the basic components of all videotex systems, it is here that the similarities with the others end. Telidon uses a micro-computer in all its terminals and exploits fully the most recent advances in computer-graphics and telecommunications technologies. It is uniquely fitted to convert a television set into a powerful information tool — a means of obtaining, with a push of the button, a vast range of written, graphic or photographic information.

The electronic publisher or information provider will also find it easier to get information into the Telidon data base. An operator using a Telidon information provider terminal can create a page of text in five minutes. This can be edited without difficulty and without recreating the entire page if the information requires updating, thus effecting a substantial cost saving.

The Telidon system can also automatically generate information by combining facts from various sources. This capability will

access the enormous amount of information now being amassed through computerized typesetting in newspapers and periodicals, bibliographic data banks in libraries, computer generation of weather maps and other digital information systems. The task of automatically converting this information into pages in a Telidon data bank is relatively easy since Telidon codes are compatible with those used in nearly all computerized information systems.

In addition to the huge potential market which exists for the various components of the system, now being produced by several Canadian companies (some under licence to the federal Department of Communications), Telidon has also opened up a large potential market for the suppliers of information data banks.

However, it is Telidon's graphic capabilities which make it truly superior to other videotex technologies — and it is this quality which has sold it on the international market. Unlike other systems which require the operator to laboriously pick out co-ordinates on each of the mosaic squares affected by the picture in question, the Telidon operator uses a natural drawing language to build up a picture from its basic geometric elements — point, line arc, polygon and rectangle. These picture description instructions or codes can describe almost any graphic message, and can be used by a simple TV monitor or by the most sophisticated display terminal.

In addition to the huge potential market which exists for the various components of the system, now being produced by several Canadian companies (some under licence to the federal Department of Communications), Telidon has also opened up a large potential market for the suppliers of information data banks.

For example the recent sale to Venezuela was completed by Infomart, a Toronto-based company owned jointly by Torstar Corp. and Southam Press, which has arranged hook-ups to major North American data banks and is an agent for marketing Telidon equipment and systems worldwide.

In the Venezuela deal, the system will be used to provide government services and information to the citizens of Caracas and to create records required by the government. Venezuela officials point out that Caracas has been swamped by more than a million migrants in the last year, creating horrendous logistical problems. The people have drifted in from all over Latin America looking for a share of Venezuela's oil wealth.

They have set up shanty towns on neighboring hillsides where there are no street addresses, almost all of them are illiterate, and they need government services of all kinds. Creating and maintaining records of these people up to date has proved impossible by using conventional printed material.

Using Telidon, Venezuela will set up an electronic data bank to store such information with provisions for instant updates. As part of the deal, it will install 30 Telidon terminals in storefronts, libraries and other public offices across Caracas. People will be invited to come to these locations to get any government information they need — on where to get welfare cheques, job training, health services, available work and a host of other information.

In government offices, six terminals will feed information into electronic storage banks and keep it up to date, noting instantly when individual jobs come up and are filled, where individual citizens are located and when they get specific services.

In the other international marketing breakthrough for Telidon — the sale of the system and its components to a group headed by the U.S. Corporation for Public Broadcasting and the National Telecommunications and Information Administration, the system will be tested in 60 selected homes and institutions in the Washington D.C. area. Participating in the experiments will be such blue chip organizations as the Smithsonian Institute, the U.S. Energy Department, the Washington Post and the Washington Star, the District of Columbia Public Library, the Federal Information Centre, The Federal Trade Commission and the Food and Drug Administration.

The sale is an important first step in Telidon's efforts to have its technical standards accepted on a world wide basis, and will give international backing to the field trials being conducted in several locations throughout Canada.

For the businessman, Telidon opens up an impressive array of aids in the business field — in low cost information retrieval, storage and updating and in communications with government, customers and suppliers.

How Canadian business can tap into this powerful new tool and some of the services both private and public which will be available is the subject of an upcoming article in Canada Commerce.

It's good old-fashioned straight-up marketing that brings results for Canadian exporters in Hong Kong according to IT&C's man-on-the-spot. Doug Campbell's report appropriately kicks off a new series of Commerce articles dealing with the Canadian trade thrust into countries of the Pacific Rim. . .

Hong Kong

A Fast Growing Big Little Market

by D. I. Campbell
Senior Trade Commissioner — Hong Kong



The Central District on the north side of Hong Kong main island where all the major banks and companies have located their offices in these modern skyscrapers. Photo courtesy of the Hong Kong Trade Development Council. 1980. Photo by Johnny Cheung.

D.I. Campbell



Hong Kong is one of those small markets where Canadian exporters are enjoying considerable success as a result of good old-fashioned marketing. Since 1977, Canadian exports have been growing annually at a 40 per cent clip. There is no reason this should not continue in line with renewed Canadian interest in the Pacific Rim markets.

Hong Kong is little; only 1,040 km² (400 square miles) in size and a population of five million. But it is a big market with total

imports worth US\$20 billion in 1979. US\$15 billion of these imports are retained for domestic consumption or further manufacture by Hong Kong's extremely efficient manufacturing sector. In fact, Hong Kong's imports for its own consumption are equal to those of all China with its one billion population.

For many years, Canada's Pacific traders have used Hong Kong as a jumping-off point for trade into China or onward into Southeast Asia. Now they are stopping for a few days to look at market opportunities bypassed in former years and are achieving good sales results. Canadian exports to Hong Kong were only C\$67 million in 1977. By 1979, they were C\$140 million. Depending

on the current recession, they should reach C\$200 million by the end of 1981.

Why this remarkable growth? It's not a big raw materials market like Japan, China or South Korea. There isn't a CIDA program. There is no large EDC funded project. Certainly Japanese trading houses haven't assisted the growth. In fact, it is a lot of medium and small-sized Canadian exporters quietly chasing worthwhile sales on a competitive basis.

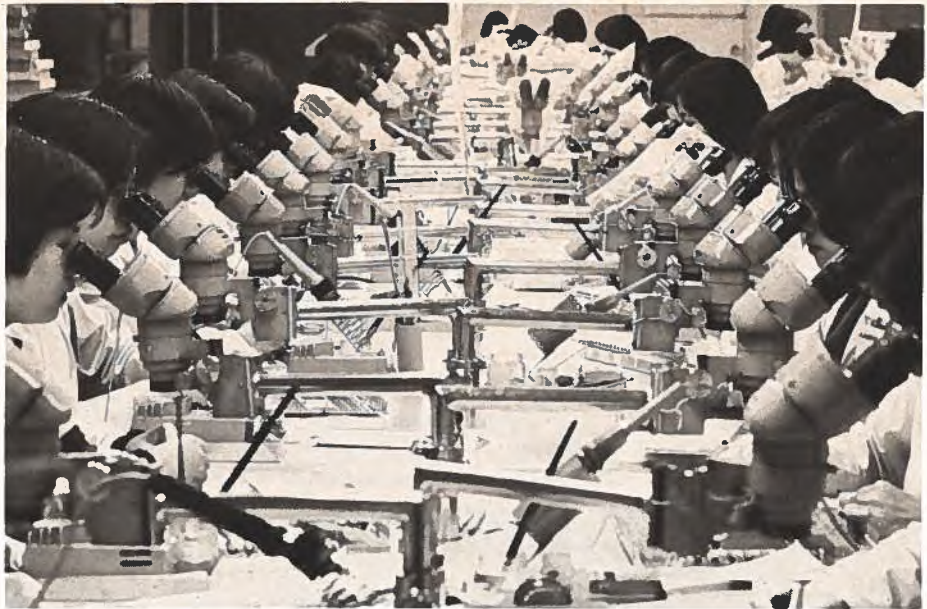
Hong Kong is a special market. It is a free port with no customs duties. With nose-to-nose competition, the winner is the one with the best product at the best price. In fact, it's good old-fashioned straight-up marketing.

Many Canadian exporters find this refreshing and have developed good personal relationships with their Hong Kong trading partners over the years. More and more Canadians are finding it worthwhile to open their own offices in Hong Kong and join the growing Canadian resident business community which has crossed the Pacific to set up Asian headquarters in a comfortable business environment with its extremely low personal and corporate tax rates.

Hong Kong's three strengths are its location, its port facilities and its people. In terms of geography it is well placed, with its British administration and legal framework, to be the crossroads for regional trade. Joined to the Chinese Mainland, it has traditionally been, until the last few years, the centre for China trade and watching. In shipping terms, Hong Kong offers the only efficient deep-water port facilities south of Shanghai. As a consequence, the vast proportion of South China trade flows through Hong Kong.

There is also an extremely efficient and growing indigenous manufacturing sector, mainly devoted to textiles and light industrial products, which has generated growing container traffic. Hong Kong is now the third largest container shipping port in the world with much of its volume drawn from other Southeast Asian points for consolidation for the trans-Pacific routes to North America.

Everyone in Hong Kong is in business. Industry works six days a week, ten hours a day. There is no social security, hardly any unemployment, few industrial disputes and



An example of Hong Kong's extremely efficient manufacturing sector — white-gowned young female workers give undivided attention to their microscopes at this electronics factory.

an income per capita exceeded in Asia only by that of Japan. It's no wonder that real economic growth has averaged 10 per cent per year for the past seven years.

Selling to Hong Kong

Canadians who are serious about selling in Hong Kong offer Hong Kong buyers quotations in U.S. Funds CIF Hong Kong wherever possible. Most sales to Hong Kong are made on Letter of Credit terms — although these may be softened after a period of experience and confidence.

Since Hong Kong is a major manufacturer of textiles and light manufactured products destined for the North American market, container shipping is most important. Most Hong Kong importers prefer quotations for 20-foot or 40-foot trailer quantities. These quotes are not difficult to obtain but it is well worth shopping around for the most advantageous freight rates. Backhaul freight for Hong Kong and Southeast Asia is scarce and attractive rates can be obtained through negotiations.



Intent female employees busily at work in the Jan Sing Mee garment factory.

Canadian Exports to Hong Kong (C\$000)

Item	1977	1978	1979
Aluminium	13,535	15,985	12,279
Precious Metals		790	11,013
Synthetic Rubber, Petrochemicals	2,700	4,978	10,762
Nickel and Alloys	2,276	5,832	8,008
Newsprint Paper	4,108	5,829	7,490
Dried Squid	207	1,238	6,365
Wheat	3,940	4,783	5,591
Rapeseed Oil	3,658	3,790	5,134
Printing Paper	2,945	3,033	4,183
Hand Tools	1,642	3,193	3,752
Ginseng, etc.	1,941	2,703	3,484
Telecommunication and Related Equipment	578	4,224	3,473
Apples and Fruit Preparations	1,757	2,090	3,375
Ships, Boats and Parts	1,429	2,322	3,196
Soyabeans	1,825	4,092	2,655
Paperboard	2,148	2,049	2,521
Personal and Household Goods	576	2,024	2,433
Electric Lighting and Distribution Equipment	644	1,163	2,332
Other Foods and Materials for Food	1,073	1,278	2,182
Plate, Sheet and Strip Steel	732	1,624	2,104
Not Included:	19,290	25,010	35,085
Total:	67,004	98,030	137,417

Source Statistics Canada

The China Trade

Hong Kong's promoters have done a very effective job in promoting it as a centre for China trade. There is both more and less to this than meets the eye. Canadian exporters do not need to use Hong Kong representatives if they wish to sell in China. In fact, the capabilities of the China trading community in Hong Kong are sometimes overstated, particularly as the margins asked by some traders for their supposed preferential access are often excessive. However, many North American banks and manufacturing firms have established their China trade offices in Hong Kong since this is the most convenient place to find suitable office space, communications and living quarters for the families.

The traditional role of the April and October Canton Fairs is now a thing of the past, and these Fairs are no longer as essential to China trade as they once were. In fact, many Canadians who buy and sell in China go direct via Peking and Shanghai and call directly on their actual or potential clients without touching base in Hong Kong or the resident Chinese trading agencies.

China does have its banking and trading institutions in Hong Kong but these are now primarily involved in Hong Kong domestic activity rather than as sourcing centres for trade into China. These Chinese entities in Hong Kong have been in existence since 1949 and have been generating profits from their Hong Kong trading activities ever since in

competition with local private enterprise firms.

The South China Link

There is a growing and important relationship between South China and Hong Kong. Hong Kong manufacturers are building factories in South China to manufacture apparel and light industrial products based on cheaper land and labour. Canadian suppliers of raw and semi-fabricated materials will benefit from these new ventures with orders drawn through Hong Kong buyers. Aside from this rather recent development, it is fair to say that the economic re-orientation which has been apparent in China has not produced the results anticipated for Hong Kong or indeed for overseas suppliers in general. The new factories in South China have, however, rewarded Hong Kong transportation services and re-export services since much of the production of these plants moves through Hong Kong to overseas markets.



Ready to serve you. A local Hong Kong businessman, in his crowded shop, offers a variety of items likely to please numerous and diverse consumers.



Canadian exporters always want to know precisely what the market is for their products. The variety that Canada sells in Hong Kong is vast, ranging from electric motors and automatic word processors to dressed fur skins, Southern Ontario soybeans, margarine, air-conditioners, aluminium ingot, dried squid and reindeer antlers. The statistical table gives an indication of what can be sold but there are many more products from Canada which will find rewarding markets. The Commercial Division at the Canadian Commission in Hong Kong is a marketing office, devoted to chasing new opportunities for Canadian exporters and acting on a continuing basis to monitor the results for many Canadian producers. We would be delighted to hear more from Canadian manufacturers and exporters who would like a report on market conditions prior to their China, Pacific or South Asia trip.



Hong Kong is now the third largest container shipping port in the world. Photo shows Kowloon Wharf.

**Commercial Division
Commission for Canada**
14/15 Floors, Asian House
1 Hennessey Road
P.O. Box 20264
Hong Kong, Hong Kong
Telex: (Destination Code 802) 73391

In the first of a two-part series, Doug Fyfe, of IT&C's Corporate Affairs, reviews the Shop Canadian Program, indicating where it has been, where it is, and where it is going. While the future of the Program means new directions and dimensions, one fact is already clear. . .

“Shop Canadian” has created consumer awareness and support

The Program message is straightforward and has three parts:

To the consumer — include Canadian products in your comparative shopping;
To the retailer — feature Canadian products in your store with tags, shelf-talkers, and other p.o.p. material;
To the manufacturer — mark your products to help the consumer identify Canadian goods.

Underlying the whole Shop Canadian Program was the belief that while Canadians were perhaps subconsciously aware of the value to our economy of buying Canadian products, they weren't translating that subliminal awareness into action at the point of purchase. Without a demonstrated consumer demand, retailers and manufacturers couldn't be expected to respond.

Even more fundamental, of course, is the belief that Canadian products are in fact a good purchase value. No amount of promotion is going to sell a concept of buying products that aren't competitive — particularly in price, as consumers remain first and foremost price-shoppers.

And somewhere in the back of the planners' minds was that nagging belief that the Canadian consumer somehow felt *our* products might just not be as good as *their* products.

It wasn't something you could put your finger on — just a feeling. But surely if Scandinavia can convince the world how good their furniture is, Canada can do the same here at home for our products. After all, how much teak grows in Denmark?

The Shop Canadian Program was implemented with the first major effort directed at the consumer. Using both television and print, the message was designed to raise the awareness level of the general consumer to the value of

shopping for Canadian goods. Follow-up research by independent research groups indicates that a significant increase in awareness levels has been achieved.

The national awareness level reached 61.0 per cent following the last advertising flight. The highest level, 70.0 per cent, was in Ontario. This could be expected considering the strong provincial program in place. The awareness level increased along with an increase in age but even so, a strong response was present in each major group above the start level of 15 years.

But surely if Scandinavia can convince the world how good their furniture is, Canada can do the same here at home for our products. After all, how much teak grows in Denmark?

The most recent research project, completed in early 1980, followed up a heavy advertising campaign during the Christmas buy season. This research showed a trend that had been watched for a trend that would signal the need to shift the Program direction from the consumer as the main target group to the manufacturer and retailer.

The signal was a break in the matching upward trends of awareness *and* a willingness on the part of the shopper to look for Canadian products. Earlier research showed that as consumers became aware of the value of Shopping Canadian, they increased their effort to find Canadian goods. More recent research indicates that while awareness continues to climb, although more slowly, the *effort* to find Canadian products has started to fall off.

Now we have a standard retail problem. The customer knows about the product but isn't making an effort to buy it. Why? Well as you are aware, there are at least two standard reasons: the product was tried and found unsatisfactory; or, the consumer looked for the product, couldn't find it, and isn't going to bother any more.

Follow-on testing confirmed the latter to be the case. Consumers claimed they would like to buy Canadian goods — in fact they were even willing to pay a premium for them — but they couldn't find them. In today's competitive market place, such a shopping impediment seriously impacts on the buyer's best intentions.

Five main research findings on this point are worth noting:

- The majority of respondents felt that they should make a greater personal effort to buy Canadian products (80.7%) even if they cost a little more (60.1%);
- The majority (72.2%) agreed that they would buy **more Canadian products** if they were easier to identify;
- Respondents who reported *always* being able to identify Canadian products declined over previous results (23.4% from 31.9%);
- **Improved labelling** was the primary means suggested by respondents to ease identification of Canadian products (although 22% suggested point-of-purchase aids);
- The majority of respondents (79.4%) felt that the primary responsibility for identifying Canadian products *lies with the manufacturers or producers*; 15 per cent felt that the primary responsibility lies with *retailers*.

The Shop Canadian Program is clearly having an impact. It has achieved its first goal; to create an awareness in the consumer. Now it is up to the manufacturer and the retailer to take advantage of this demonstrated buying preference. Next month we will outline how many are doing just that and how the Shop Canadian Program is being altered to meet this new dimension.

Report from Paris

The Commerce series of reports from Paris which began with the April/May issue (France — An Impressive Economic Power) continues here with the discussion of another important industrial sector. This series is wide ranging and in coming months will cover such topics as high technology, machinery and fish.

Wide ranging also are the subjects for discussion at the upcoming (October 27, 28) 10th meeting of the Canada-France Economic Commission in Paris. The Canadian delegation will be led by the Minister of Industry, Trade and Commerce, The Hon. Herb Gray. The CFEC first met in 1950 and since then its scope has been gradually enlarged and its composition elevated to ministerial level. Three working groups of CFEC cover industrial co-operation, energy and raw materials, and defence products.

Meanwhile the following report has been prepared by Chantal Balas, Commercial Officer, Canadian Embassy, Paris. . .

France: Potential paradise for exporters of forest products

France has the greatest forested area of any member country of the European Economic Community: 14 million hectares, one-quarter of its land mass. Paradoxically, however, its forest industry production is only slightly greater than that of West Germany, whose forested area is only half as great. For historical, sociological and economic reasons, forest products are second only to petroleum products as a major deficit sector in France's balance of trade.

Historically speaking, France's forests have for centuries been managed primarily to provide firewood. This has led to the development of a high proportion of bush, which is relatively unproductive in economic terms. Timber-producing forests represent only 40% of woodland.

In sociological terms, the forested areas are split into small packages. Only 30% of France's forests is owned and managed by the State or by municipalities. The remaining 10 million hectares belong to 1,600,000 private landowners, most of whom own less than 10 hectares each. This, of course, makes it very difficult to consolidate operations and improve productivity.

In economic terms, sectoral analysis of the balance of trade deficit reveals an export surplus of undressed timber used for manufactured products; this is largely responsible for approximately 70% of the deficit. France therefore exports rough timber and sawn hardwood, and imports dressed timber and furniture. It also has a surplus of wood used for the paper industry, but imports a large percentage of pulp. One of the reasons for this situation would appear to be France's highly individual system of selling standing timber on an annual contract basis.

Two-thirds of France's woodland is composed of two-thirds hardwood (oak 34%, beech 15%, elm 8%), and one-third softwood (sea pine 12%, Norway pine 7%,



fir 7%, spruce 3%). It produces 30 million cubic metres of raw timber. The forest industry sector as a whole, including the processing and furniture industries, employs 643,000 persons in 80,000 businesses. In an effort to reduce its trade deficit, the French government is attempting to establish a plan for restructuring its forest resources and related industries. The objective would be to increase wood production from 30 to 40 million cubic metres over the next five years. However, in order to supply this industry, which is of major importance for

the overall economy of the country, imports are and will remain necessary. Currently, France has to import between 40% and 50% of its pulp, 25% of its paper and cardboard, and between 25% and 30% of its lumber (mainly tropical woods and softwood). In this respect, the Centre Technique du Bois recently published a comparative study, by groups and by products, of imported and domestic wood used in the construction industry. The following statistics, which relate to 1977, may be of interest to Canadian exporters.

Use of Wood in the Construction Industry (in cubic metres)

	Total	Hardwood (domestic or imported)	Softwood (domestic)	imported	% of imported softwood
Construction industry	275	—	n/a	n/a	n/a
Carpentry	2,148	936	600	612	28%
Plain doors	220	52	100	68	30%
Parquet flooring	1,090	390	700	—	0%
Borders and mouldings	172	12	75	85	49%
Frames	2,595	210	1,450	935	36%
Planking and miscellaneous	1,800	—	1,800	—	0%
TOTAL	8,300	1,600	5,000	1,700	

Canada's portion of French forest product imports

Canada's portion of French forest product imports has grown constantly over the past fifteen years. As a result of price increases and non-standardized quantitative measures, it is difficult to provide exact figures. The best means of evaluation appears to be to take the percentage of forest products included in our total exports to France: this percentage increased from 17% in 1966 to 24% in 1972, 30% in 1978 and 33.5% in 1979; in other words, it now constitutes one-third of our sales to France.

Traditionally, paper pulp is our largest sales item to France: \$87 million and 297,000 tonnes in 1978, and \$127 million and 320,000 tonnes in 1979. Canadian pulp represents approximately 20% of French imports of this material. France's plan for restructuring the forest industry calls for an increase in pulp production, mainly by doubling the production capability of Rhône kraft cellulose pulp. It nevertheless appears certain that France will continue to import much of its needs in this area; since its forests are 65% deciduous in nature, France lacks long-fibered softwoods; in addition, the high cost of pulpwood supplies and the lack of integration of manufacturing plants raises production costs and makes French pulp relatively uncompetitive. Opportunities for developing our exports in this field are linked to the capacities of Canadian industry, competition from Scandinavia, fluctuations of the monetary system and overall economic activity.

These same elements of international competition also dominate the paper and cardboard market. However, because of local production by approximately 140 companies, our sales are limited to newsprint, wrapping paper and cardboard, and to several special types of paper.

In the wood-exporting sector, Canada has

increased its exports to France over the past several years to a remarkable degree — from 45 million board-feet of softwood and hardwood timber in 1967 to 94 million in 1976, 112 million in 1978 and 140 million in 1979.

French import statistics on softwoods show that, up to 1976, only a small percentage (between 6% and 9%) came from Canada. Canadian wood represented 15% of the market in 1977, 12% in 1978 and 14% in 1979. Wood from Western Canada is now well-known to the French, but since 1977 Eastern softwoods have also been sold successfully in France. However, Canadian exporters should not forget that France is a country of forests. Consequently, they cannot sell just any type of wood and must ensure that the quality of their exports is carefully controlled since the quality is generally considered higher than that normally sold in North America. This market is 85% occupied by imported wood from Scandinavia or Eastern Europe, the dimensions required for cured wood being 38mm x 77mm, 38mm x 100mm, 38mm x 115mm or 125mm, and 38mm x 150 mm.

Following the significant increase in the price of local hardwood over the past several years, French industries, particularly furniture manufacturers, have turned to importing North America hardwood. Canadian exports of hardwood lumber and veneers, which were insignificant in the past, have practically doubled each year since 1975; in 1979, they stood at 6 million board-feet and 8 million square feet respectively. White oak, red oak and black cherry, called "merisier" in France, are in great demand for manufacturing stylish furniture, and very recently furniture manufacturers discovered Canadian maple. At the last furniture exhibition in Paris in January 1980, a number of manufacturers displayed furniture made from this type of wood. However, efforts to sell Canadian yellow birch of the "merisier" type have

been unsuccessful because this wood is not competitive with local products used in the manufacture of ordinary furniture.

France's panelling, plywood, particle board and fiber board industries are highly developed, the plywood industry being the largest in Europe. France nevertheless needs phenolic resin plywood since it does not produce sufficient quantities of this material. Our exports of such plywood increased from 7 million square feet in 1975 to 20 million in 1978 and to more than 32 million in 1979.

Among other wood derivatives, we sell cedar shingles, (in great demand for decorative purposes), louvered doors, kitchen cupboard doors and decorative wood mouldings.

The future of Canadian wood products in France

The government plan for the restructuring and development of the wood industry has set a production target of 40 million cubic metres within the next five years. The plan also envisages developing the lumber industry and using wood for building, mainly by encouraging the adoption of the wood-frame construction technique. This technique, which was introduced into France in 1967, has been adopted much more slowly than in other European countries, and it is estimated that only 10% of individual houses built each year in France use wood for construction purposes. However, it would appear that this technique, which since the very beginning has been approved as traditional by French construction authorities, still has to overcome many doubts. Efforts have been undertaken with members of the construction industry and the public at large to promote this technique and the advantages it offers in terms of insulation properties.

It is therefore likely that France's wood consumption will increase in the future. However, study of the development of French wood imports shows that the proportion of imports to domestic products used annually in France has not varied over the past 50 years and that increased production brings about increased imports. Imports are, in fact, an indispensable complement to local production because they provide French wood-consuming industries with materials which are strong, durable and beautiful — qualities lacking in local products. It is therefore likely that our sales in this sector will continue to depend on the promotional efforts undertaken to make Canadian wood products and their uses better known in France, and on our attempts to adapt our products to the requirements of this market in the face of competition from Scandinavian and Russian suppliers.

Commercial Division
Canadian Embassy
35 avenue Montaigne
75008 Paris, France
Telex: (Destination Code 42) 280806

Evidence of Alberta's booming economy is seen everywhere in the province — in the skyscrapers piercing the skyline of the major cities, in the frenzied activity at Fort McMurray and other oil and gas fields — as companies and individuals attempt to cash in on the world's insatiable thirst for energy, a commodity Alberta has in abundance. It is not surprising then that in the almost daily announcements of new multi-million dollar projects another such proclamation should be greeted with a near-yawn. Not so in this case. . .

The New PVC Plant at Fort Saskatchewan

by Bob McDonell

The recent opening of a world scale polyvinyl chloride plant by Diamond Shamrock Alberta Gas at Fort Saskatchewan, some 45 km northeast of Edmonton, is one announcement that goes beyond the regular run of the mill. For the plant is an important step forward in the Alberta government's strategy for upgrading its natural resources and attracting secondary industry to the province.

DSAG's new 100,000-tonne per year plant provides final upgrading of petrochemical feedstocks into a mass-polymerized PVC resin, used directly by plastics manufacturers.

Although the Western Canadian PVC market represents only 10 per cent of the total domestic market, it is growing and diversifying at a rapid rate, and is expected to represent about 25 per cent of this market by the mid 1980s.

As part of DSAG's promotion activities and of the Alberta Government's efforts to develop and encourage plastics manufacturing, many of the end users of the product were on hand for the official opening — some of them with their expansion plans into Alberta in their pockets. These included manufacturers of such diverse products as window frames and credit cards, house siding and phonograph records, wire coatings and medical supplies.

One of the most modern PVC plants in the world, the facility uses a patented process, developed by Rhone-Poulenc of France, which assures the eventual user a product of consistent quality and

one which is less energy-intensive than other methods.

Feedstocks for the PVC resin — a white powder-like substance — natural gas and salt are converted to vinyl chloride monomer through a series of processes at a new Dow Chemical plant approximately seven km southwest of the DSAG operation. From Dow, the VCM is transported to the plant to undergo the polymerization process. (Polymerization is a process where the molecular arrangement of a compound is changed to form new compounds with different physical proper-

ties than the original but with the same chemical composition.)

When processed, the new product — polyvinyl chloride — is shipped to the customer by hopper car, bulk truck or bag.

Completion of the PVC facility is particularly significant to Alberta because it marks the completion of one complete phase of petrochemical development in the province and paves the way for increased manufacturing industries. Local production closes the circle from the production of natural gas to the production of a consumer product.

The availability of competitively priced resin locally will mean benefits for Alberta in terms of increased wage and employment opportunities and the availability of manufactured plastic products. Plastics processing companies tend to be considerably more labor-intensive than the producers of basic petrochemical products and increased activity in this area will mean improved employment.

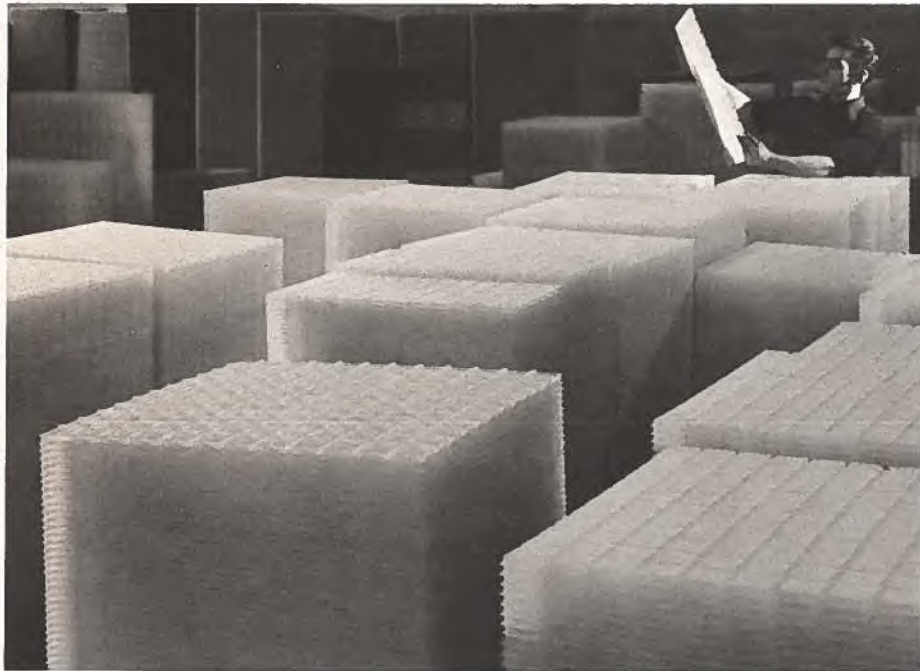
In fact, the only cloud on the horizon for the rapid expansion of Alberta's — and indeed all of Canada's — plastics industry is the shortage of trained personnel. How Alberta is attempting to cope with this problem is outlined in the following article.



The first railcar load of polyvinyl chloride (PVC) resin was shipped January 23, 1980 from Diamond Shamrock Alberta Gas in Fort Saskatchewan, Alberta. The plant is Canada's first world scale mass PVC resin operation.

For Want of a Graduate. . .

Alberta's plastics industry — now in a rapid expansion stage — has all the necessary ingredients for success except TRAINED PERSONNEL. Canada Commerce's Bob McDonnell describes how the industry and the Northern Alberta Institute of Technology are facing this challenge.



With thousands of graduates of Canada's colleges and universities in search of jobs, it is refreshing to learn that at least some graduates have no problem.

In fact, for the graduates of Plastics Engineering Technology at Northern Alberta Institute of Technology at Edmonton, the opposite is true. Prospective employers are lining up with job offers for the small number of graduates.

Ken Ball, who heads NAIT's plastics program, estimates that there are six jobs waiting in Alberta alone for every graduate of the two-year course and the average starting salary is between \$1,300 and \$1,400 per month. He said the problem is one of awareness, despite the fact that more than 100 firms are directly involved in the plastics industry in the province.

This number is due to increase substantially with more plastics companies being attracted by plentiful supplies of natural gas, oil, coal and agricultural products — all feedstocks for the plastics business and the con-

“The industry has an extremely low profile. It doesn't spark interest among high school students because it suffers from a lack of identity. If you talk about forestry or oil, it's instantly pictured — but this is not so in the case of plastics,”

Mr. Ball explained.

certed efforts of the provincial government to attract secondary industries to the province. “The industry has an extremely low profile. It doesn't spark interest among high school students because it suffers from a lack of identity. If you talk about forestry or oil, it's instantly pictured — but this is not so in the case of plastics,” Mr. Ball explained.

NAIT's plastic technology course, the only one in western Canada, combines mechanical engineering with industrial engineering as it applies to

secondary manufacturing in the plastics industry. A high school diploma and at least a 50 per cent average in math and one science subject is required to enter the course.

According to Mr. Ball, the course includes a large amount of physics and drafting related subjects and it is helpful if students have taken industrial arts in high school. The course is about 50 per cent theory and 50 per cent laboratory work.

Industry people say the manpower shortage is a consequence of the current rapid expansion of the plastics industry in Alberta and the situation promises to get worse when further multi-billion dollar oil sand construction projects get underway.

As a result of the foreseen shortage of trained manpower, the plastics industry of Alberta, in co-operation with NAIT, has set up a bursary program to encourage more students to enter the course. (While there are now facilities for 25 new students each semester only six were enrolled this spring). The companies participating in the program are involved in selecting the students they wish to sponsor. They are committed to provide the student with two months work experience prior to the beginning of the NAIT course and to make a cash contribution of \$600 to cover the cost of tuition and books. The program prepares students for careers as technical assistants, plant and production engineers, production supervisors, laboratory and process assistants, industrial cost estimators and industrial sales representatives.

Detailed course outlines, further information and application forms may be obtained from: **The Registrar, Northern Alberta Institute of Technology, 11762-106 Street, Edmonton, Alberta, T5G 2R1.**

To realize what plastics means to Alberta — for every job in primary extraction of oil and gas there are 100 jobs downstream to the final manufacture and sale of the finished product. And while every \$24 worth of crude oil becomes \$35 worth of gasoline, the same amount of crude oil becomes \$3,500 worth of plastic widgets.

Report from Charlottetown

By Don Wight

While the potato may well be Prince Edward Island's most important agricultural product and the backbone of the province's primary industry, it is by no means the only business in bloom. Other industrial seeds are also being sown — and cultivated — with assistance provided by the Department of Industry, Trade and Commerce. As Trevor Charles, the Island's IT&C Regional Director General, states. . .

“There's more to P.E.I. than spuds.”



IT & C's Regional Director General in Charlottetown, Trevor Charles (centre) confers with Regional Officers, Austin Bowman (left) and Fraser Dickson.

In no way down-grading the vital role potatoes play in the P.E.I. economy — more than 27 varieties are produced and exported worldwide — Mr. Charles is, nevertheless, letting it be known that there are a number of other industries that are making a healthy contribution to the Island economy. They are also gaining a name for themselves both in domestic markets and those further afield.

The other most widely known Island industries are tourism — accounting for more than \$30,000,000 of the total gross provincial product — and fishing. More than 30 varieties of fish are landed with an annual value of about \$12,000,000.

On Prince Edward Island there are some 32 fish processing plants, 23 of which are involved in export. Caught are lobster, herring, red fish, scallops and the world-famous Malpeque oyster. And a mussel cultivating industry, now being supported by an Enterprise Development Program grant, holds tremendous promise.

What has received less attention are the number of small to medium-size industries that have virtually mushroomed in the past few years. For instance, just in Charlottetown and the immediately surrounding

area, there can be found companies engaged in everything from the manufacture of jeans and internationally-styled eye glass frames to highly sophisticated colour image recorder and computer systems that produce high-resolution colour photographs obtained from satellite data.

“One of these image recorder units can cost as much as half a million dollars,” says Mr. Charles, noting there was a need for the manufacturer, Imapro Inc., to develop equally accurate though less expensive units.

IT&C, through its Enterprise Development Program (EDP), was able to help the company finance the design and manufacture of a second, lower-priced machine that would be for use in universities and hospitals.

Then there's Excel Optical Ltd., formed in 1977 and now occupying 743 m² (8000 square feet) of plant space in the West Royalty Industrial Park. One of only three companies in Canada manufacturing optical frames, Excel Optical is locally owned by persons who, together, have more than 40 years of experience in the manufacture of fine quality frames.

As company representative, Freeman MacKenzie pointed out: “Some 80 per cent

of the eyeglass frames in Canada are imported. We saw no reason why we could not have a fair share of the market.”

And the Regional Office, through its Program for Export Market Development (PEMD), helped the company achieve this reality.

“It (PEMD) is the only way to get into exports,” says Mr. MacKenzie. “It increases your market area and allows you to go where otherwise you could not afford.”

The list goes on. There's Hampton Technologies Corporation, manufacturers of high-quality wood furnaces; Benner Industries Ltd., a producer of fibreglass cross-country skis, children's fibreglass skis and plastic injection mouldings; and even a manufacturer of diagnostic kits and specialty chemicals.

Just as the Island industrial scene has blossomed, so too has the role of the Department of Industry, Trade and Commerce. To more effectively service the growing requirements of the province's industry and business sectors, IT&C found it necessary to set up a local Regional Office.

Prior to the summer of 1976 the administration and delivery of IT&C's programs and services to P.E.I. were handled by the department's regional office in Fredericton, New Brunswick.

Since the move the activity of the Charlottetown Regional Office has grown substantially, with the size of the office and the number of staff increasing accordingly.

Today, in addition to Mr. Charles as Regional Director General, there are two regional officers, Austin Bowman and Fraser Dickson; an office manager, Susan Clancey, and a secretary, Myrna Gauthier. In charge of the Business Information Centre is Marie Landrigan.

In what is pretty well standard practice in the 11 regional offices strategically located throughout Canada, Mr. Charles describes the role.

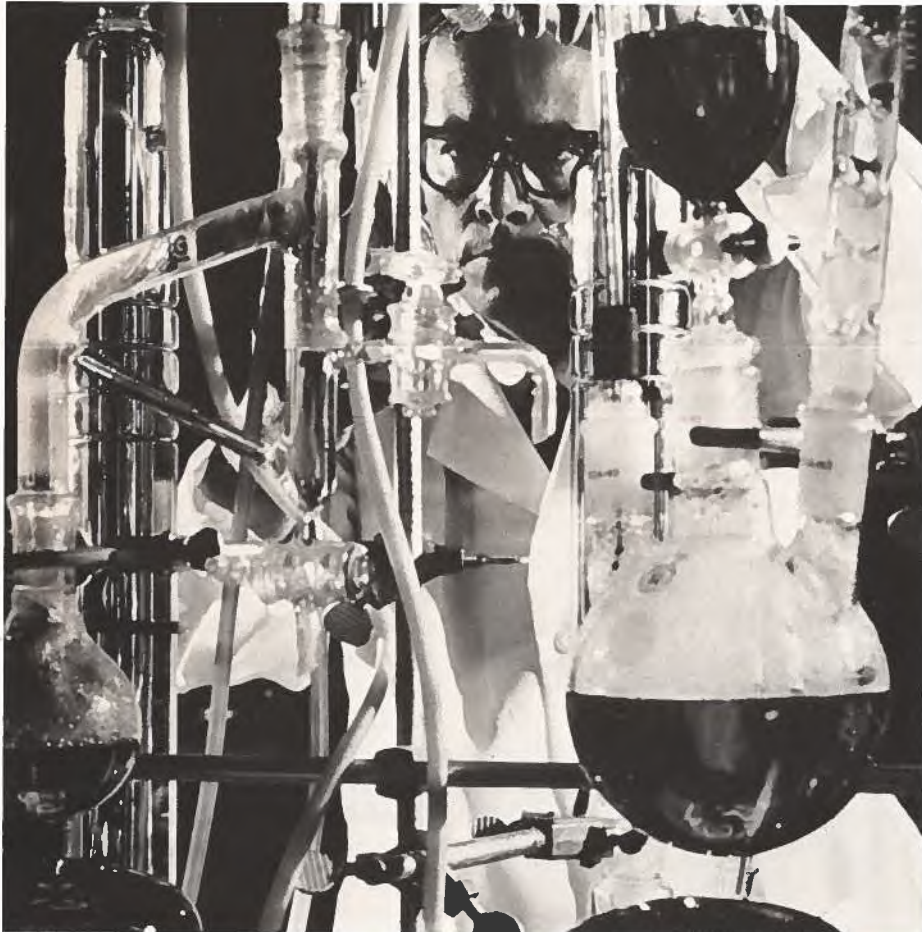
“Our principal objective,” he says, “is to ensure that industry and provincial government officials are aware of and familiar with the broad range of export trade and industrial development assistance programs and services available from the regional office and to promote increased use of these facilities throughout the Island.”



In addition to issuing EDP and PEMD grants, the local staff also provide firms with direct advice and assistance in identifying export potential and/or constraints for their products in specific markets around the world.

This is accomplished largely through the close co-operation and advice provided by the Department's Trade Commissioner Service located in some 90 posts around the world.

"And there has been," reports Mr. Charles, "a marked upturn in the utilization of the Department's Program for Export Market Development."



For example, in the 1979-80 fiscal year, 32 applications for assistance under this program were received from Island companies and 24 were approved. Most of the agreements concluded were for market identification trips or participation in trade fairs in various foreign countries. This performance is compared with 10 approvals in 1978-79 and 11 approvals in 1977-78.

The seven approved Enterprise Development Program projects amounted to approximately \$422,000 and covered developments in such sectors as fish processing equipment, agriculture food products and processes, chemicals, alternate energy equipment and electronics.

An added benefit, and one of IT&C's objectives, was to extend the employment season on the Island. The number of new industries has certainly done much to achieve this goal.

"This has been done reasonably successfully," says Trevor Charles, obviously pleased with the role he and his staff are so competently playing.

Others are pleased, too, as the following articles indicate.

**Regional Director General
Prince Edward Island Region
Dominion Building
97 Queen Street, P.O. Box 2289
Charlottetown, P.E.I.
CIA 8C1
Tel: (902) 892-1211
Telex: 014-44129**

Standard practice to be sure, but Mr. Charles notes that circumstances and requirements vary considerably in each province and often change quickly.

"That is why," he says, "it is necessary to keep current on developments in each industry sector and to consult and co-operate with provincial government departments and agencies in order to provide the most appropriate and effective assistance possible with the resources available."

Keeping in touch and co-operating are important and very evident factors in the operation of this particular office — and perhaps this sets it somewhat apart from other larger centres.

Because of its size and population — the Island is only 140 miles long and inhabited

by some 122,000 persons — close, personal contact is easily established and maintained between the Regional Office, provincial departments and agencies and the business community.

Everyone seems to know each other on a first-name basis. In fact, what would be extremely rare would be to walk down the street or go to a restaurant without rubbing shoulders or having a chat with someone for whom you have recently provided assistance or advice.

When it comes to trade-related assistance and advice, the activity at the Charlottetown office has increased dramatically, requiring a growing amount of staff time in counselling and assisting companies with their export marketing plans and requirements.

The Vital Element — Constant R & D

Funded over the years by the National Research Council of Canada to conduct its research and development programs, Diagnostic Chemicals Ltd. has also received grants under IT&C's Enterprise Development Program (EDP). Of the EDP, company President, Dr. J. Regis Duffy, says: "It's the best thing that ever happened to me."

Employing some of the top professionals in their field, Diagnostic Chemicals Ltd. is a leading Canadian manufacturer of diagnostic reagents, enzymes and specialty chemicals.

The Charlottetown, Prince Edward Island, company also prepares diagnostic kits which are provided to hospitals in Canada and the eastern United States for use in clinical chemistry.

The result of hard work, professionalism, dedication and, at a later date, a degree of financial assistance from the Department of Industry, Trade and Commerce, the company has come a long way and, in the process, has earned the respect of its many clients.

Only 10 years ago, Diagnostic Chemicals Ltd. was a virtual out-of-the-home, one-man operation, headed,

as it still is, by Dr. J. Regis Duffy, Professor of Chemistry at the University of Prince Edward Island and former Dean of the Faculty of Science.

Four years ago Diagnostic Chemicals moved out of its room-in-the-house locale and set up business in Charlotte-town's thriving West Royalty Industrial Park. Today the company consists of two separate manufacturing facilities.

One building, occupying 372 m² (4,000 square feet) of working space, houses the chemical manufacturing side of the operation. Just a few blocks away is the diagnostic manufacturing facility with a working area of some 280 m² (3,000 square feet).

Having attained this stature, Diagnostic Chemicals proved itself a viable enterprise. It was also evident that, to maintain its high standards in

an extremely competitive market, the company, admittedly with limited resources, would have to maintain its sophisticated research and development projects.

That's where Industry, Trade and Commerce entered the picture, providing Diagnostic Chemicals Ltd. on at least two occasions with Enterprise Development Program (EDP) grants:

"It's the best thing that ever happened to me," acknowledges Dr. Duffy. "For us, it came at just the right time, giving the company the leverage it needed."

The "leverage" of which Dr. Duffy speaks becomes more obvious with a little background.

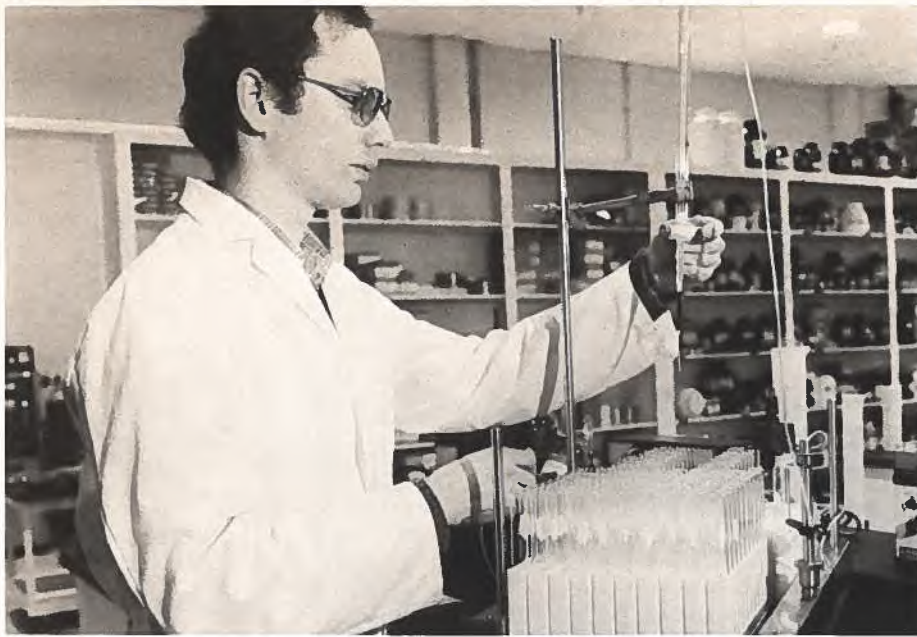
An esoteric enterprise, Diagnostic Chemicals Ltd. is also expensive to maintain. One piece of highly sophisticated equipment, for example, can run into the hundreds of thousands of dollars. And the company has the best that is available.

The chemical manufacturing facility is equipped with glass-lined Pfaudler reactors with a temperature range of -10°C to 150°C, distillation systems, vacuum pumps, filtering equipment and cold rooms. Available quality control equipment includes gas chromatographs and UV-Visible spectrophotometers. The company also has access to infra-red and nuclear magnetic resonance spectrophotometers.

Equipment available for diagnostic production and quality control includes freeze driers, automatic dispensers, fraction collectors, spectrophotometers and a 250-gallon per day reverse osmosis water purification system. As well, 150 linear feet of laboratory and production bench space are available for research and quality control purposes.

While nothing of much importance could be produced without this expensive and specialized equipment, there is another factor — one that is equally costly but that is absolutely essential.





And that's the need for constant research and development.

To maintain a high profile in this competitive and ever-changing field, research and development are of paramount importance. One literally must not only keep abreast of the latest developments, one must keep a step ahead — while at the same time producing and improving existing products.

In the research process, explained Dr. Duffy, one trial run on a "small scale" can cost as much as \$1,000. There are many trials before the perfect solution or process is reached — and this even before going on to "scale up," pilot plants and full scale production.

Over the years Diagnostic Chemicals Ltd. has received research and development grants from the National Research Council. However, here it is the EDP of which Dr. Duffy speaks:

"What the EDP did," explained Dr. Duffy, "was enable us to scale up the process without too much financial risk. At the same time, it enabled us to continue with our small scale research and development."

And Dr. Duffy stresses a point: "This is what many people don't realize. It's the small scale work that is necessary in order to work through the pilot plant. What EDP has done is pick up the pilot plant development costs which are a major portion of the development costs."

Again the word "leverage" pops up for, in addition to working on a large pilot plant and other small scale

processes and projects, the company has the leverage to continue with its regular manufacturing.

In this regard, Diagnostic manufactures a wide variety of fine chemicals which are exported in their raw form and which are also processed in the company's diagnostic manufacturing facility where they are used as components in the diagnostic kits.

Valuable chemicals, they are, nevertheless, real tongue twisters. Try pronouncing a few of these: p-nitrophenylphosphate salts, gamma-glutamyl-p-nitroanilide, PPT disulfonate (Ferrozine), dithiothreitol (DTT), dithioerythritol (DTE), phosphoenolpyruvate, monocyclohexylamine salt, Ferene (3-(2-pyridyl)-5, 6-bis(2-(5-furyl sulfonic acid))-1,2,4 triazine, disodium salt), a superior novel iron reagent, Fast red PDC salt and INT dye.

Here are a few more. These are chemical diagnostic reagent systems for the determination of: Alkaline Phosphatase, ALT, AST, BUN, Calcium, Cholesterol (we all have heard of those two!), CK, Ethanol, Glucose (G.O.), Glucose (HK), gamma-GT, ICDH, Iron & TIBC, LDH-L, 5'-nucleotidase, Magnesium and Triglycerides in blood serum.

These reagent kits can be used manually or on modern instrumentation such as Abbotts, Giffords and Centrifugal analyzers. The company has also initiated a program for the production of enzymes used in clinical chemistry systems.

One thing about Diagnostic Chemicals: The product has to be faultless. The company is competing against established, world-renowned suppliers. If you supply your customers with a faulty or inferior product, it's pretty well "game over."

"In the diagnostic field," says Dr. Duffy, "there are no second chances."

It's unlikely this company will find itself in such an awkward position — primarily because of its meticulous quality control procedures and because of the high calibre of its personnel.

With obvious admiration, Dr. Duffy points out that the Vice-President is Dr. D.J. Hennessey, former Professor of Chemistry at Fordham University in New York. Ironically, Dr. Hennessey was Dr. Duffy's research director during the latter's postgraduate studies at Fordham!

Every summer for the past 10 to 12 years Dr. Hennessey has travelled to Charlottetown to work with his former student. (He also loves the Island.) He has been intimately involved with Diagnostic Chemicals Ltd. since its inception.

"He's a genius," is Dr. Duffy's respectful comment.

Other senior personnel include: University of New Brunswick graduate, Dr. Gary Reid, Plant Manager in charge of chemical manufacturing; and Dr. Julien Gaudin, a University of Waterloo graduate who is Director of diagnostic manufacturing.

The company also employs several technicians, clerical staff and, on a part-time basis, students from the University's chemistry department.

After 10 years in the business, and looking forward to many more, Diagnostic Chemicals Ltd. has more than proved its capabilities. Selling primarily in the Maritimes, eastern Canada, and the eastern seaboard of the United States, the company has distributors in Toronto and Montreal and has, on a limited scale, exported to Europe.

While Dr. Duffy and his staff head the credits list in the success of Diagnostic Chemicals Ltd., it's reassuring to know that the Enterprise Development Program was an integral member of the cast.

PEMD certainly gets around! Stories about IT&C's Program for Export Market Development grants turn up all across the country and in every conceivable type of business from airlines (we heard of one the other day where PEMD literally managed to get a Vancouver airline service off the ground) to seafood. And speaking of fish stories. . .

Seafoods Consortium in P.E.I. Enjoys Taste of International Success

"The Island," as it is affectionately dubbed, is well known for its fine quality seafoods — from the world famous Malpeque oyster to its delicious scallops.

One Charlottetown company which is spreading the word — and the taste — of these gourmet delights to a growing number of international customers is Northumberland Seafoods Ltd.

Situated in the West Royalty Industrial Park, Northumberland Seafoods is a marketing consortium of seven Prince Edward Island fisheries companies which, to take advantage of the various seasons, are strategically located throughout the Island.

A relatively new business venture — the consortium was formed a little more than three years ago — Northumberland Seafoods Ltd. markets lobster-in-brine, hot pack lobster, cold pack lobster, lobster meat and canned clams. Frozen seafood includes flounder, cod, hake and scallops.

Working closely with the Prince Edward Island Market Development Centre and with relevant municipal and provincial agencies, Northumberland Seafoods also takes advantage of the assistance and know-how offered by the Department of Industry, Trade and Commerce through its Regional Office in Charlottetown.

In fact, the company applied for and received two grants through the Department's Program for Export Market Development (PEMD).

"It was through PEMD that we really got our start," says Rolland McInnis, the consortium's young and enterprising General Manager.

"Because of PEMD assistance," he says, "Northumberland was able to go on marketing research/fact-finding missions to a number of countries in Europe."

The exploratory market identification trips, which the budding company itself would not have been able to finance, proved successful. Today, the company exports to, or has distributors and buyers in, the United States, Sweden, Britain, France, Belgium, Germany, Switzerland and the Far East.

Established customers know (and newly acquired customers are learning) that, to Northumberland Seafoods' way of thinking, if the product is not perfect — both in taste and packaging — then it's not good enough to go on the market.

A case in point, gleaned from inadvertent eavesdropping:

During the Commerce interview, a call Mr. McInnis had placed earlier in the day to his packer was returned. Mr. McInnis had learned, via telex from one of his European distributors, that part of a shipment had arrived somewhat the worse for wear.

Actually, it was really what others might consider only a minor problem: A few individual packages weighed slightly less than specified and, in some cases, the printing — perhaps due to condensation — had become smudged on a few labels.



At any rate, Mr. McInnis indicated in no uncertain terms that it was necessary to discover the cause and to have the problem rectified as soon as possible.

Excusing the interruption and perhaps embarrassed that a "company problem" had been overhead, Mr. McInnis laughingly said: "Yeah, all in a day's work."

Becoming more serious, he added: "but if the packaging is sloppy, it doesn't speak very well for the company. Customers will automatically assume the company is sloppy too."

Not such a small point after all!

And it's another reason why Northumberland Seafoods likes to maintain constant contact with its overseas buyers and distributors. It does so by telex, virtually on a daily basis, but would prefer to communicate directly and in person.

"When you have a distributor that you are able to get to know personally," says McInnis, "you know this person is as interested as you are in the quality and appear-

ance of the product. I guess it's a matter of mutual pride, but you both want to see that only the best reaches the consumer."

That's why, in the opinion of Mr. McInnis, repeat visits are so important. They enable one to observe the overseas operation, to jointly resolve problems and to become even more aware of consumer tastes and changes.

"It's just not something you can properly deal with when you are as much as 3,000 miles away," adds Mr. McInnis.

While totally appreciative of the assistance provided by PEMD, it is in this area of repeat visits and personal contact that Mr. McInnis has perhaps one criticism of the program.

"It allows only a limited number of trips to the same area," says Mr. McInnis, "It should be extended to permit regular, personal follow-ups."*

"But don't get me wrong," he adds, "PEMD is great for the first time out and, like I said, it really gave us our start."

Not one to sit idle, Mr. McInnis uses additional avenues of assistance.

"We get lots of help from the offices overseas," he says. "The trade posts have been really great, keeping us informed on various trade practices in different countries, letting us know about potential markets and giving us information and recommendations on questions we have submitted."

Lost in thought for a moment, he adds: "We really depend on our people over there." And you know he's referring to his own distributors (of whom he would like to see more) and to IT&C's trade posts (whose help he has found invaluable).

In a somewhat precarious business because of the seasonality and the unpredictability of the catch, Northumberland Seafoods nevertheless appears on solid ground. With a little help from its PEMD friends, and a great deal of initiative on its own part, the company has gained a reputable name for itself in the international marketplace.

. . . Oh, yes, there are a few other things one also knows: Somehow Northumberland Seafoods will achieve the kind of personal relationship it seeks with its existing clients. It will also go on to establish new markets.

Persons interested in further information on PEMD should contact the nearest IT&C Regional Office — there is one in every province!

Head Office is:

Program for Export Market Development (41A/1)
Department of Industry, Trade and Commerce
235 Queen Street
Ottawa, Ontario K1A 0H5
Tel: 613-593-6463

*PEMD is designed to help companies get started — not to provide them with continuing follow-up assistance. Such a move would, in effect, amount to subsidising a company's export sales. Once established, the onus is on the company to maintain its business contacts. Ed.

As part of its extensive services to small businesses throughout Canada, the Federal Business Development Bank is making available to Canada Commerce readers a series of articles designed to help these enterprises improve management practices and methods of doing business. Here is the first of the series. . .

Credit and Collections Policies Should be Applied Fairly and Consistently

The availability of credit purchasing has become a major factor of our economic life. For most businesses, granting credit is important to growth. In a competitive environment, it may even be essential to a business' survival.

The principal benefit credit gives the seller is that it increases sales. For the buyer, it is convenient and may enable him to purchase more.

The principal disadvantage the seller faces is cost, since payment is delayed but the bills for producing the product must be paid. Greater amounts of capital therefore are needed than would be required by a business operating on a cash-only basis.

Other costs which must be faced are those involved in determining which customers are worthy of credit; in maintaining records of amounts owing, billing and collecting, and bad-debt expense.

A number of basic factors must be weighed in reaching a sound decision on granting credit and rules must be established.

Decisions must be made on terms to be offered and limits which will apply, on discounts allowed for prompt payment and on action to be taken when accounts become overdue. These are important because the future of the business is at stake when they are made.

Each customer, whether a firm or an individual, must be evaluated in a sound, systematic way using the three C's of credit — character, capacity and capital. Of these, character is foremost — the intention and, most important, the willingness to pay.

There should be a well-designed questionnaire for credit applicants — name, address, occupation, length of time at present address and frequency of moving, amounts and sources of income, financial obligations, bank account and credit cards.

Questions should be asked of the applicant's bank, trade organizations, his other suppliers and organizations such as Retail Credit Co., Dun and Bradstreet and local credit bureaus.

When a credit application is accepted, the terms under which it will be granted should be explained clearly to the customer. In most cases, a limit should be specified so that credit will not extend beyond the customer's ability to pay.

If credit terms are too vague or the invoicing system sluggish, accounts receivable will tie up too much of the investment — money that could be used in producing more goods or services for sale.

Here are a couple of simple ways of keeping a check on accounts receivable:

(1) "Age" them — that is, classify them according to their age since the date of sale.

The aging analysis, made up from a listing of all of the individual accounts receivable, can be done quickly on a regular basis — for example, at the end of each week or month.

A businessperson who knows his customers will also know from this analysis the quality of the overdue accounts — what likelihood there is of collecting each or whether a bad-debt loss might be expected from some.

By examining the accounts receivable, he also can see whether any of those overdue comprise one or two large sums. If that is the case and collection can be made, the accounts receivable picture can be significantly improved.

A comparison of aging schedules for different periods also shows whether collections are improving or whether old accounts are piling up. If the latter is the case, it might suggest a need for changing credit terms and collection practices.

(2) The second simple test is to calculate the average collection period.

This can be calculated on a monthly basis, each month end. If accounts receiv-

able at that time represent more than the average monthly collection period, over the preceding 12 months, it might be an indication of a slowdown in collections. If so, steps should be taken to urge more prompt payment by customers.

The business may give more credit at some times of the year than others. But the circumstances will indicate what collection steps, if any, are required. When that happens, care should be taken to achieve the best results with a minimum of offence to customers.

Failure to take action, mildly at first but with increasing severity, on an overdue account can only encourage the delinquent customer to pay even less attention to his obligations. But as the period for final action nears, a differentiation must be made between customers able but unwilling to pay and those willing but unable to pay or unable to pay within a reasonable time. In the latter case, patience may be less costly than legal action.

Just as a credit granting policy is important, so is a credit collection policy applied consistently and fairly, because it is the paid-up customer who can buy more, and because prompt settling of accounts eliminates expenses caused by slow payment.

FBDB Regional Offices:

Atlantic Region	1400 Cogswell Tower Scotia Square Halifax, N.S. B3J 3K1	(902) 426-7860
Quebec Region	4600 Place Victoria 800 Victoria Square Montreal, Que. H4Z 1C8	(514) 283-3657
Ontario Region	250 University Avenue Toronto, Ont. M5H 3E5	(416) 593-1144
Prairie & Northern Region	161 Portage Avenue Winnipeg, Man. R3B 0Y4	(204) 943-8581
British Columbia Region	900 W. Hastings Street Vancouver, B.C. V6C 1E7	(604) 666-8631

Economists' Corner

The Business Investment Climate in Canada — A Perspective

One of the more dynamic elements in the Canadian economy in both 1979 and 1980 is the surge of spending by business on new plant and equipment. It is important to relate clearly to what we mean by "investment." What we are dealing with here is not land but rather the outlays on tools, factories and mines from which eventually flow the goods and services which are required in the future to satisfy both domestic and external demand. The recent performance of the business capital goods sector is a bright spot in an otherwise sluggish recent trend in the Canadian economy.

It is interesting to note that spending by business on new plant and equipment is not an especially large proportion of the total Gross National Product. In the past decade, the capital goods sector (excluding housing) accounted for 13-15 per cent of total GNP. This is a much smaller proportion than, say, the consumer sector, with more than 60 per cent. Certainly, the government sector and the external trade sector, either exports or imports, are proportionally larger.

However, traditionally, business capital formation has been one of the more volatile elements in the Canadian economy since bursts of capital spending by business have often been followed by lulls. A case in point is the major boom in the *volume* of business capital spending which averaged 10 per cent a year in the period 1973-5 followed by three years (1976-1978) in which it barely averaged one per cent a year. This slowdown was followed by the surge which is currently being experienced.

Thus in *economic terminology* it is fair to say that the capital goods sector is one of the prime movers of the business cycle, alternatively reinforcing boom conditions or contributing to recessionary tendencies in the economy.

Over the longer haul, however, this sector has grown somewhat faster than the rate of real Gross National Product. For example, in the decade 1969-1979 the real output of goods and services (*excluding* business capital formation) increased at an average annual rate of 4.0 per cent compared with a 5.4 per cent growth in real business capital formation.

This undoubtedly was one of the factors which account for the fact that during the decade 1969-1979 Canada experienced an economic growth rate second only to that of Japan among major industrial countries of the 24-member Organization for Economic Co-operation and Development. Canada also experienced a record of employment growth second to none among comparable industrial countries. It may be noted for example, that Canada's G.N.P.

growth rate for this entire decade (4.2 per cent) compares most favourably with a 2.9 per cent annual increase in the United States.

The strength or weakness in the business capital sector in turn has important implications for other sectors of the economy. Investment in modern technology for example can improve productivity and therefore improve Canada's international competitive position. Productivity gains are also important in offsetting cost increases and preventing supply shortages and bottlenecks.

Since Canada is highly dependent on imported capital goods, a surge in capital spending also has implications for our external trade balance. It is estimated that in current dollar terms well over 60 per cent of the machinery and equipment put in place by Canadian business consists of imported capital goods. On a per capita basis it is probable that we are the leading major industrial country in terms of purchasing machinery and equipment from abroad.

In several ways investment in Canada is unique. The relatively high proportion of foreign ownership and control in Canada's manufacturing and resource industries means that investment in Canada must compete with alternative investment opportunities from the point of view of many major multinationals. Therefore the capital investment climate in Canada is of major importance to our future prosperity. Our investment sector is unique, too, because our tendency to borrow capital from abroad (either in equity or debt form) has meant ever-increasing net flows of interest and dividends abroad.

Factors affecting the general business investment climate are too numerous to mention in detail. Certainly they include relative wage levels and unit labour costs, pressure on existing plant capacity (capacity utilization rates), interest rates, tariffs, transportation costs, energy costs, availability of resources, profit expectations, tax treatment, market outlook, and so forth. Therefore, the regular soundings of businessmen regarding their investment intentions or plans is an important element in the short and medium-term economic outlook and has implications for monetary and fiscal policies as well as for Departmental policy and planning decisions.

The Department of Industry, Trade and Commerce has for a considerable period of time been carrying on twice a year surveys of the business capital intentions of some 300 large firms. The corporations involved in this Survey account for some two-thirds

of total non-agricultural business spending on new plant and equipment in the Canadian economy.

The Survey is unique in the sense that direct personal contact is established with the responding firm. Both a telephone survey (April-May) and a field survey (October-November) are conducted in order to provide data to periodically update the capital investment intentions both in the short-run and in the medium term.

The Survey provides a valuable opportunity to secure qualitative as well as quantitative information on factors affecting the current and prospective capital investment climate. The Survey questionnaire is flexible in the sense that while a core set of questions is used, new questions can be added or deleted according to the circumstances. The Survey reinforces the regular Statistics Canada survey of Public and Private Investment which is conducted by means of a mailed questionnaire, with the data tabulated on an establishment rather than corporate basis. The main thrust of the IT&C Large Firm Survey is towards *explaining* changes in investment intentions. The Large Firm Survey elicits information on planned spending by business on a regional, sectoral and domestic-versus-foreign controlled basis. As such it is useful in identifying the factors most prominently influencing current and prospective capital investment plans, such as financing, production capacity, the outlook for sales, exports and profits, cost factors and the impact of government policies. As well, the data collected for the large firms can, with adjustment, be used to predict actual capital spending by the entire business capital sector in the year ahead. Special attention can be paid as well to sectors where particular influences are at work, such as the energy related sectors and the automotive industry.

The most recent large firm survey was carried out under the direction of the Capital Expenditures Group of Economic Policy and Analysis of the Department of Industry, Trade and Commerce. This Survey conducted in April 1980 suggested that the increase in real spending by business on new plant and equipment may be in the range of 5-7 per cent this year. While this increase is not as buoyant as the 9.4 per cent increase (national accounts basis) estimated for 1979, it does indicate this sector will continue to be one of the major dynamic influences in the Canadian economy this year in an otherwise slow growth economy. In contrast, consumer spending, government spending, housing and the external trade sector will contribute little strength to the Canadian economy in the short term.

A comparison of this April's Survey results with those of the October 1979 Survey shows a strengthening of earlier investment plans for 1981 to 1984.

Economic Intelligence Branch
Industry, Trade and Commerce
Tel: (613) 995-6480

The upcoming international conference of the Canadian Association — Latin America and the Caribbean (CALA) to be held in Toronto October 5 to 7, prompted Commerce to invite the organization's distinguished Executive Director to tell our readers something of the conference in particular and his Association in general. This he does in the following article and he, in turn, invites those among our readers who would be interested, to participate in the conference at the Royal York Hotel.

CALA Works to Strengthen Economic Ties

by Keith O. Hillyer



CALA members on the site of the ITAIPU hydro-electric power project. This visit was part of the itinerary of the CALA Mission to Argentina, Uruguay and Paraguay April 25-May 6, 1980.

The Canadian Association — Latin America and the Caribbean (CALA) has devoted its 12 years of existence to the promotion of trade, commerce and investment between Canada and the countries of the region. A non-profit organization, it now represents more than 230 major Canadian member companies committed to strengthening the economic ties within the Americas. There is good future for Latin America and the Caribbean countries for they benefit from near limitless resources of energy, minerals and food. Their people are hardworking and industrious, rapidly attaining standards of living which promote self-sufficiency within their individual economies, and *technology* is the vital process which brings these human and physical resources into useful service for the global community. Found in different stages of development, technology provides one of the keys that opens up the hidden resources of the Amazon or the Arctic and puts them to work for mankind. Therefore, the transfer of that technology from its source to its application is one of the major problems of economic development in this century.

Aware of this factor, CALA has chosen *technology* as the theme of its upcoming Conference, October 5-7, 1980, in Toronto. CALA VIII — "Technology in the Americas,"

will discuss not only new technological developments in the areas of energy, communications, urban development, food and resources, but also study mechanisms to exchange and apply these technologies. Papers will be presented at eight different workshops by Canadian, Latin American and Caribbean panelists. More than 500 delegates are expected at CALA VIII, of which some 100 will be senior officials and businessmen from the region. Planned to coincide with the Conference are two major missions from Brazil and Argentina.

Keynote speakers for the plenary sessions and social functions will include the Vice-President, Latin America, of the World Bank, Nicolas Arditto Barletta; the Argentine Minister of the Economy, José A. Martínez de Hoz; the President of the Forum Das Americas, Mario Garnero and the President of the Inter-American Council for Commerce and Production (CICYP), José Represas.

Participating Canadian business leaders and government officials include Alfred Powis, Chairman and Chief Executive Officer, Noranda Ltd.; Forrest L. Rogers, Economic Adviser of the Bank of Nova Scotia, and H.F. Gautrin, Chairman, the Foundation and Janin Companies.

The presence of senior Canadian trade

commissioners from most countries of Latin America and the Caribbean, arranged through the courtesy and assistance of the Department of Industry, Trade and Commerce, will be another very special feature of CALA VIII. They will present an outlook on export opportunities in the countries in which they hold a post. The trade commissioners will be available to Canadian participants for private interviews throughout the CALA VIII Conference.

CALA has an Information Centre that maintains for its members the most complete collection in Canada of current information on economic and business conditions and opportunities for all of Latin America and the Caribbean countries.

CALA also organizes missions in order to establish and develop contacts with the private and government sectors in the region. So far, in 1980, such missions have already visited Venezuela, Brazil, Argentina, Uruguay and Paraguay, while another major one is scheduled for Chile, Bolivia and Peru in early November.

Another feature that makes CALA unique in Canada is the creation of **bilateral committees** to promote closer ties and to increase Canadian trade and investment opportunities. We now have such bilateral groups with Mexico, Colombia, Venezuela and Chile.

As a representative of the Canadian private sector, CALA organizes for its members an **annual meeting with senior government officials in Ottawa** to express their views and concerns with regard to government policies and programs related to Latin America and the Caribbean.

Regular two-day **seminars at the I.D.B. and the World Bank in Washington** are held each year to assist members in obtaining a better understanding of the work of and the opportunities offered to Canadians by such institutions.

CALA wishes to invite Canadian companies who are interested in doing business in Latin America and the Caribbean to write in for more information on how to become a member.

Canadian Association/
Latin America and Caribbean
42 Charles Street East
Toronto, Ont.
M4Y 1T4

Mission to Mexico Reveals Significant Sales Potential

On his return to Ottawa last June the Minister of State for Trade expressed satisfaction with the results of his five-day industrial co-operation mission to Mexico. The Hon. Ed Lumley was accompanied by 17 top executives of Canadian firms from the telecommunications and satellite communications, transportation, nuclear, mining, forestry and fisheries industries.

The mission was in response to the interest, expressed by President José Lopez Portillo and his ministers during their visit to Canada at the end of May, in closer economic ties and in the need for more diversified industrial co-operation between Canada and Mexico.

"Coming three weeks after the President's visit to Canada," Mr. Lumley said, "we impressed our Mexican counterparts and the President himself with our sincerity and determination to translate industrial co-operation into something real and vital." This mission to Mexico was to follow up possibilities of Canadian participation in sectors identified by the President and his ministers as priorities in Mexico's industrial and economic development program. These sectors included transportation, mining, energy development, and power generation, agricultural technology, fisheries, forestry, telecommunications and satellite communications and nuclear energy. These are all areas where Canada has internationally demonstrated expertise. The mission members were selected on the basis of these sectors.

Mr. Lumley said the objective was to identify and pursue specific projects or areas of co-operation and to provide a ministerial presence in support of our business community.

The mission members met with Mexican ministers, senior business executives and public officials to talk about investments, transfer of technology, and supply of goods and services. The Minister also discussed bilateral trade and agricultural co-operation.

Some of the highlights of the mission were:

- Northern Telecom Canada Ltd. of Toronto signed a joint venture agreement with Grupo Alfa S.A. of Monterrey, Mexico, for the manufacture of computerized business telephone equipment.
- A Memorandum of Understanding on agricultural co-operation was signed. This arrangement will provide for transfer of technology in agricultural and veterinary sectors, exchanges of scientists and students and joint research projects. This will open new and expanded opportunities for Canadian exports for agricultural development.
- Discussions between Quebec Hydro International and C-F-E (the Mexican Federal Electricity Commission) are leading towards an agreement to be signed soon for the mutual exchange of electrical power technology including power generation and transmission, research and training. This too will open doors for Canadian exports of equipment and services.

- A joint venture between Canadian and Mexican companies on mining equipment will be concluded shortly.

- A Memorandum of Understanding on tourism co-operation was signed.

- The Minister participated in A.E.C.L.'s presentation of its feasibility study, commissioned by the Mexican Federal Electricity Commission, on the use of the CANDU reactor for Mexico's development program.



- In the fall, the Mexican Secretary of Commerce will visit Canada to conclude arrangements for the supply of Canadian wheat, rapeseed and skim milk powder as well as corn and beans to meet Mexico's additional requirements in 1980-1981.

- The Mexican Department of Human Settlements (Urban Affairs) and Public Works will be sending a mission to Canada to study Canadian transportation and urban planning methods, with a view to concluding an urban transportation co-operation agreement. Discussions are also being held to further exchanges between the Department of Human Settlements and Public Works and the Montreal Urban Community. This will lead to increased opportunities for Canadian exports of urban mass transit technology and equipment to Mexico.

Mexico, with the world's fifth-largest proven oil reserves, will earn an estimated

\$11 to \$14 billion from petroleum exports this year. Much of this petrodollar income will be invested in priority projects needed to expand the country's industrial infrastructure and will include buying foreign technology and products to speed the process. Mexico also plans to direct part of its oil revenues to improving its agriculture and fisheries production in order to solve its continuing problem of being a major importer of food for its 70 million population.

While Canadian sales to Mexico grew by only three per cent in 1979, they jumped by 120 per cent in the first quarter of 1980, showing the rich potential offered by this rapidly expanding market.

Mexico holds great promise as a market for machinery and equipment related to such sectors as mining, fisheries, forestry, oil, gas, and electric power generation. Also, Canadian companies should be willing, at the outset, to discuss manufacturing under license, co-production or joint ventures as in many cases joint ventures will offer the best chance of success.

For more information, contact:

Latin America Division
Western Hemisphere Bureau
Department of Industry, Trade and Commerce
235 Queen Street
Ottawa, Ontario K1A 0H5
Tel: (613) 996-5546
or the Dept. of IT&C's Regional Office in your province.

The following projects are some of the priorities in Mexico's industrial and economic development program: (a) Mexico Metro — Phase III (67 km of track and stations plus ancillary equipment by 1982); (b) expansion and electrification of Mexican railways; (c) electric power generation and transmission; (d) joint ventures with electrical equipment manufacturers; (e) satellite communications; (f) opportunities for investment, joint ventures, and provision of mining and metallurgical services and manufacturing of mining equipment; (g) joint ventures in agricultural machinery and agro-industrial machinery; (h) joint ventures in fisheries and aquaculture; (i) joint ventures to manufacture equipment for the pulp and paper industry; (j) various housing projects, road, and wharves.

Firms interested in discussing these business opportunities in more detail should contact:

For a, b, c, d, e, f — John Pearce, Office of Overseas Projects, IT&C, Tel: (613) 996-5357;

For g — B. Wilson, Agriculture Canada, Tel: (613) 995-5880;

For h — David Knowles, Department of Fisheries and Oceans, Tel: (613) 996-1216;

For i — Omar Poirier, Machinery Branch, IT&C, Tel: (613) 992-0096.

For j — Hubert Larose, Construction and Consulting Services Branch, IT&C, Tel: (613) 992-0028.

Multilateral Project Opportunities

Now is the time to examine the following list of projects which are being considered for financing, or have been approved by the various multilateral development banks and the United Nations Development Program. These organizations spend approximately \$25 billion each year on projects throughout the world. Small firms may be successful in obtaining orders by acting as sub-suppliers or as part of a consortium.

The term "Multilateral" refers to large international organizations where the institution is supported through contributions by several countries. Their goal is to stimulate economic growth and social development in third world countries.

The World Bank is a group of three institutions, the International Development Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), and the International Finance Corporation (IFC).

The common objective of these institutions is to improve the standards of living in developing countries by channeling financial resources from developed countries such as Canada to the developing world.

In 1945, the IBRD commonly known as the World Bank, was established and has a membership of some 134 countries. The IBRD, whose capital is subscribed by its member countries, finances its lending operations primarily from its own borrowings in the world capital markets. The Bank's charter spells out certain basic rules that govern its operations. It must lend only for productive purposes and must stimulate economic growth in the developing countries receiving the loan.

The International Development Association (IDA) was established in 1960 to provide assistance for the same purposes as the World Bank, but to the poorer developing countries on highly concessional terms. These countries normally have a per capita income of less than \$581 (in 1977 dollars). More than 50 countries are eligible. Although legally and financially distinct from the World Bank, IDA is administered by the same staff.

The International Finance Corporation (IFC) was established in 1956. Its function is to assist the economic development of less developed countries by promoting growth in the private sector and helping to mobilize domestic and foreign capital for this purpose. Legally and financially, the IFC and the World Bank are separate entities. The Corporation has its own operating and legal staff, but draws upon the IBRD for administrative and other services.

The Inter-American Development Bank (IADB) is a regional development bank established in 1959 to help accelerate economic and social development in Latin America and, like the World Bank, is headquartered in Washington, D.C. In its 21 years of operations, the Bank has become a major catalyst in mobilizing resources for the development of Latin America. In fact, it has helped to provide, secure and organize financing for projects which represent a total investment of more than \$61 billion. The Bank has also fostered a more equitable distribution of the benefits of development, particularly through its pioneering role in financing social projects designed to improve the quality of life of the lower income sectors of the region.

The Asian Development Bank (AsDB) is located in Manila, Philippines and is considered to be one of the larger regional banks. Over the period 1967-1978, the AsDB has provided an estimated U.S. \$5.4 billion for approximately three hundred projects. Since its inception in 1967, the Bank's lending operations has included projects in the following sectors: irrigation, fishing, loans to Development Finance Institutions, power, water and sewerage, port development, transportation, education, housing and health services.

At present, Canada is a member of the African Development Fund headquartered in Abidjan, Ivory Coast. The Fund finances projects in the African region on concessional terms. In 1978, the Fund approved financing for U.S. \$172.12 million for approximately U.S. \$388.04 million in projects. Over the past year, Canada and other developed countries have been negotiating their membership to the African Development Bank. Canadian firms will be eligible to bid on Bank financed projects in 1981 when Canada will have officially joined the Bank.

The Caribbean Development Bank (CDB), established in 1970, is a relatively small regional bank which is supported by 18 regional members and by two non-regional members, namely Canada and Great Britain. The amount of business being conducted by the CDB is approximately \$92 million. The CDB is headquartered in Bridgetown, Barbados.

The United Nations Development Program (UNDP) is a multilateral development institution affiliated with the United Nations headquartered in New York, U.S.A. Largely, the UNDP offers technical expertise in various industrial sectors.

The preceding information is intended to provide exporters with a brief description of the various functions and activities of the International Financing Institutions located throughout the world.

The project information supplied hereafter provides exporters with advance knowledge of upcoming opportunities and an idea of the sales potential.

If any of these projects interest you, contact:

The Office of Overseas Projects,
Department of Industry, Trade and Commerce,
235 Queen Street,
Ottawa, Ontario.
K1A 0H5

or call the telephone numbers which are listed.

*For other information sources, see note at the end of listings.

Projects Under Consideration

AFRICA/MIDDLE EAST (613) 995-7752

BURUNDI

Contact: *Pierre-André Rolland*
Hydropower I —
World Bank (IDA) — \$15.0 M. (approx)

CAPE VERDE

Contact: *Pierre-André Rolland*
Inter-island shipping —
World Bank (IDA) — \$10.0 M.

CONGO, PEOPLE'S REP OF

Contact: *Pierre-André Rolland*
Rehabilitation and expansion of river transport services —
World Bank (IDA) — \$10.0 M.

DJIBOUTI

Technical Assistance —
World Bank — To be determined

EGYPT

Gas Exploration —
World Bank (IBRD) — Amount to be determined

Abu Qir offshore natural gas —
World Bank (IBRD) — Amount to be determined

KENYA

Contact: *Scott Reid*
Petroleum Exploration Promotion —
World Bank (IDA) — \$5.0 M.

MADAGASCAR

Contact: *Pierre-André Rolland*
Middle West Mixed Farming —
World Bank (IDA) — \$10.0 M.

Highways VI —
World Bank (IDA) — \$25.0 M.

MALAWI

Contact: *Scott Reid*
Structural Adjustment Loan —
World Bank (IBRD/IDA) — \$25.0 M. (approx)

NIGER

Contact: *Pierre-André Rolland*
Technical assistance for project preparation and to strengthen planning —
World Bank (IDA) — \$9.0 M.

NIGERIA

Contact: *Scott Reid*
Third Urban Development —
World Bank (IBRD) — Amount to be determined

Sardauna Agricultural Development —
World Bank (IBRD) — \$60.0 M.

RWANDA

Contact: *Pierre-André Rolland*
Bugesera (Phase II) —
World Bank (IDA) — \$15.0 M.

SENEGAL

Contact: *Pierre-André Rolland*
Technical Assistance Project —
World Bank (IDA) — \$5.0 M.

Loan for Structural Adjustment —
World Bank — To be determined

TUNISIA

Contact: *Roger Beare*
Power distribution in rural and urban areas —
World Bank (IBRD) — Amount to be determined

YEMEN, ARAB REP

Contact: *Peter Furesz*
Rural Infrastructure —
World Bank (IDA) — Amount to be determined

YEMEN, PEOPLE'S DEM REP

Contact: *Peter Furesz*
Education III —
World Bank (IDA) — Amount to be determined

ZAIRE

Contact: *Pierre-André Rolland*
Water Supply II —
World Bank (IDA) — \$10.0 M.

Highways V —
World Bank (IDA) — \$20.0 M.

ZAMBIA

Contact: *Scott Reid*
Water Supply II —
World Bank (IDA) — \$10.0 M. (approx)

ASIA/PACIFIC (613) 996-8661

BANGLADESH

Contact: *Bob Evans*
Imports Program IX —
World Bank (IDA) — Amount to be determined

Power II —
World Bank (IDA) — Amount to be determined

WDB Sector Credit —
World Bank (IDA) — Amount to be determined

Barisal Patuakhali —
World Bank (IDA) — Amount to be determined

Program loan for Public Health —
Asian Development Bank (AsDB) — \$13.0 M. (approx)
No consultants required

Small Farmers Agricultural Credit —
Asian Development Bank (AsDB) — Nil (for financing by IFAD)
Consultants will be recruited by Executing Agency

BURMA

Contact: *Bob Evans*
Rice Storage —
Asian Development Bank (AsDB) — \$16.0 M.
No decision whether consultants required

INDIA

Contact: *Bob Evans*
West Bengal Project Social Forestry —
World Bank (IDA) — \$100.0 M.

Rainfed Agriculture Project —
World Bank (IDA) — \$25.0 M.

Erosion and Flood Control —
World Bank (IDA) — \$25.0 M.

Forestry Industry —
World Bank (IDA) — \$100.0 M. — \$125.0 M.

Upper Ganga Irrigation —
World Bank (IDA) — \$70.0 M.

Power —
World Bank (IDA) — \$250.0 M.

Nhava Sheva Port —
World Bank (IDA) — \$250.0 M.

Composite Agriculture Extension II —
World Bank (IDA) — \$25.0 M.

Agricultural Refinance & Development Corp Credit IV —
World Bank (IDA) — \$250.0 M.

Gujarat Water Supply & Sewerage —
World Bank (IDA) — \$100.0 M.

INDONESIA

Contact: *J. Brenchley*

Water Supply Sector Loan —
Asian Development Bank (AsDB) — \$30.0 M.
No decision whether consultants required

Vocational Education —
Asian Development Bank (AsDB) — Amount to be determined
No decision whether consultants required

Simalungun-Arakundo/Jambu Aye Irrigation —
Asian Development Bank (AsDB) — Amount to be determined
Consultants will be recruited by Executing Agency

Sulawesi Area Development —
Asian Development Bank (AsDB) — Nil (for financing by IFAD)
Consultants will be required

KOREA

Contact: *Helen MacNicol*
Agriculture Credit III —
World Bank (IBRD) — \$60.0 M.

LAOS, PEOPLE'S DEM REP

Contact: *Jack MacLeod*
Agricultural Rehabilitation and Development IV —
World Bank — To be determined

Power Development —
World Bank — To be determined

Ngon Rehabilitation and rice mill —
Asian Development Bank (AsDB) — Amount to be determined
No decision whether consultants required

Vientiane Plain Road Improvement —
Asian Development Bank (AsDB) — \$6.0 M. (approx)
Consultants will be recruited by Executing Agency

Mini-Hydropower Plants (T.A.) —
Asian Development Bank (AsDB) — Amount to be determined
Consultants will be recruited by Bank

MALAYSIA

Contact: *John Brenchley*
North Peninsular Irrigation —
World Bank (IBRD) — \$75.0 M.

Small Scale Enterprise —
World Bank (IBRD) — \$20.0 M.

Road Construction —
World Bank (IBRD) — \$50.0 M.

Malacca Agricultural Development —
World Bank (IBRD) — \$75.0 M.

Vocational Education —
Asian Development Bank (AsDB) — Amount to be determined
No decision whether consultants required

Hospitals and Rural Health Centres —
Asian Development Bank (AsDB) — Amount to be determined
Consultants will be recruited by Executing Agency

Rural Water Supply —
Asian Development Bank (AsDB) — Amount to be determined
Consultants will be recruited by Executing Agency

NEPAL

Contact: *Bob Evans*

Small Farmers Development —
Asian Development Bank (AsDB) — Nil (for financing by IFAD)
Consultants will be recruited by Executing Agency

On-Farm Irrigation and Water Management (T.A.) —
Asian Development Bank (AsDB) — Amount to be determined
Consultants will be recruited by Bank

PAPUA NEW GUINEA

Contact: *Mary Vandenhoff*

Tonolei Forestry (T.A.) —
Asian Development Bank (AsDB) — Amount to be determined
Consultants will be recruited by Bank

PAKISTAN

Contact: *Bob Evans*
Fertilizer Imports —
World Bank (IDA) — \$50.0 M.

Second National Development Finance Corp —
Asian Development Bank (AsDB) — Amount to be determined
No decision whether consultants required

On-Farm Water Management —
Asian Development Bank (AsDB) — Amount to be determined
No decision whether consultants required

Sui Gas Compression Stations —
Asian Development Bank (AsDB) — \$15.0 M.
No decision whether consultants required

Sind Livestock Development (T.A.) —
Asian Development Bank (AsDB) — Amount to be determined
Consultants will be recruited by Bank

PHILIPPINES

Contact: *Jack MacLeod*
Rural Development IV —
World Bank (IBRD) — \$85.0 M.

Rural Electrification II —
World Bank (IBRD) — \$85.0 M.

Communal Irrigation —
World Bank (IBRD) — \$50.0 M.

Smallholder Dairy Development —
Asian Development Bank (AsDB) — Amount to be determined
No decision whether consultants required

Power Transmission and Distribution —
Asian Development Bank (AsDB) — \$50.0 M. (approx)
No decision whether consultants required

Palawan Integrated Area Development —
Asian Development Bank (AsDB) — Amount to be determined
No decision whether consultants required

Vocational/Technical Education —
Asian Development Bank (AsDB) — \$18.0 M. (approx)
No decision whether consultants required

SOLOMON ISLANDS

Contact: *Mary Vandenhoff*
Multisector credit —
World Bank (IDA) — \$5.0 M.

SRI LANKA

Contact: *Bob Evans*
West Coast Fisheries Development —
Asian Development Bank (AsDB) — Amount to be determined
No decision whether consultants required

Community Forestry (T.A.) —
Asian Development Bank (AsDB) — Amount to be determined
Consultants will be recruited from FAO

THAILAND

Contact: *Helen MacNicol*
Energy Sector Loan —
World Bank (IBRD) — Amount to be determined

Irrigation XIII —
World Bank (IBRD) — \$120.0 M. (approx)

Population/Health II —
World Bank (IBRD) — \$50.0 M.

Village Electrification —
Asian Development Bank (AsDB) — \$38.0 M.
No decision whether consultants required

Airborne Geophysical Survey —
Asian Development Bank (AsDB) — \$14.0 M. (approx)
Consultants will be required.

WESTERN SAMOA

Contact: *Mary Vandenhoff*
Livestock Development —
Asian Development Bank (AsDB) — Nil (for financing by IFAD)
No decision whether consultants required

WESTERN HEMISPHERE/EUROPE (613) 996-5357

ARGENTINA

Contact: *J. G. Carson*
Coal Development —
World Bank (IBRD) — \$10.0 M.

BOLIVIA

Contact: *Fred Spoke*
Structural Adjustment Loan —
World Bank (IBRD) — \$50.0 M.

BRAZIL

Contact: *J. G. Carson*
Northwest Development II —
World Bank (IBRD) — \$40.0 M.

Northwest Development IV —
World Bank (IBRD) — \$70.0 M.

Rural Development —
World Bank (IBRD) — \$30.0 M.

COLOMBIA

Contact: *Fred Spoke*
Ports —
World Bank (IBRD) — \$50.0 M.

Pilot project to develop support system for watershed area
and preventing erosion —
World Bank (IBRD) — \$5.0 M.

ECUADOR

Contact: *Fred Spoke*
Urban Development II —
World Bank (IBRD) — \$25.0 M.

PANAMA

Contact: *R. Harris*
Energy I —
World Bank (IBRD) — \$5.0 M.

PERU

Contact: *Fred Spoke*
Bayovar Engineering —
World Bank (IBRD) — \$7.5 M. (approx)

Mining II —
World Bank (IBRD) — \$50.0 M. (approx)

Siderperu T.A. —
World Bank (IBRD) — \$5.0 M. (approx)

PORTUGAL

Contact: *Milan Stolarik*
Expansion of Seixal Steel Plant —
World Bank (IBRD) — Amount to be determined

TURKEY

Contact: *Milan Stolarik*
Oil Exploration Project —
World Bank (IBRD) — \$15.0 M.

Follow-up to Structural Adjustment Loan II —
World Bank (IBRD) — \$50.0 M.

Structural Adjustment Loan II —
World Bank (IBRD) — \$200.0 M.

URUGUAY

Contact: *J. G. Carson*
Education II —
World Bank (IBRD) — Amount to be determined

YUGOSLAVIA

Contact: *Astrid Pacher*
Kosovo Railways —
World Bank (IBRD) — \$30.0 M. (approx)

Bosnia Agriculture —
World Bank (IBRD) — Amount to be determined

Macedonia Agriculture —
World Bank (IBRD) — Amount to be determined

Approved Projects

AFRICA/MIDDLE EAST (613) 995-7752

BURUNDI

Contact: *Pierre-André Rolland*
Urban Development —
World Bank (IDA) — \$15.0 M.

COMOROS

Contact: *Scott Reid*
Coconut Rehabilitation & Rodent Control —
World Bank (IDA) — \$5.2 M.

CYPRUS

Contact: *Scott Reid*
Power Transmission and Distribution —
World Bank (IBRD) — \$16.0 M.

EGYPT, ARAB REP

Industrial Development —
World Bank (IBRD) — \$30.0 M.

Cairo gas distribution —
World Bank (IDA) — \$50.0 M.

GHANA

Contact: *Scott Reid*
Highway III —
World Bank (IDA) — \$25.0 M.

KENYA

Contact: *Scott Reid*
Export Promotion —
World Bank (IDA) — \$4.5 M.

Fisheries —
World Bank (IDA) — \$10.0 M.

LESOTHO

Contact: *Scott Reid*
Urban Development —
World Bank (IDA) — \$6.0 M.

National Development Corporation —
World Bank (IDA) — \$4.0 M.

MADAGASCAR

Contact: *Pierre-André Rolland*
National Industrial Development Bank —
World Bank (IDA) — \$5.0 M.

MALI

Contact: *Pierre-André Rolland*
Industrial Development —
World Bank (IDA) — \$8.0 M.

MOROCCO

Contact: *Roger Beare*
Loukkos Rural Development —
World Bank (IBRD) — \$67.6 M.

NIGER

Contact: *Pierre-André Rolland*
Second Maradi Rural Development —
World Bank (IDA) — \$16.7 M.

Dosso Agricultural Development —
World Bank (IDA) — \$20.0 M.

NIGERIA

Contact: *Scott Reid*
Ekiti-Akoko Agricultural Development —
World Bank (IBRD) — \$32.5 M.

Sixth Highway —
World Bank (IBRD) — \$108.0 M.

OMAN

Contact: *W.J. Beeman*
First Telecommunications —
World Bank (IBRD) — \$22.0 M.

RWANDA

Contact: *Pierre-André Rolland*
Forestry & Livestock Development —
World Bank (IDA) — \$21.0 M.

SENEGAL

Contact: *Pierre-André Rolland*
Power Engineering & T.A. —
World Bank (IDA) — \$3.3 M.

SOMALIA

Petroleum Exploration Promotion —
World Bank (IDA) — \$6.0 M.

SUDAN

New Halfa Irrigation Rehabilitation —
World Bank (IDA) — \$40.0 M.

TANZANIA

Contact: *Scott Reid*
Smallholder Tea Consolidation —
World Bank (IDA) — \$14.0 M.

Songo Songo Petroleum Exploration —
World Bank (IDA) — \$30.0 M.

Rural Development Bank —
World Bank (IDA) — \$10.0 M.

TOGO

Contact: *Pierre-André Rolland*
Education I —
World Bank (IDA) — \$11.0 M.

TUNISIA

Contact: *Roger Beare*
Fourth Highway —
World Bank (IBRD) — \$36.5 M.

Second Natural Gas Pipeline —
World Bank (IBRD) — \$37.0 M.

UPPER VOLTA

Contact: *Pierre-André Rolland*
Niema Dionkele Rice Development —
World Bank (IDA) — \$6.5 M.

YEMEN, ARAB REP

Contact: *Peter Furesz*
Fisheries Development —
World Bank (IDA) — \$17.0 M.

YEMEN, PEOPLE'S DEM REP

Contact: *Peter Furesz*
Greater Aden Water Supply —
World Bank (IDA) — \$13.2 M.

Petroleum Exploration Promotion —
World Bank (IDA) — \$9.0 M.

ZAIRE

Contact: *Pierre-André Rolland*
 Smallholder Maize —
 World Bank (IDA) — \$11.0 M.

ZAMBIA

Contact: *Scott Reid*
 Railway III —
 World Bank (IBRD) — \$25.0 M; (IDA) — \$15.0 M.

ASIA/PACIFIC (613) 996-8661**Note:**

The Procurement is the same for all projects financed by the Asian Development Bank. Each supply contract for equipment or materials costing \$150,000 or more shall be awarded under international competitive bidding and under \$150,000 will be on the basis of international shopping.

BANGLADESH

Contact: *Bob Evans*
 Jute Industry Rehabilitation —
 World Bank (IDA) — \$20.0 M.

Fertilizer Industry Rehabilitation —
 World Bank (IDA) — \$20.0 M.

Mangrove Afforestation —
 World Bank (IDA) — \$11.0 M.

Fertilizer Imports —
 World Bank (IDA) — \$25.0 M.

BURMA

Contact: *Bob Evans*
 Nyaunggyat Dam Multipurpose —
 World Bank (IDA) — \$90.0 M.

Outports Project —
 Asian Development Bank (AsDB) — \$15.5 M.

FIJI

Contact: *Mary Vandenhoff*
 Second Power —
 World Bank (IBRD) — \$15.5 M.

INDIA

Contact: *Bob Evans*
 Karnataka Sericulture —
 World Bank (IDA) — \$54.0 M.

Calcutta Urban Transport —
 World Bank (IDA) — \$56.0 M.

Kerala Agricultural Extension —
 World Bank (IDA) — \$10.0 M.

Second Singrauli Thermal Power —
 World Bank (IDA) — \$300.0 M.

Development Finance Company (ICICI) —
 World Bank (IBRD) — \$100.0 M.

Rajasthan Water Supply and Sewerage —
 World Bank (IDA) — \$80.0 M.

INDONESIA

Contact: *J. Brenchley*
 Third Population —
 World Bank (IBRD) — \$35.0 M.

Ninth Power —
 World Bank (IBRD) — \$253.0 M.

KOREA

Contact: *Helen MacNicol*
 Agricultural Processing II —
 World Bank (IBRD) — \$50.0 M.

LAOS, PEOPLE'S DEM REP

Contact: *Jack MacLeod*
 Third Agricultural Rehabilitation and Development —
 World Bank (IDA) — \$13.4 M.

PAPUA NEW GUINEA

Contact: *Mary Vandenhoff*
 Third Highway —
 World Bank (IBRD) — \$17.0 M; (IDA) — \$13.0 M.

PAKISTAN

Contact: *Bob Evans*
 Credit for industrial development —
 World Bank (IDA) — \$40.0 M.

PHILIPPINES

Contact: *Jack MacLeod*
 Rural Roads Improvement —
 World Bank (IBRD) — \$62.0 M.

Third Ports —
 World Bank (IBRD) — \$67.0 M.

SRI LANKA

Contact: *Bob Evans*
 Telecommunications —
 World Bank (IDA) — \$30.0 M.

Second Water Supply & Sewerage —
 World Bank (IDA) — \$30.0 M.

Sixth Power —
 World Bank (IDA) — \$19.5 M.

THAILAND

Contact: *Helen MacNicol*
 Provincial Water Supply —
 World Bank (IBRD) — \$40.0 M.

Mae Moh Lignite —
 World Bank (IBRD) — \$72.0 M.

National Sites and Services —
 World Bank (IBRD) — \$56.4 M.

Second Accelerated Rural Electrification —
 World Bank (IBRD) — \$75.0 M.

WESTERN HEMISPHERE/EUROPE (613) 996-5357**ARGENTINA**

Contact: *J. G. Carson*
 Oil and Gas Engineering —
 World Bank (IBRD) — \$27.0 M.

BOLIVIA

Contact: *Fred Spoke*
 Structural Adjustment Loan —
 World Bank (IBRD) — \$50.0 M.

Gas and Oil Engineering —
 World Bank (IDA) — \$16.0 M.

BRAZIL

Contact: *J. G. Carson*
 Third Minas Gerais Water Supply and Sewerage —
 World Bank (IBRD) — \$139.0 M.

Northeast Basic Education —
World Bank (IBRD) — \$32.0 M.

Minas Gerais Second Rural Development —
World Bank (IBRD) — \$63.0 M.

COLOMBIA

Contact: *Fred Spoke*
Industrial Development VIII —
World Bank (IBRD) — \$150.0 M.

Guadalupe IV Hydro Power —
World Bank (IBRD) — \$125.0 M.

COSTA RICA

Contact: *R. Harris*
Fifth Highway —
World Bank (IBRD) — \$30.0 M.

ECUADOR

Contact: *Fred Spoke*
Small-Scale Enterprises —
World Bank (IBRD) — \$20.0 M.

Sixth Highway —
World Bank (IBRD) — \$55.0 M.

GUATEMALA

Contact: *R. Harris*
Highway Maintenance —
World Bank (IBRD) — \$17.0 M.

HONDURAS

Contact: *R. Harris*
Petroleum Exploration —
World Bank (IBRD) — \$3.0 M.

MEXICO

Contact: *J. G. Carson*
Apatzingan Irrigation —
World Bank (IBRD) — \$160.0 M.

Small and Medium Industry —
World Bank (IBRD) — \$100.0 M.

PANAMA

Contact: *R. Harris*
Colon Urban Development —
World Bank (IBRD) — \$35.0 M.

PARAGUAY

Contact: *J. G. Carson*
Industrial Credit & Regional Development II —
World Bank (IBRD) — \$31.0 M.

PORTUGAL

Contact: *Milan Stolarik*
Forestry —
World Bank (IBRD) — \$50.0 M.

Mechanical Industries —
World Bank (IBRD) — \$44.0 M.

ROMANIA

Contact: *Astrid Pacher*
Orchards Project —
World Bank (IBRD) — \$50.0 M.

TURKEY

Contact: *Milan Stolarik*
Livestock Development V —
World Bank (IBRD) — \$51.0 M.

Sumerbank Cotton Textile Rationalization —
World Bank (IBRD) — \$83.0 M.

Karakaya Hydropower —
World Bank (IBRD) — \$120.0 M.

***Note:**

Companies may also wish to subscribe to the U.N. publication "Development Forum: Business Edition" which is published bi-weekly and contains timely tender notices and advance information from all the major multilateral institutions. This journal, including the World Bank and Inter-American Development Bank Monthly Summaries, is available for U.S. \$250.00 per annum from either the United Nations, Palais des Nations, CH-1211, Geneva 10, Switzerland or United Nations Development Forum, Liaison Unit, E-1035, The World Bank, 1818-H Street, N.W., Washington, D.C. 20433. Companies interested *only* in the World Bank Monthly Summary can obtain them for U.S. \$60.00 per annum from World Bank Monthly Operational Summary of Proposed Projects, Johns Hopkins University Press, Journals Div., 34th & Charles Streets, Baltimore, Maryland 21218 U.S.A.

Companies interested in the Asian Development Bank Operational Information, since it is not included in Development Forum, may obtain it from Operational Information, Information Office, Asian Development Bank, P.O. Box 789, Manila, Philippines for a yearly cost of U.S. \$28.00.

Argentina

In order to improve ports handling operation the Argentine Harbours Authority has announced that effective July 15 all shipments to Argentina must comply with the following packing regulations.

- A. Identification of cases should coincide with the export and/or transit documentation indicating clearly, in Spanish, marks, number of cases and port of destination.
- B. Whenever possible the merchandise must be sent either in containers, units or on pallets, according to maritime freight standards.
- C. When necessary the merchandise must be packed and baled to withstand rough handling, in addition to being properly insulated against humidity and high temperatures.
- D. All merchandise that is palletized must be strapped.
- E. Bags that cannot comply adequately with (B) must be preslung for easy handling. The bags with identification inscriptions or numbers should be packed in such a way that the identification is clearly legible without unpacking the parcels.
- F. The pallets should be up to I.S.O standards or equivalent and should be strong enough to resist the handling from the place of origin to the consignee.
- G. The straps must have adequate tension to keep the merchandise in its position and to avoid damage. The straps should not damage the merchandise but withstand rough handling.
- H. Merchandise requiring big boxes should have a strong platform underneath and hooks to facilitate the transportation by mechanical means (fork lift trucks, or cranes). In all cases the packaging must be structurally strong enough for its handling.

EDC Assists Sale of Log Skidders to Yugoslavia

The Export Development Corporation (EDC) recently concluded a supplier credit arrangement to support the sale of eight log skidders to Yugoslavia.

The "Tree Farmer" log skidders, built by Hawker Siddeley Canada Ltd. (HSC), Forestry Equipment Division, Mississauga, were sold to Sipad Ro Export-Import, Sarajevo, Yugoslavia. Due to commercial confidentiality, EDC cannot release the amount of the agreement or the sale price at this time.

The Forestry Equipment Division of HSC has been manufacturing the Tree Farmer log skidder since 1961. Over the past two years, they have gained wide acceptance in Western European countries. This is the ninth HSC export sale supported by EDC financing. Previous agreements have totalled approximately \$85 million.

Sipad Ro Export-Import is a division of Sipad, one of the largest work organizations in Yugoslavia. Sipad has embarked on a modernizing program for its forestry operation.

EDC is a Canadian Crown corporation that provides a wide range of insurance, guarantee and loan services to Canadian exporters and foreign buyers in order to facilitate and develop export trade.

Want to get ahead? Advance to the rear!

The last person interviewed for a job has an overwhelmingly better chance of being hired than any of the preceding candidates, according to a study conducted by Robert Half, Inc., the world's largest financial executive, accounting and data processing recruiters.

The study was based on a sampling of positions recently filled by 40 of the Half organization's 70 offices. The number of people employers interviewed for each job opening included in the study ranged from two to six. The positions paid salaries ranging from \$22,500 to \$70,000.

The study revealed that the last candidate interviewed was hired 55.8 per cent of the time, while the first person interviewed got the job in only 17.6 per cent of the cases.

In commenting on the study, Robert Half, who heads the firm, said: "It would appear that many employers are heeding that old baseball adage about never hitting the first ball pitched. "But," he observed, "just as a batter may be missing an opportunity for a home run, an interviewer may be rejecting an eminently qualified job candidate." Half suggested that after an interviewer has seen a number of people, he or she may not be able to fully recall their initial impressions of the earlier candidates, and that their perspective — and their hiring decision — may be unduly influenced by this factor. He advises employers to prepare a detailed rating sheet which they should fill out immediately after each interview. "Such a form," says Half, "would provide interviewers with a more accurate and comprehensive picture of each candidate's assets and liabilities. It would be an invaluable tool in assuring that positions are filled by the best-qualified candidates."

Robert Half, Inc. has 70 offices throughout the United States, Canada and Great Britain.

High Technology Conference Focuses on Research Financing

Canada's industrial strategy, the cost and allocation of research and development funds, and the ability of businesses to adapt to rapid change — all are major topics to be discussed at the two-day Financial Post Conference being held October 8-9 at the Skyline Hotel in Ottawa.

Featured speaker will be the Hon. Herb Gray, Minister of Industry, Trade and Commerce

Staged in association with Air Canada, the Conference will be chaired by Neville J. Nankivell, Editor, The Financial Post.

For more information contact:

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