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**Opportunities in Mining — Page 10**

**HiTec '81 — Trade Commissioners  
Meet Clients — Page 14**

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**Editor:**  
Anna Hibberd

**Contributing editors:**  
Don Wight  
Bob McDonell  
Shirley Plowman

**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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George Hunter  
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Morton Beebe  
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E. Wheeler  
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Luis Villota  
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Harald Sund  
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**Please note that Canada Commerce is  
available free of charge in Canada only  
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and business persons.**

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Minister of Industry, Trade and Commerce

**The Honourable Charles Lapointe**  
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**The Honourable Edward C. Lumley**  
Minister of State  
for Trade

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**Editorially speaking. . . . .**

One-stop shopping is a marvellous modern convenience. Think of the joy of moving to a new neighbourhood and discovering that one's favourite super-market chain has a branch nearby — with a liquor store and a brewers' retail right next door! Or whatever other mixture of suppliers it might take to suit individual tastes and needs.

Much more than a convenience, however, is the type of one-stop shopping spoken about in this issue of Commerce. This represents a reorganization within IT&C to provide the Canadian business community involved in export marketing with a single "Bureau" source of a variety of aid and information.

It means for example that a Canadian manufacturer interested in exploring the possibilities of exporting to the United States will find all the information needed concerning, say, trade fairs or missions, available program assistance, or an assessment of market potential, all under one Bureau roof — in this case the U.S. Market Development Bureau (see page 18).

The four newly created geographic area Bureaux with all their facilities are now in place. Why not take advantage of them?

Here's to one-stop shopping!

A.H.

**The doors are open, the scene is set — awaiting Canadians to participate in an exciting new market**

## **Report from Peru** **by Tom Parrott, Commercial Counsellor**

**P**eru, one of the long time trading nations of Western South America, has been experiencing an economic revival since early 1979 which has made it one of the most promising markets in South America.

In June 1978, the Peruvian economy was at its lowest point and the Peruvians were forced to negotiate new standby credits with the IMF while instituting a series of strict economic measures, including severe restrictions on the importation of foreign goods.

Since late 1978 and early 1980, the economy experienced a remarkable recovery. Petroleum exploration in the jungle resulted in important discoveries, adding Peru to the few countries of the world fortunate enough to be a part of the exclusive club of oil exporters. High spot market prices and the coincidence of high mineral prices from the mining sector improved the country's balance of payments to such an extent that the planned rescheduling of the debt position for late 1979 was called off.

In the fall of 1980 the international financial world rediscovered Peru. EDC and Canadian banks, which had maintained an exposure in Peru, led the way back to this expanding market place.

In July 1980, the democratically elected government of President Fernando Belaunde was inaugurated, ending twelve years of military rule. The new government is encouraging foreign investment to aid in the development of the resource and manufacturing sectors. Tax legislation has been passed (or in some cases is in the process of approval) providing for incentives for the return of foreign capital to Peru. Product import restrictions were virtually removed by the former government but high tariffs were left in their place. Tariffs have since been reduced to a maximum of 60 per cent (tariffs range from between 20 per cent and 60 per cent) and Peruvians are now on a buying spree involving everything from small consumer goods to heavy mining equipment.

For example, in a mining and food

processing fair in Lima last November, 17 Canadian companies exhibited their wares and sold \$3 million worth of equipment and services during the 10-day period with a solid \$20 million sales potential to look forward to in 1981. In 1980 Canada doubled its exports of "value added" to Peru and in 1981 Canada is expected to once again double these trade figures. Canada is planning to participate in the Lima Fair again in November 1981. While the theme is general in nature, the focus will be on petroleum, forestry, mining and electronics.

### **Markets in Peru**

The resource and geographic similarities between the two countries make Canada a logical supplier of technology and goods in almost all sectors of the Peruvian economy. The fishing, agriculture, hydro-electric, petroleum, mining, forestry, transportation and communications sectors offer significant potential for Canadian exporters.

The need for development in these sectors has been given a high priority. It has been reported that only 8 per cent of proven mineral reserves are presently being exploited. In the existing mining organizations, transportation systems and petroleum industry, there is a real need for new machinery to replace old equipment. These and many other requirements can be met by Canadian manufacturers and Canadian expertise.



**The Foundation Company of Canada is one member of the international consortia involved in the massive Majes hydroelectric-irrigation project in Peru.**

### **Petroleum**

Petroleum is one of the most urgent and challenging sectors for the Peruvian Government. Internal consumption is rising at a rapid rate and the government recognizes the need to increase exploration and development in order to survive as an exporter.

The government has recently changed the tax structure to provide incentives for the return of foreign oil companies to Peru and to help increase production. This means there will be a significant market for all types of petroleum-related services and equipment. Initially the government is seeking foreign technological assistance for Petroperu, its state petroleum company.



### **Mining**

As in the petroleum sector, tax incentives are being developed to encourage foreign investment in mining. Canada is recognized as a leading mining nation possessing the technology required to assist Peru. The government would like to return a large share of the mining industry to private hands. It is hoped that this policy will speed up the development of mining in the country. A trade mission led by Minister Ed Lumley in March, 1981 underlined our interest in the mining sector and strengthened the links between our two governments.

### **Forestry**

Peru has tremendous resources of tropical timber in the area to the east of the Andes. Exploitation of these resources is just getting underway, having been hampered in the past by a lack of capital, infrastructure in the region and, a lack of investor confidence during Peru's turbulent 1970s. The renewed availability of

foreign exchange, returned political and economic stability and, among the most important factors, the new Belaunde Government's commitment to developing the infrastructure (primarily highways in the area east of the Andes) have encouraged the development of previously inactive concessions. However, the earlier difficulty of rounding up the necessary financing is disappearing and Peru's currently small forest products industry will be growing rapidly in the near future.

### **Fisheries**

In the 1960s Peru built up a large fishing industry based on the anchovy, which was processed into fish oil and fish meal and sold worldwide. At the peak, in the early 1970s, harvests of more than 12 million tons placed Peru at the head of the world's fishing nations. By the mid 1970s, due to a sudden shift in ocean currents creating conditions unfavourable to the anchovy, and due to overfishing, catches had dropped to under one million



tons per year before recovering to two to three million tons per year. It became apparent that the huge catches of the past would never again be duplicated and the industry was left with vast overcapacity in its fleet and in fishmeal plants.

The lost tonnage of anchovy has now been replaced by pilchard, hake, horse mackerel and jack mackerel — species which previously appeared off Peru's coast in insignificant numbers. Processing these species (canned, frozen, dried-salted) for export is a booming industry and investors, principally domestic, are rapidly setting up processing plants.

Peru's fishing industry clearly has a bright future, but although the days of

the anchovy and fishmeal industry are undoubtedly over, the liabilities linger on. The old anchovy fleet is vastly over capacity for current needs, and lacks the on-board refrigeration and handling equipment essential to the production of fish for human consumption. On-shore fishmeal processing plants will vastly outstrip anchovy harvests for the foreseeable future.

The result is that high quality fish (mackerel, hake) are being ground into fishmeal because they are landed in unuseable condition and because there is undercapacity in canning and freezing plants. There is a rush, therefore, to build processing plants, and to adapt old fishing vessels and build new ones. In both cases, a huge investment is required. Processing plants are required, and it is estimated that the maximum sustainable harvest will need a fleet of 400 vessels in the 300 to 500 ton range, all equipped with modern catch preservation equipment. Of these, about half can be converted from anchovy vessels, and the rest will be new. Sales possibilities are therefore excellent for suppliers of fish handling and processing equipment and marine accessories. The competition is already fierce, especially from European suppliers. Canadian manufacturers to date, with a few exceptions, have been disappointingly inactive.

**Agriculture**

When the Military regime took over some years ago, its agrarian reform policy destroyed large and successful farming operations by turning small cut-up sections over to workers. The resultant inefficiency brought food production to its lowest level in years. Once the new Government policy is in place, markets for agricultural equipment and services will expand significantly.



**Transportation**

The Andes Mountain range which bisects the country from North to South makes large transportation systems difficult to develop. Despite these constraints the Peruvians, who rely very heavily on road and rail transportation, have placed priority on new construction of rail and roads and provision of new equipment. Existing roads must be rebuilt and rail lines developed to provide access to the new mining projects and to open the bountiful jungle. Air transportation also must be upgraded and existing facilities will be expanded. Foreign know-how is required to accomplish these goals.

Canadian rail equipment has been in Peru for years and a sale has recently been concluded for about \$25 million.



**Communications**

Electronic communication, a Canadian strength, is also in demand. Some Canadian companies have been active but there is room for a concentrated marketing campaign by Canadian companies.

**Other Markets**

Because of the quick turn-around and the requirement for foreign goods which has developed over 13 years of restricted entry to the Peruvian market, the long-standing vacuum is quickly being filled. "Importado" is a key word used to market the newly welcomed foreign goods.

In another quarter, the troubled years produced a virtual halt to importation of automobiles and spare parts. This created a new breed of mechanic who could fix anything and owners who are required to drive the worst looking cars imaginable. These cars, trucks, buses and even bicycles are in desperate need of spare parts. For example, the cost of a standard headlight is as much as US \$35. The list of potential product areas is limitless and offers an excellent opportunity for establishing trade links with Peru.

**Access to the Peruvian Market**

One of the greatest advantages Canada has over other countries is the value of our currency and access to the market. Sea and air connections are good. Goods can be delivered from both coasts within two to three weeks and there are direct links from Toronto and Vancouver. CP Air offers a once-a-week direct non-stop flight from Toronto and Vancouver to Lima.

The business climate in Peru is excellent. The local business community is generally efficient, friendly and understands the North American way of doing business. English is widely spoken, and when not, an interpreter is generally near at hand. Government officials are surprisingly accessible, and usually forthcoming.

During President Belaunde's inaugural address, special mention was made of Canada and subsequent Ministerial visits between our two countries have created a close and friendly relationship. CIDA has a very active program in Peru concentrating on agriculture, energy and natural resources. Canada is highly thought of in Peru.

Hotel accommodation in Lima is becoming tight, especially as the economy improves, and it is advisable to book ahead.

The Commercial Division is located in the Lima Embassy at Libertad 130, Miraflores. Our mailing address is Casilla 1212, Lima — Telex 25323 PE DOM-CAN. The Commercial Division would be pleased to assist you. Or, in Ottawa, contact:

**Latin America Division**  
**Bureau of Latin America and Caribbean Affairs**  
**Department of Industry, Trade and Commerce**  
 235 Queen Street  
 Ottawa, Ontario K1A 0H5  
 Tel (613) 996-5546

The Canada Commerce series of articles on Canada/Eastern European trade, begun in the April 1981 issue, continues here and deals particularly with the implications of the new five-year plans of these countries. The series has been prepared by Industry Trade and Commerce representatives at the posts concerned in co-operation with the department's Eastern Europe Division.

## Yugoslavia — Opportunities Exist for Canadian Companies



**While many of the details of Yugoslavia's five-year plan have not been publicized, it's fairly well known that among its objectives will be attempts to stabilize its economy by increasing exports and to reduce the import of non-essential goods. But the country has also targeted areas for growth — areas that offer several good opportunities for Canadian products and services! In fact, for Canadian companies with the right product and the right approach, Yugoslavia presents many interesting business prospects.**

**U**nlike the Eastern European C.M.E.A. bloc with their centrally-directed economies, Yugoslavia has a highly decentralized economic system which has spawned a unique approach to planning economic development.

To develop a plan at the federal level, the Yugoslav government must consult the various political and economic representatives of the six republics and two autonomous provinces that make up the federation. Once a consensus has been reached on the basic goals of economic development for the next five-year period a series of "social contracts" are signed, thereby obliging the numerous groups involved to work individually toward the common goals that have been established.

The 1981-1985 Social Plan for Yugoslavia was recently approved by the constituent members of the federation. Although many of the details have not been publicized, the basic objectives are now known. Foremost is the goal of stabilizing the economy by increasing exports,

improving labour productivity, making better use of domestic technology and knowhow, reducing serious inflation, restricting imports of non-essential goods, and reducing foreign indebtedness. The Yugoslavs are also making efforts in the area of import substitution.

### Growth Rates

The 1981-85 Social Plan envisages a real annual average growth of 4.5 per cent in gross social product. Manufacturing and mining are to expand by 5 per cent per year and agriculture and forestry by 4.3 per cent. Exports are to increase by 8 per cent yearly while imports are to grow much less quickly at 1.1 per cent per year. Exports are to cover 70 per cent of imports by 1985, up approximately 10 percentage points from present levels. Under the plan, the increase in real domestic expenditure is to be kept well below the increase in gross social product in order to improve the current account balance of payments deficit.

### Investment

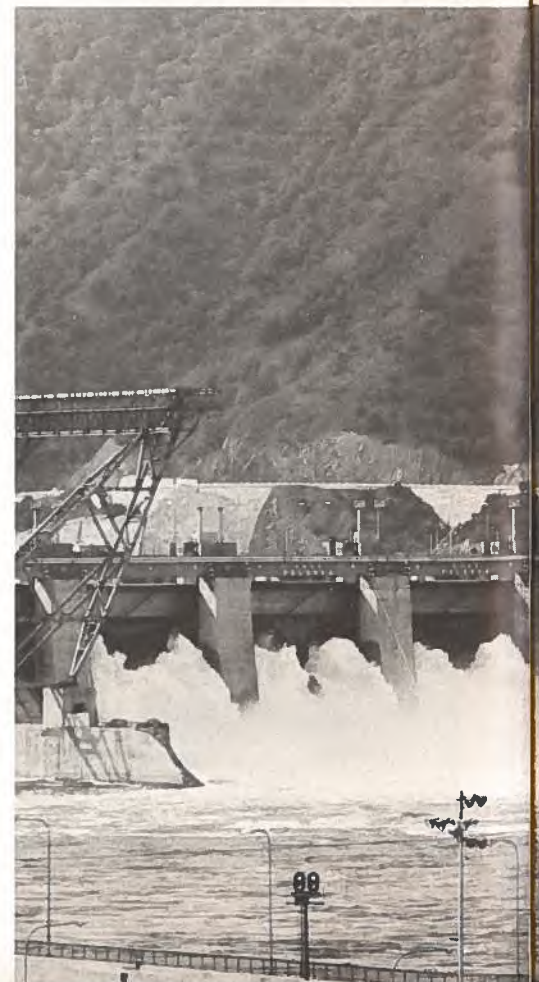
During the next five years the Yugoslavs intend to take major steps to improve the use of investment funds. Investment in non-productive sectors will be severely curtailed with virtually no growth in this area. Lending rates will likely rise to follow an increase in deposit rates. Only sectors identified as high priority will find funds for capital investment easy to acquire.

### Priorities

Where are the Yugoslavs placing their priorities in the next five years? The sectors that will be emphasized include energy, agriculture, ferrous and non-ferrous metals, chemicals, tourism and international transport, and engineering and capital projects abroad.

### Energy

Yugoslavia has been hard hit by the recent rapid increase of world petroleum prices. This has resulted in major efforts to reduce consumption of imported oil by increasing gasoline and heating oil prices and by making maximum use of abundant domestic coal supplies for thermal power generation and home heating. Coal mining and transport facilities are to be expanded in the 1981-85 period, and several new coal-fired thermal power stations are to be constructed. New hydroelectric and nuclear power generating facilities are also in the planning stages.



**Mining is big business in Yugoslavia and a Canadian company recently concluded the sale of \$11.6 million in equipment for use in an open pit copper mine. The country has also harnessed 50 per cent of its hydro potential.**



#### **Ferrous and Non-Ferrous Metals**

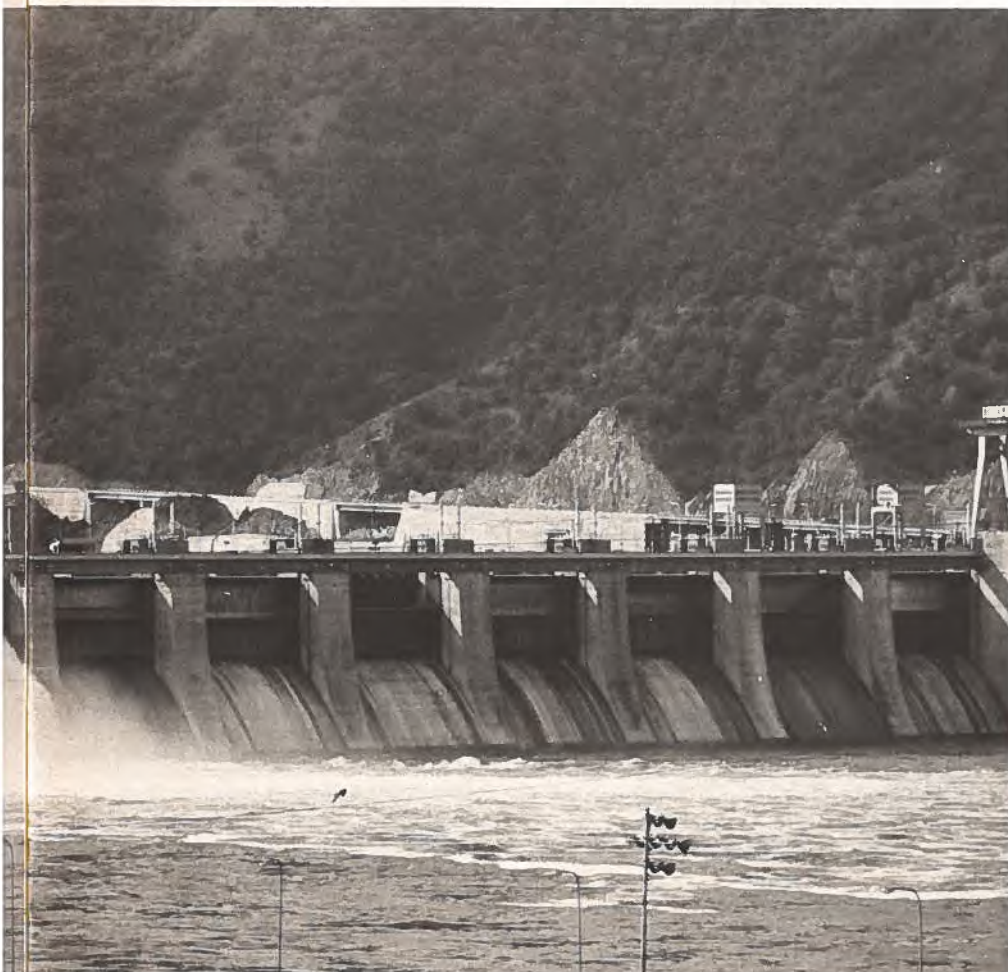
Mineral development shows particular promise in the next five years as Yugoslavia intends to expand production of bauxite, aluminium, lead, zinc, and ferro-nickel so that significant amounts of these metals can be exported. Exploration for new copper, gold and silver deposits will also be emphasized and new facilities for the processing of iron ore are also to come on stream in the next five years, bringing domestic production up to 80 per cent of Yugoslav requirements.

#### **Chemicals**

The fastest growth is planned for the chemicals sector in order to reduce imports and eliminate shortages of basic chemicals required for fertilizers, pharmaceuticals, and other products. The average annual increase in chemical production is to be more than 7 per cent, and the share of basic products in the chemical industry's total production will rise from 45 per cent in 1980 to 60 per cent by the end of the new Social Plan. Special efforts will be made to complete ongoing projects in this sector.

#### **Tourism and International Transport**

In recent years, Yugoslavia has been experiencing continuing growth in tourism revenue generated primarily from the increasing popularity of Adriatic coastal resorts with Western European tourists. Receipts from foreign tourism totalled \$1.2 billion in 1980 (up 4 per cent from 1979) and continued priority will be



given to development of tourist facilities on the coast and elsewhere from 1981 to 1985. Yugoslav activities in international transport are also to be increased as a means of gaining more foreign currency.

This will entail not only upgraded airline passenger service on certain routes but also greater efforts to expand the amount of air, rail, road and sea cargo handled by Yugoslav carriers.

### Projects Abroad

Yugoslavia has acquired considerable skills in undertaking capital projects — from the construction of hospitals, conference centres and hydro generating stations to large manufacturing facilities.



Conference centre in Belgrade nears completion

Under the new Social Plan Yugoslav activity in such projects abroad will be intensified especially in oil-rich countries of the Middle East which provide much of Yugoslavia's imported petroleum.

### Opportunities for Canadians

Within the areas targeted for growth during the next five years, there are several good opportunities for Canadian products and services. In the energy sector, Yugoslavia will soon make a decision on nuclear power development to the end of the century. The first nuclear power plant will begin full operation later in 1981, but due to a number of difficulties which have been encountered, this facility of American design is two years behind schedule. The Yugoslavs are now considering which of the major nuclear systems will best meet their requirements for the next phase of their nuclear power development program and Atomic Energy of Canada Ltd. is actively promoting the CANDU system in this market. In addition to CANDU, there may also be select opportunities for Canadian firms in other energy and related fields.

In agriculture, of interest to Yugoslavia are Canadian hybrid corn and seed potatoes, as well as canola (both for seed and crushing). There will also continue to be a spot market for wheat. Presently, efforts are being made to reach an agreement relating to veterinary requirements between Canada and Yugoslavia and, if successful, it would open the door for exports of Canadian breeding cattle, both dairy and beef. There should also be a continuing market for Canadian turkey poult.

Additionally, possibilities are presented by World Bank projects dealing with development of food processing facilities, irrigation, and with increased

production of various types of animals and crops. One such project valued at US\$ 90 million has recently been proposed for the less-developed autonomous province of Kosovo.

In the field of agricultural machinery, while Yugoslavia produces a wide range of farm implements and tractors, Canadian firms occasionally find a market for specialized equipment not available locally. Tobacco harvesters, for example, have contributed to the success of Yugoslav tobacco growers.

Canadian companies have much to offer in sectors involving geological surveys, resource extraction, transportation and processing of raw materials. Yugoslavia is interested in acquiring technologically-advanced mining equipment for underground and surface operations as well as ore processing equipment. Large capacity haulers have already been purchased from Canada for use in Yugoslav open pit mines, as have specialized pieces of equipment for use underground.

In the last few years, Canada has become a major supplier of equipment to the Yugoslav forestry industry, and this

should continue to be a good market for slashers, de-barkers, portable saw mills and other forestry equipment.

Yugoslav activity in capital projects abroad presents possibilities for Canadian companies to become involved. Yugoslavia's high profile in the developing countries as well as experience in a wide variety of construction projects may prove complimentary to the skills of Canadian consulting engineers and equipment suppliers interested in third country co-operation. The Yugoslav firm, Union Engineering, is co-operating with H.A. Simons (Overseas) Ltd. on the Ruzomberok pulp mill project in Czechoslovakia.

Other opportunities for Canadian goods and services exist in areas not specifically singled out by the Yugoslavs for rapid growth during the new Social Plan. These include transportation and related equipment such as locomotives, STOL aircraft, business jets, navigation aids and specialized snow removal equipment. Postal automation and packaging equipment and certain construction machinery also have potential.

In addition to the above, planning for the 1984 Sarajevo Winter Olympic Games is underway, and some Canadian consultants/suppliers are already pursuing the potential which this offers. Any companies which feel they have a product or service of interest to the Organizing Committee should contact the Canadian Embassy, Belgrade.

Unfortunately the emphasis of the Plan on reducing the balance of payments deficit and better utilizing Yugoslav domestic equipment means that imports of consumer durables and light machinery will be severely restricted. Opportunities for Canadian companies in this area are therefore slim. However, with the right product and approach Yugoslavia offers many interesting business prospects. The Commercial Division of the Canadian Embassy in Belgrade is happy to undertake initial market studies to ascertain the potential for Canadian goods and services in Yugoslavia. Companies wishing to explore the Yugoslav market should contact:

### Commercial Division

#### Canadian Embassy

Proleterskih Brigada 69  
11000 Belgrade, Yugoslavia  
Telex: 11137 YU DOMCA  
Tel: 434-524

OR

#### Department of Industry, Trade and Commerce

#### Bureau of European Affairs Eastern Europe Division (27)

235 Queen St.  
Ottawa, Ontario  
K1A 0H5  
Tel: (613) 593-4884

**Smallest of the East European countries, Albania lies on the Adriatic coast of the Balkan Peninsula. This proudly independent nation of 2.6 million has a relatively low gross national product. Nevertheless, and perhaps because of successful business dealings with Canada in the past, there are again prospects for trade between the two countries.**

## **Albania — Selective Country Could Choose Canada**

**A business trip to Albania requires planning well in advance.**

For many years, Albania's foreign trade was dominated by its special relationship with China, but this trade with China has now ceased, and Albania is opening its doors to new trade partners both in Eastern Europe, and among the small and medium-sized western countries. Trade with Yugoslavia is growing particularly rapidly, and a rail link with Yugoslavia, due for completion in 1982, will bring Albania's first connection with the European rail network.

Tirana, the capital, with a population of 200,000, is the business centre of Albania, being the home of the Chamber of Commerce, the principal foreign trade organizations, a university, and companies producing tractors, textiles, building materials, glass, porcelain, chemicals and canned foods. The country's principal seaport Durres, nearby on the Adriatic coast, produces agricultural machinery, plastics, ships, tobacco and cigarettes, rubber products, chemicals, textiles and electrical products. Albania's major iron and steel complex and a cement plant are at Elbasan, near the center of the country.

Albania's constitution forbids foreign borrowing, and while Albania does not insist on countertrade arrangements with each import transaction, it does try to achieve a balance in its trade with each country. Thus, in order to earn funds for the purchase of western goods, Albania is keen to expand export sales of a growing range of products, including chromium ores and concentrates, agricultural products, iron and nickel, crude oil, bitumen, lignite coal and electricity.

Details of Albania's Five Year Plan for the period 1981-85 are expected to be released during the spring of 1981. Government sources claim that this Plan will be more ambitious than any preceding one, but stress that it will be the first Plan to be implemented without any aid or credit from abroad. (A close relationship with China was severed in the summer of 1978). In view of this restriction, it can be expected that some of the projected

growth targets will be fairly modest, though high by international standards (above 5 per cent per annum). The Government recognizes that Albania will need some foreign technology to continue the pace of development, and to assist in the completion of several major projects such as an oil refinery and a steel plant, which were left unfinished when the Chinese withdrew. As a result, there will be export opportunities in Albania, but on a selective and controlled basis.

In the field of industrial production, the Five Year Plan calls for a 40 per cent growth, with emphasis on the mining and oil industries. Crude oil output is already about five million tons per year. A large part of this is exported to Italy and other European markets, but there is some domestic refining capacity. A second major mineral resource is chromium ore, of which Albania is the world's third largest producer. Enrichment plants at present under construction will enable Albania to export more ore in the form of concentrates or ferro-chrome. Other mineral resources being developed include copper, nickel, iron and coal.

For heavy engineering equipment the plan calls for an 80 per cent increase in output over the five years. Development will be concentrated on the expansion of existing productive capacity rather than the building of new plants. However, there will be some new development in the mining industry, which will require the importation of mining equipment. There will also be further expansion of hydro-electric resources, which will supply the power required by a growing metallurgical industry, and produce more surplus electricity which can be sold across the border to Greece or Yugoslavia. Some imported electrical equipment will be required for these projects.

Agricultural output is scheduled to rise by 41 per cent during the Plan. Much of the agricultural produce can be sold on neighbouring markets, particularly during off-seasons when the mild Albanian climate makes possible the production of fresh produce required in Austria and other western markets. To achieve this production, Albania will require the importation or increased domestic production of fertilizers, irrigation equip-

ment and technology, agricultural machinery, and food storage and packaging technology. Orders have already been placed in Yugoslavia for heavy-duty trucks and trailers to transport fresh produce to Austria, West Germany, and Switzerland. In the past, Albania had purchased some Durum wheat from Canada, but the country is now self-sufficient in grains.

The range of products from Canada and other western countries which have a chance of finding a market in Albania, depending on the availability of foreign exchange, include technology for the steel, chrome, nickel, copper, and oil industries; capital equipment for mines, smelters, and petrochemical plants; chemicals, paints, dyes, machine tools, scientific instruments, trucks, agricultural equipment, coking coal, packaging materials, seeds, and medical equipment. In return, Albania is interested in increasing its exports of chrome ore and concentrates, lignite, nickel ores, copper wire, crude oil and bitumen, iron ore, fruits and vegetables, tobacco, some textile products and handicrafts.

A business trip to Albania requires planning well in advance. The first step is to create an interest in your product through airmail or telex contacts with the appropriate Albanian foreign trade organization such as MAKINAIMPORT (machinery), MINERALIMPEX (metals) or AGROEKSPORT (agricultural products). If the F.T.O. agrees to sponsor your visit, it will ask you to provide full passport particulars and travel plans, and will arrange for issue of the necessary visa at an Albanian Embassy in Vienna, Paris, or Rome.

At the present time, although there are no official diplomatic relations between Canada and Albania, there are limited opportunities for sales to that country. If you would like more information about exporting to Albania you should contact the Eastern Europe Division in Ottawa or the Canadian Embassy in Vienna, Austria.

**Eastern Europe Division  
Bureau of European Affairs (27)  
Department of Industry, Trade &  
Commerce**

235 Queen Street  
Ottawa, Ontario  
K1A 0H5  
Telephone: (613) 593-4884  
OR:

**Commercial Division  
Canadian Embassy**

Luegerring 10  
1010 Vienna, Austria  
Telephone: 63-36-91, 63-66-26

**Next month: The USSR — A Guided  
Tour for Canadian Exporters**

# Do You Know About Carnets? In effect they are Merchandise Passports. . . .

. . . that can get commercial samples and professional equipment through international borders without the usual customs hassle.

Since 1972 the program — with financial support from the Department of Industry, Trade and Commerce and administered in Canada by the Canadian Chamber of Commerce — has been doing just that.

And the good news is that IT&C backing will continue, definitely to the end of fiscal year, 1984, when the program again will come under review.

A more comprehensive article on Carnets, "**These merchandise passports are just the ticket,**" was published in the February/March 1980 issue of *Canada Commerce*. What follows here is a brief re-cap of the program — together with the list of countries where ATA Carnets may be used.

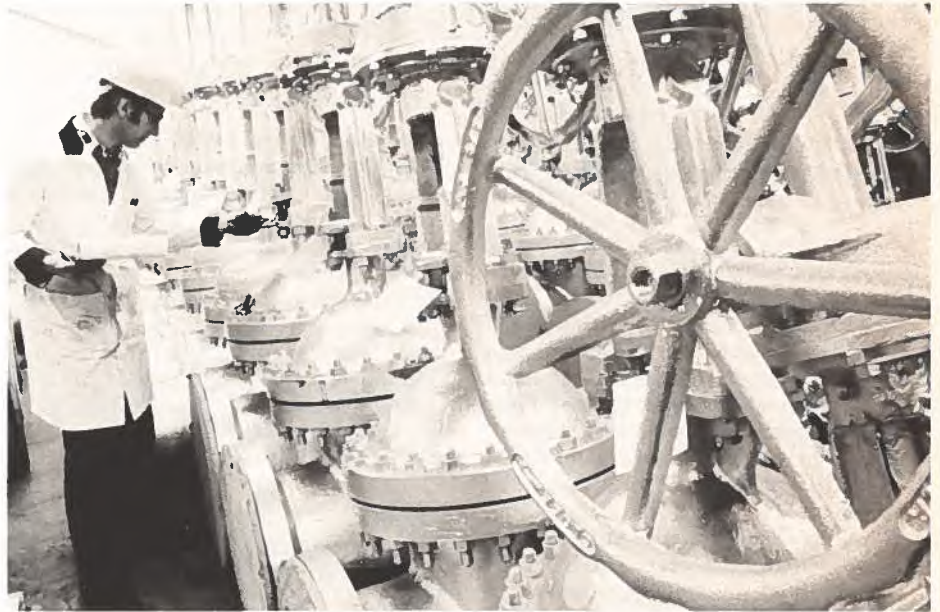
The Admission Temporaire/Temporary Admission (ATA) Carnet program is designed to enable businessmen to get commercial samples and professional equipment through international borders without the usual customs hassle.

Specifically, these "**merchandise passports**" or ATA Carnets can be used in lieu of national customs documents when goods are being imported for a temporary period free of customs duties and taxes. ATA also allows for the exportation of goods for the temporary period when such goods are documented on the Carnets.

Added to the ATA Carnets in 1975 was the Transit International Rouiter (TIR) Carnet — also financed by IT&C and administered by the Canadian Chamber of Commerce.

The TIR guarantees the payment of duties, taxes and other charges in the event that the persons engaged in the transportation of goods under Carnet fail to comply with national laws and regulations.

Export business by Canadian companies using ATA Carnets is on the



upswing and indications are the demand for their use, particularly by smaller businesses, is increasing.

This heightened interest in Carnet is due, in part, to the acceleration in trade promotional activity by some provincial governments (notably Quebec); partly by inter-company contacts; and, perhaps most importantly, by the actions of customs authorities in other countries who seem to be suggesting more use of Carnets by those Canadians who do not do so now.

To meet this demand and to provide more stimulus and faster service, a Branch Office was opened in Toronto in 1979. The almost immediate result was 46 new Carnet users!

In January 1981, the Canadian Chamber of Commerce established an issuing office in Vancouver — again with a view to substantially increasing Carnets usage.

Vancouver was selected because it is an international gateway, not only to the Pacific Rim countries but to the United States and Europe as well. And it's a pretty large market when you consider Carnet agreements — and their 'hassle-free' serv-

ice — can be used by Canadian businessmen in the countries listed here.

Australia, Austria, Belgium/Luxembourg, Bulgaria, Canada, Cyprus, Czechoslovakia, Denmark, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Hungary, Iceland, Iran, Ireland, Israel, Italy, Ivory Coast, Japan, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Senegal, South Africa, South Korea, Spain, Switzerland, Turkey, United Kingdom, United States and Yugoslavia.

**For further information, contact:  
The Canadian Chamber of Commerce  
Commerce House**  
1080 Beaver Hall Hill  
Montreal, Quebec H2Z 1T2  
Tel: (514) 866-4334

or  
**The Canadian Chamber of Commerce**  
First Canadian Place  
33rd Floor  
Toronto, Ontario M5X 1B1  
Tel: (416) 868-6415

or  
**The Canadian Chamber of Commerce  
c/o The Vancouver Board of Trade**  
Suite 500  
1177 West Hastings  
Vancouver, British Columbia V6E 2K3  
Tel: (604) 681-2111

# Instant Homes for the Homeless

by Shirley Plowman

The last morning dawned bright and clear in the tiny villages nestled around the picturesque mountain area of Naples, with no hint of the horror to come. But the November morning after the earthquake revealed the awesome devastation in the villages of Avellino, Angelo dei Lombardi, Grottaminarda, San Giorgio, Fisciano, Lioni, Calabritto Teora and Laviano.

Many buildings looked as though they had suffered direct hits from a bombing raid.

The world was almost immediately alerted to the plight of those left homeless by the quake. One Canadian company, Sprung Instant Structures, rushed six of its rugged shelters to the most devastated sites. The structures sent by the Calgary company were a gift to the Italian survivors.

A few weeks later, the Alberta Italian community collected donations of \$400,000 which were matched by the Alberta government to buy 49 more of the Sprung Structures. Two Canadian airforce jets delivered the prefabricated structures to Naples on March 5, 1981 — another example of the generosity of Canadians towards those in distress.

Within 10 days of their arrival, 28 structures were erected throughout the earthquake community. The structures provided multi-purpose community uses for large numbers of the homeless where they could be sheltered, fed, given medical treatment and provided with spiritual solace.

Now the Italian government is requesting additional buildings.

Before the tragedy in Naples, few Canadians had heard of Sprung although the company is a Canadian success story in itself and well known in the export market.

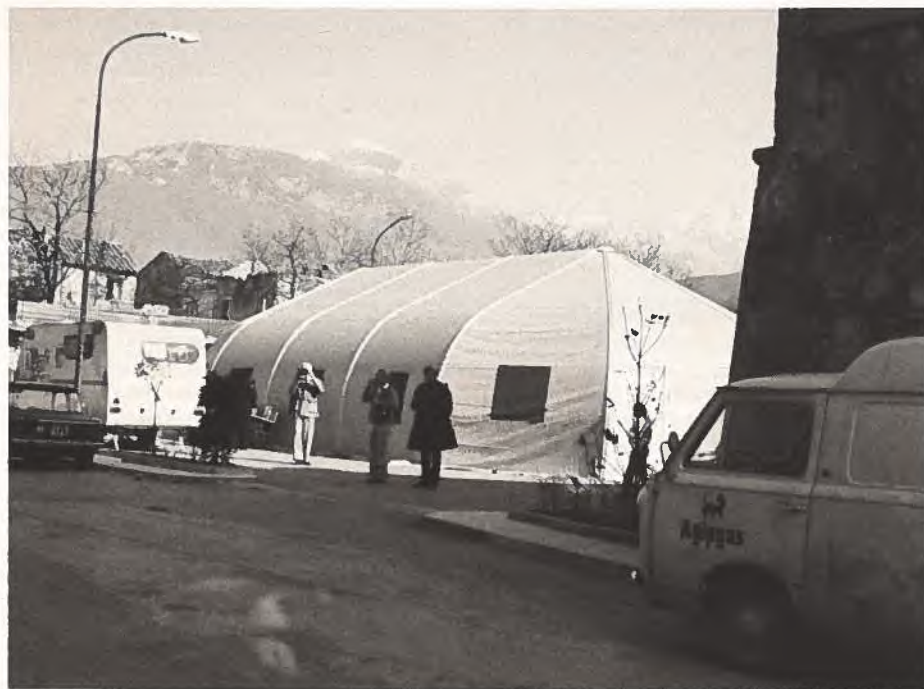
The company's potential was first realized in the early 70s when it took advantage of the help offered by IT&C programs.

Sprung was introduced to the Middle East market in 1975 on the first construction mission to that area sponsored by IT&C's Construction Division. The following year Sprung was again invited to participate in a trade mission to North Africa. Both missions were successful for the company. They now have operations established in both Bahrain and Dubai, and sell throughout the Middle East.

The development of the structures was assisted through a substantial contribution from the Enterprise Development Program (EDP) and is one of the best examples to date of the success of the



In the aftermath of the earthquake's fury, a picturesque village is transformed into a giant junkyard.



program. The company has also had two loan guarantees through EDP.

**"We were very happy with the help received through IT&C, particularly through the Construction and Consulting Services Branch which started us on our way,"** enthused Phil Sprung, President. **"During the last three years, sales have grown to the point where we are now exporting to more than 27 countries around the world!"**

Interjected Sprung Vice President Bruce Irving: **"And while we're throwing bouquets around, one must surely go to your minister Ed Lumley who did such a tremendous job of re-introducing Canada to the Australian and New Zealand market through last May's trade mission."**

Much of the credit, too, must go to Sprung for a truly remarkable product that has proved so versatile and adaptable to many different environments. Sprung can send its buildings anywhere in the world in just three days.

Constructed from extruded aluminum arches integrally connected to an impervious outer skin, the structures are attractive in appearance and available in a range of different colours and sizes. They also can be designed to meet individual customer specifications.

The structures are well suited to a city or country environment where indoor space is needed in a hurry. Whether for commercial, institutional or private use, they are also ideally suited to remote areas where transportation is difficult and speed of installation essential.

They were, in fact, tailored for such a catastrophe as the earthquake in Naples. Coming as it did in the cold weather, the Sprung structures offered welcome warmth and shelter. The structures are weatherproof, designed to resist both tropical heat or Arctic cold. Heating and ventilating systems can be installed for additional comfort.

The PVC coated polyester fabric with durable aluminum framing is highly resistant to moisture, mildew, insects and other deteriorating elements. Tests performed in Europe and North America have demonstrated that the fabric is also fire retardant (self-extinguishing).

Sprung representatives make it a golden rule that whenever they travel abroad, they contact the consulate first, revealed Bruce Irving.

**"They just do a tremendous job of knocking on doors for us, making introductions and providing follow-up."**

Irving paused briefly, then chuckled. **"In fact they give the impression they're working full time on your product and yet they can't be. It's amazing! I heartily recommend IT&C help to any company wishing success in the overseas market."**

**"If only we had known!" The classic comment to a classic missed opportunity situation. How often in a country as big and diverse as Canada are marketing opportunities missed for Canadian companies because those wishing to purchase goods turn to foreign suppliers in ignorance of the availability — or potential availability of domestic supply capability? How often do Canadian manufacturers miss out on domestic sales simply because they do not know what is in demand? Too often. A simple introduction of the parties of the first part to the parties of the second part is a giant step forward towards closing this information gap — and opening doors to a whole new marketing world.**

## **Canadian Suppliers — Meet the Mining Industry!**

**It happened in Vancouver towards the end of April. Working together, the federal Department of Industry, Trade and Commerce, the government of British Columbia and the Mining Association of Canada (initiators of the event) presented Canadian manufacturers and suppliers to the mining industry of British Columbia — and vice versa — at the "Opportunities in Mining" conference. And those opportunities are valued in excess of one billion dollars a year!**

**W**hile it is too early to put a dollar value on the results of the conference, it is safe to say — based on the tremendous enthusiasm evident before its opening — that the Opportunities in Mining project set precedents and was a success.

Interest in the conference was such that, even three months before it was scheduled to take place, more than 370 requests for invitation had been received — and this for an event whose targeted capacity was for approximately 500 decision makers!

Precedent-setting, too was the absolute commitment made by the mining industry and the high degree of co-operation that came to exist among the various associations and levels of government.

Commented Industry, Trade and Commerce Minister Herb Gray: **"I believe this is the first time a major resource sector has taken such a bold and important step in such an organized and co-ordinated fashion. By doing so, the industry is demonstrating its commitment to making a very positive contribution towards the creation of more industrial benefits for our country."**

But setting of precedents doesn't end here. Perhaps the most noteworthy fact is that the conference represented the first

time that the mining industry ever pooled — and made available to Canadian manufacturers and suppliers — its sensitive price and purchasing information on the truly vast array of products and services it purchases!

And that has to be a high point, for all too often, Canadian manufacturers and suppliers have been frustrated in not knowing just what are the needs of the mining industry.

As John Stashuk, vice-president of the Machinery Equipment Manufacturers' Association of Canada (MEMAC) remarked: **"Here is a mining conference where the mining companies themselves are willing to tell us what they consume, what they use, and are then projecting those requirements through the 1980s."**

Mr. Stashuk added: **"It will improve manufacturers' ability to deal with an industry that may be new to them — and it will do so in a very short period of time."**

President of Sherritt Gordon Mines and of the Mining Association of Canada, David Thomas says: **"What we are doing at this conference is showing the manufacturing people how they can best meet the needs of the mining industry."**

He noted: **"The Canadian mining companies spend an estimated one billion dollars a year on equipment and components — everything from safety goggles to scooptams — and that much of what is bought is imported."**

Hence the industry's compilation of a one-source guide to the numerous items purchased by Canadian mining companies. (As a matter of interest, there are some 30,000 to 45,000 'pieces' comprising a modern surface mine!). The catalogue included everything from heavy equipment and high-volume items to tiny components and custom-built machinery.

**"This purchasing guide,"** says Thomas, **"will be a unique marketing tool for manufacturers interested in producing goods for the mining market."**

While the Opportunities in Mining conference is giving Canadian companies first crack at the jackpot, so to speak, the mining industry is by no means willing to accept inferior or non-competitive products or services.

**"We think Canadian manufacturers,"** says Thomas, **"can easily supply many of the items we need. We expect the conference to result in new sources of supply that will be competitive in cost, quality and servicing. And the manufacturers will enjoy expanded markets."**

Nor has the conference confined itself only to British Columbia interests: it is national in scope, with participants from across Canada. British Columbia was chosen as the site primarily because mining is experiencing substantial growth in that area.

**A**s an industry which is largely Canadian-owned, it wants to substantially increase its acquisition of Canadian products and services, both to ensure a greater source of domestic supply and to create industrial benefits for, and investment in, Canada.

**"The Opportunities in Mining project,"** says Thomas, **"will allow us to show senior business planners in Canada how they can share in the wealth created by mining and help distribute that wealth in a tangible form to all Canadians."**

The result of more than 11 months of exhaustive preparations, Opportunities in Mining is a project of the Mining Association of Canada; the Federal Department of Industry, Trade and Commerce; the Mining Association of British Columbia; and the Government of British Columbia.

A first effort of its kind, it is certain to be carefully monitored with an eye to applying the concept to other Canadian industries.

And, as Mining Association of Canada President, David Thomas concluded:

**"If, as a result of this conference, the manufacturing industry finds new and profitable markets, the mining industry finds more competitive and accessible suppliers, and the country enjoys increased employment opportunities and an enlarged gross national product, we'll all be winners."**

**IT&C contact is:**

**J.P. Renny  
Director General  
Machinery Branch (47)  
Industry, Trade and Commerce  
235 Queen Street  
Ottawa, Ontario. K1A 0H5  
Tel: (613) 992-1129**

# Foreign Capital for Canadian Industry Is the Tide Turning?

**The 1970s have shown a significant, even dramatic shift in foreign direct investment flowing into Canada. This is readily seen by reviewing trends since 1950 by five-year periods. From 1950 to 1954, direct capital inflows from abroad totalled about \$1.8 billion. In the second half of the 1950s, the amount rose to \$2.6 billion. A slight decline occurred in the 1960-1964 period, but the second half more than made up for it, with an aggregate of \$3.3 billion. Very high inflows continued from 1970 to 1974, chalking up \$4.1 billion altogether. A marked change occurred, however, in the second half of the decade when direct capital inflows dropped to only \$1.7 billion. As inflation on the whole was higher in the second half of the 1970s than in the first, the drop-off in real terms is even more significant.**



**T**he two quinquennia of the latest decade thus show both the highest and the lowest inflow of foreign direct investment over a thirty-year period. This has generated considerable public discussion about the condition of the Canadian economy and the confidence foreign investors have in its prospects.

This concern is heightened by changes that occurred during the same thirty-year period in the outflow of Canadian direct

investment abroad. In the first half of the 1950s it was below \$250 million but by 1960-64 it was approaching \$500 million. In the second half of the 1960s direct investment by Canadians abroad was equal to \$850 million. More dramatically, between 1970 and 1974 the total outflow reached \$2½ billion and in the 1975-79 period it rose to more than \$6 billion. Are Canadian firms looking to greener fields too?

Fortunately, there is more to it than meets the eye at first sight; the following analysis is an attempt to put these and other data in a proper perspective.

The concepts involved in this discussion need to be clarified first. As defined by the International Monetary Fund, **direct investment** refers to investment that is made "to acquire a lasting interest in an enterprise operating in an economy other than that of the investor, the investor's purpose being to have an effective voice in the management of the enterprise." Unlike the **portfolio** investor in a company, who buys stocks or bonds essentially for financial reasons (e.g. yield, capital gain, liquidity) and is nearly always able to find a buyer in a well-organized market if he wants to sell, the direct investor usually has a lasting commitment to his enterprise and cannot easily walk away from his investment even if the company goes through lean times. If he is a non-resident, this may be an advantage to the host country. If there are no profits, there are no dividend outflows burdening the balance of payments. The interest on funded debt or loans, on the other hand, is due in good and hard times alike; only in truly grave situations can commitments to banks or bondholders be modified. In recent years, the fixed burden of foreign debt has received more attention. Five years ago (in 1975), net payments abroad on account of interest and dividends were less than \$2 billion, evenly divided between interests and dividends. In 1980, the net outpayments were \$5½ billion and more than 70 per cent were fixed charges in the form of interest.

A distinction should also be made between foreign ownership and foreign control. Control obviously exists when all or at least more than 50 per cent of the voting shares are in the hands of the principal investor, but effective control is possible with significantly lower percentages if the remaining stock is widely dispersed. The line between what is a Canadian versus a foreign controlled company is thus not always easily drawn. In some large publicly traded corporations, the shift of relatively small blocks of shares to new owners may be sufficient to tip the balance from foreign to domestic control or vice versa. In fact, some large firms such as Alcan and Inco were reclassified as Canadian companies by Statistics Canada in the early 1970s, thus boosting the figures for domestic control in their

industrial sectors. Statistical reclassifications do not always reflect brick-and-mortar realities.

The figures on foreign direct investment flows into Canada referred to in the first paragraph of this article do not tell the full story either. Foreign direct investment (FDI) does not grow only through new inflows of capital from the parent company abroad, but increasingly also through earnings retained and normally reinvested by Canadian subsidiaries in this country. In fact, the latter have become the most important source of such capital funds, as foreign-owned subsidiaries in Canada matured and became well-established.

This can be verified by looking at the data regarding the foreign direct investment position, which measures the stock or outstanding book value of foreign direct investment. Because FDI is a stock it is naturally measured at one point in time as opposed to flows which are measured over a specific period of time, like the items on a company's income statement. Both perceptions are useful and indeed necessary to arrive at a valid judgement.

#### **An increase in the foreign direct investment position in Canada can come about in three ways:**

- (1) through a net capital inflow of direct investment from abroad;
- (2) through earnings retained by a subsidiary in Canada or
- (3) through less important "other factors."

This third group comprises long term capital provided by non-resident investors (e.g. foreign banks or institutions) who are not part of the controlling group of foreign shareholders, but nevertheless reside in the same "country of control." Also included in the third category are certain changes in book value such as revaluations, which are likely to occur when a foreign subsidiary is sold to new Canadian owners; the transaction price is usually higher (or occasionally lower) than the old book value. This "other" category is somewhat erratic, sometimes adding to the foreign investment position, sometimes subtracting from it. Awareness of these transactions is necessary, however, to understand why the net direct capital inflows and the earnings retained by foreign subsidiaries do not add up to the net increase in the stock of FDI.

Unfortunately, the FDI data on book value, received from thousands of respondents, take much more time to collect, verify and process than the flow data, which are based on a sample. The FDI position thus is often published with a delay of two or three years. However, by going back far enough one can detect a long-term trend.

In the thirty-year period under review inflows of direct capital from abroad initially predominated, accounting on average for some 50 to 55 per cent of the growth in the stock of foreign direct investment, while net retained earnings of subsidiaries accounted for 35 to 45 per cent. This was true for all five-year periods from 1950 to 1965. Then a gradual shift occurred. For 1965-1969, cross-border inflows increased by \$1 billion to \$3.3 billion but dropped in relative terms to less than 40 per cent of the growth in the FDI position, while net earnings were responsible for almost half of the total increase in FDI. In the first half of the 1970s, capital inflows accounted for only 35 per cent of the growth in the book value of FDI and retained earnings of subsidiaries grew in importance, accounting for almost three quarters of the total increase.

For 1975 to 1979 we have to rely on estimates. An unofficial estimate puts the book value of foreign direct investment by the end of 1979 at some \$55½ billion. This would correspond to an average annual increase of close to 9 per cent from the \$36.4 billion figure at the beginning of 1975, which seems not unreasonable. The direct capital inflows for 1975-79 have been published and add up to more than \$1.7 billion; this is less than 10 per cent of the \$19 billion increase in the book value of foreign direct investment. Assuming that net increases in retained earnings can be judged by the trend in earlier years, they likely account for about 85 per cent in the growth of FDI, or for more than \$16 billion of the total increase of \$19 billion. "Other factors" would explain the remaining \$1 billion or more.

This is a most remarkable finding. Assuming that preliminary data are not drastically revised, it means that people who are greatly concerned about an apparent decline in foreign direct investment flows into Canada are seeing only one-tenth of the whole picture.

There are several reasons why this one-sided view is widely held. As we have seen, up to the early 1960s, cross-border inflows of FDI capital were indeed highly significant and these memories linger. Secondly, hard news hot from the wire always hits the headlines: foreign direct investment inflows are published every quarter as part of the balance of payments, while the now far more significant data on growth through retained earnings become available only two or three years later and by then seem old news. Another factor is that policy at the federal (and in some cases provincial) level has resulted in the repatriation of several formerly foreign-owned enterprises. For instance, Petro-Canada purchased Altantic Richfield Canada for \$340 million in 1976, and Pacific Petroleum Ltd. in two trans-

actions during 1978 and 1979 for \$1½ billion (the recently announced impending purchase of Petrofina, also for \$1½ billion, came after the period under review). At the provincial level, Saskatchewan has taken over several potash mines in the late 1970s. When takeovers for repatriation involve a transfer of direct funds across the border, they have the effect of a counter-current to the foreign direct investment inflow on the balance of payments. If the counter-current is strong in a particular period, because of some massive takeover of foreign assets by a Canadian investor, the statistical entry for "direct investment in Canada" may be negative for a particular quarter or year, even when the regular foreign direct investment inflow (after excluding the exceptional transactions) is as strong as before.

The argument so far has stayed within the bounds of direct investment. Another explanation of the decline in direct investment inflows into Canada can be found in the remarkable rise in foreign capital flowing into the country in portfolio form. From 1970-74, corporations received from abroad through new issues of bonds and debentures (net of retirements) some \$700 million. In the second half of the decade (1975-79), this influx of foreign capital into Canada soared to \$7.3 billion. There are several reasons for this upsurge, one of them being that in mid-1975 the withholding tax on interest payments was suspended for certain types of long-term debt obligations of a Canadian company towards non-resident creditors with whom it was dealing at arm's length.

Consequently, looking only at these two types of balance-of-payments inflows, we find that (1) the inflow of foreign direct investment plus the inflow through new net corporate bond issues for 1970-74 adds up to \$4.8 billion (2) the corresponding capital inflow for 1975-79 has risen sharply to \$9 billion. Accordingly, far from showing a decline, the figures suggest at least in current dollars, a rising tide of foreign capital flowing into Canada in the second half of the latest decade compared to the record of 1970-74, the major difference being in the **form** that foreign capital movements have taken. In other words, the conclusion suggested by the figures in the first paragraph of this article has been completely reversed.

This conclusion has been reached on the basis of "flows only;" it can even be put more strongly if earnings retained by Canadian subsidiaries are brought into the picture. Net earnings for the 1970-74 period were \$8.6 billion in the aggregate. The preliminary estimate above for 1975-79 suggests that the total may turn out to have been above \$16 billion. The table below summarizes the situation:

**Table 1 — Foreign Long Term Capital Investment In The Private Sector**

	1970-74	1975-79 (est.)	
<b>A) Cross-border flows</b>	(\$ Millions)		
i) Net direct investment	4,125	1,660	
ii) Net new bond issues	700	7,300	
Total (A)	4,825	8,960	+86%
<b>B) Earnings retained in Canada by foreign-controlled subsidiaries</b>	8,605	16,250	+89%
<b>C) Grand Total (A + B)</b>	13,430	25,210	+88%

In short, the amount of foreign-owned capital made available to Canadian companies in the second half of the 1970s has been from 85 to 90 per cent higher than the comparable amount supplied from 1970-1974, whether cross-border flows (A), retained earnings (B) or their grand total (C) are chosen for comparison.

Of course, the economy has grown and inflation must also be considered. What happened to foreign long-term capital inflows in the context of the national economy? The table below provides an approximate answer:



**Table 2 — GNP Compared to Foreign-owned Long-Term Capital Flows Into the Canadian Private Sector**

	1970-1974	1975-1979
	(\$ Millions)	
C) Foreign Long-Term Capital Flows Into Canadian Private Sector	13,430	25,210
D) GNP Over 5-Year Period	556,457	1,055,183
E) (C) as Percent of (D)	2.4%	2.4%

Accordingly, the supply of foreign-owned capital to the Canadian private sector has virtually matched the growth in GNP from the first to the second half of the 1970s. Numerically, foreign capital flows into industry have become neither more nor less important in the Canadian economy over the last decade. This is certainly true in current dollars, and if one assumes that inflation has affected national output and the various industries which were recipients of foreign-owned capital in about the same way, then it would be true in real terms as well.

#### Canadian Direct Investment Abroad

Finally, a brief comment on the investments abroad made by Canadian firms, which advanced from \$2½ billion in the first half of the 1970s to more than \$6 billion in the second half. Whether this should be a matter of concern depends on the reasons for such outflows. If Canadian firms were driven out by an uncongenial public or governmental attitude towards business, there might be reasons to reconsider the cogency of such attitudes. On the other hand, the outflow of direct

investment to other countries could paradoxically be the result of a highly favorable business climate in Canada, which has permitted Canadian firms to prosper and grow. Having gained experience and stature in Canada, they are now able to enter the big leagues, taking over prestigious firms in the U.S., the U.K. and elsewhere for expansion or diversification and establishing new structures. After all, the Canadian market is small and both manufacturers and real estate developers will at times reach a saturation point at home that will make opportunities abroad attractive, notably the huge U.S. market next door. Market forces should ensure that such decisions are not taken lightly. The U.S. is a highly competitive market with many suppliers who are "native sons" and while the costs of inputs may be lower than in Canada — as businessmen often claim — so may be selling prices. Furthermore, if the Canadian market for a product line turns soft, there is no guarantee that it may not happen across the border as well. Not every venture abroad has turned out to be successful.

The few independent studies made on Canadian direct investment abroad suggest that market considerations or security of supply are often important factors but the specifics vary greatly and call for a case-by-case approach.

A prominent Canadian corporation in non-ferrous mining (Alcan) for instance, felt impelled to acquire or establish manufacturing facilities in the U.S. during the 1960s and 1970s to protect its ingot outlets and to participate in the expanding market for semi-manufactured products. Another large Canadian primary metals and mining company (Inco) in the 1970s saw opportunities in diversification and took over a multinational battery manufacturer in the U.S. Access to primary resources remained important, however, and this firm invested in the development of open-pit lateritic nickel deposits in Guatemala and Indonesia, with the objective of better serving overseas markets for nickel products and of preempting raw material sources before foreign competitors would move in.

**Obviously, to the extent that multinationals operating in Canada obtain special concessions from the government, there should be a quid pro quo, something in return for the Canadian economy.**

Obviously, to the extent that multinationals operating in Canada obtain special concessions from the government, there should be a **quid pro quo**, something in return for the Canadian economy.

In conclusion, neither the decline in foreign direct investment into Canada, nor the rising outflow during the 1970s, is acceptable evidence for a deteriorating investment climate in the period under review. The drop in direct inflows is partly explained by government-supported repatriations of foreign-controlled firms or assets. It has been fully compensated by retained earnings and foreign debt capital. Canadian investments abroad are the consequence of the growing stature of Canadian enterprises and large accumulations of capital in Canadian-controlled firms. And if the past is any guide, problems between different levels of government or between government and industry in Canada in the present decade should again be resolved in a manner that is acceptable to both government(s) and industry.

**Herbert C. Byleveld**  
**Economic Intelligence Branch**  
**Economic Policy and Analysis**  
**Industry, Trade and Commerce**  
 Tel: (613) 995-6480

# HiTec '81 Canada's Trade Commissioners Meet Their Clients

Where else could one meet 54 trade commissioners from 34 countries (including 20 from 15 posts in the U.S.) as well as representatives from Industry, Trade and Commerce, National Defence, Canadian Commercial Corporation, Export Development Corporation and several defense procurement agencies of the U.S. government all in the same place for a week. . . . .

**F**or the 400 business representatives from 230 companies involved in high technology products and services, the 19th Annual Defence Programs Branch (IT&C) Export Conference — HiTec '81 — proved to be an excellent low cost vehicle for exploring new or expanding markets for their products.

While this conference was originally designed to assist Canadian manufacturers enter the highly sophisticated defence products market, the scope has expanded in recent years to include related commercial high technology. This natural shift in emphasis underlines the important role defence procurement plays in the development of hitech capabilities, particularly in the fields of aerospace, electronics and security systems and from precision components to final products.

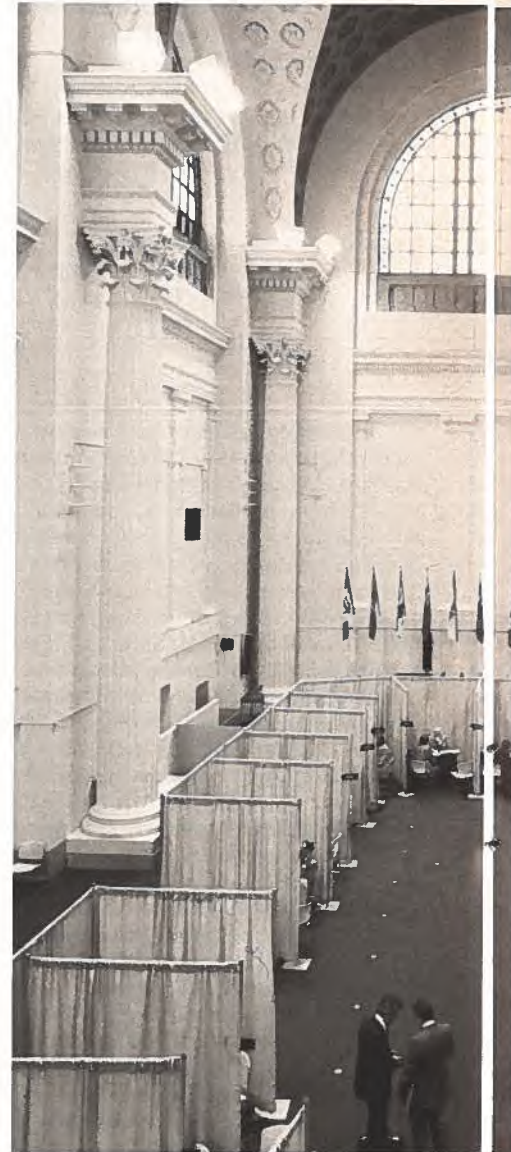
Held at the Canadian Government Conference Centre, Ottawa the conference brought together industry representatives from Vancouver to Halifax and trade commissioners from Asia, Africa, Europe and North and South America to discuss market opportunities throughout the world. For the four days in mid-March (the first day was devoted to in-house briefings for the trade commissioners) the company representatives were ushered with logistical precision through some 3,200, 15-minute interviews with the trade commissioners from the market area of their interest.

During the briefings, the business men and women were able to familiarize the trade commissioners with their companies' capabilities and products and to receive first hand an up-to-date assessment of the potential market in the target area, as well as a brief rundown of the steps required to successfully enter the market.

This year, for the first time, several regional officers from Industry, Trade and Commerce were on hand to improve their knowledge of world market conditions and to represent smaller companies which could not afford the time to attend.

While the week was a hectic one for the trade commissioners — Gordon MacLennan from Dallas, for example, conducted 87 interviews — they were all enthusiastic over the results. It and the inhouse sessions provided them with an excellent update and overview of Canada's high technology capabilities and will assist them in presenting Canadian expertise to their market areas. Throughout the week, Commerce interviewed scores of company and government representatives. The following are some typical comments. . . . .

**It seems appropriate that HiTec '81 bringing together trade commissioners from 34 countries should be held in Ottawa's old Union Station rotunda, now the Canadian Government Convention Centre, for the business representative could literally tour the world under one roof. Here the European (upper) and South American trade commissioners hold court in their temporary offices.**

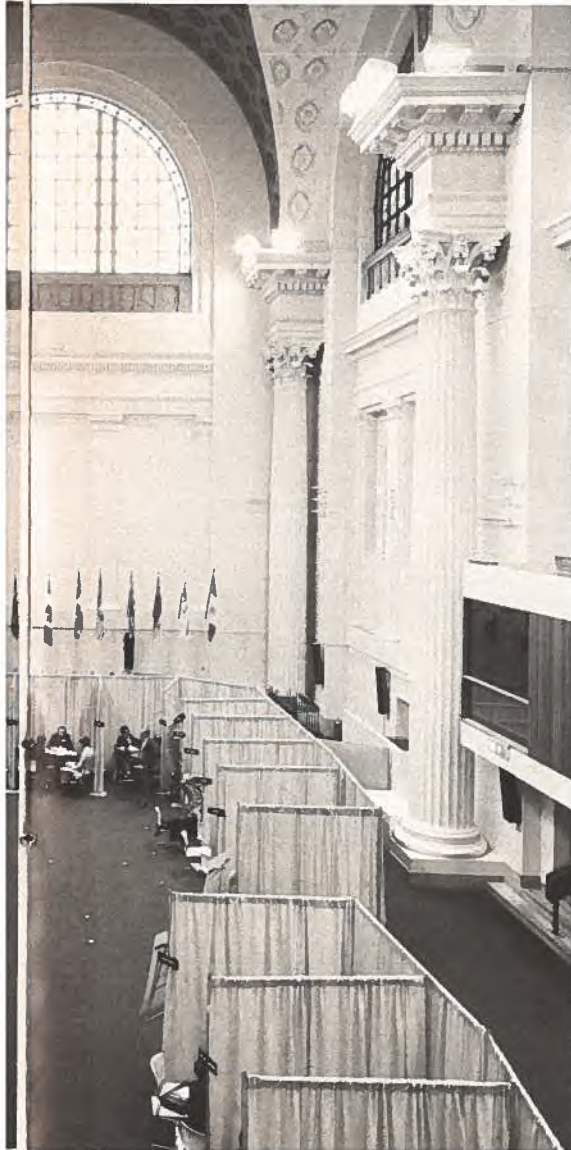




Joan Russell-Mullan, . . . . . being interviewed by Jack Price, Consul and Trade Commissioner from Los Angeles, "While this is my first conference of this nature, several of my co-workers from Canadian Marconi have attended several. Since my work is primarily in the promotion field for the avionics section, I fully appreciate the excellent opportunity it affords us to assess new or expanded export markets. **As an indication of the importance Marconi attaches to the conference, we have 12 representatives here to cover our wide range of products.**"

John A. McManman, . . . . . being interviewed by Alan Virtue, Consul and Trade Commissioner from Philadelphia, "This is my first time representing Merand Ltd. but as a consultant prior to joining Merand, I have attended several previous conferences and have always found them to be the most cost-effective event of the year from the point of potential sales and preliminary market research.

**"Our company, which was started by engineering professors from the Universities of Queens and McGill as a research and development company in mechanical engineering, has branched out into a high quality computer assisted design and milling (CAD/CAM) operation supplying special products to the transportation, textile, aircraft and nuclear industries, supported by a full research and development component."**





Michael J. Brzoska . . . . . discusses the conference with Elwyn Lewis, conference co-ordinator, Defence Programs Branch which hosted Hi-Tec '81. Mr. Brzoska is President of Bachan Aerospace of Canada Ltd., a Windsor, Ontario, firm which specializes in gears and turbine assemblies for the aviation and transportation markets.

Andrée Girard. . . . . outlines the programs of the Export Development Corporation to a client. The Corporation is an important link in Canada's export program by providing lines of credit to potential importers of Canadian goods. The Canadian government has recently extended the mandate of EDC to match offers of credit mixte by Canada's competitors on the international market.



J.J. MacKay. . . . . interviewed here by Bob Fairweather, Counsellor (Commercial) Seoul, Korea, "This conference has provided us with an excellent opportunity to discuss market potential throughout the world for our line of precision-tooled aluminum components.

"Our firm, Vicom (Kingston, Ontario) is always on the lookout for new market opportunities and I can think of no other exercise which is as cost effective as this."



Jean Louis Cayer, . . . . . interviewed by Michael Stinson, Consul and Trade Commissioner, Rio de Janeiro, "Our company, Industries Couture Limited, has recently reorganized and we are now vigorously pursuing the international markets of the world looking for new opportunities. While we have a large development budget to follow up on possibilities for export sales, joint ventures or licencing agreements, I have found this conference extremely valuable."

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

## Paying Employees

One of the most difficult tasks for the owner of a small business is to determine the basis on which to give salary increases to his employees.

There are a number of factors involved, including the basic consideration of whether the business can afford to raise wages. If a higher payroll would likely cause the business to lose money permanently, there would be no logic to granting any increase because the business soon would cease to operate.

Other factors unique to each individual business include:

- **the basic skills and responsibilities of the employee; in other words, the job being done;**
- **the employee's work performance;**
- **pay relationships within the industry in which the enterprise operates; and**
- **the overall salary budget provided for the year.**

There also are a number of factors external to the individual business:

- **cost of living trends;**
- **supply and demand in the community for new employees;**
- **rates of pay for similar jobs in other organizations, and**
- **wage indices and trends.**

All of these factors can exert pressure on the internal pay structure of a business. There are six main procedures in wage and salary administration which should be used to determine who receives a raise.

**Wage Survey:** This procedure would establish at regular intervals the average rates for similar work in the community. This would provide the



ranges and averages of wages for the jobs surveyed. Sources could include the local Board of Trade, the provincial Department of Industry and other local employers. Average rates and ranges would be calculated from the survey figures.

**Wage Legislation Survey:** This procedure establishes minimum wages, changes to them in the near future, and vacation pay requirements. Regular contact should be made with provincial labor relations authorities and Labour Canada to ensure the business is complying with the latest legislation regarding minimum wages, vacation pay and termination pay. (Labour Canada Legislative Research Branch, Ottawa publishes minimum rates periodically for all provinces and territories, including changes in these rates.)

**Job Descriptions:** This is a simple list of duties for each job and becomes a convenient reference for introducing new employees or transferring others.

**Job Evaluation:** This procedure determines the relative value of each job in the business. The necessity for this will depend on whether there is a variety of different jobs. With only three or four types of jobs, they can

be ranked fairly accurately by the manager of the business, without requiring a formal comparison system, such as a point system.

**Performance Appraisal:** This procedure, carried out once a year, perhaps on the anniversary of the employee's joining the company, reviews in writing how well each individual is doing the job. Initially, it might consist of a paragraph or two recording the manager's impressions and what changes might be made by both employee and employer to improve the employee's performance.

As the business grows and the number of employees increases, however, it will not be possible to compare a large number of people without using some type of more objective measurement. Many different performance appraisal forms are available from which to tailor a custom-designed report, keeping in mind that it should show whether the employee's job performance is satisfactory, what parts of the job are done best, what parts need improvement and what steps can be taken to improve performance.

**Wage Revision:** This procedure normally is done in conjunction with each performance appraisal, but also takes into account other internal and external factors related to wage rates.

These six procedures will tell the employer the minimums he must pay and allow him to determine if and when an employee deserves a raise.

A manager of a small business might short-cut some of these procedures, depending on the number of employees and on the number of different jobs.

However, if the business is a growing one, a written record system for at least three of the procedures — job descriptions, performance appraisals and wage revisions — is preferable.

By considering all factors in this manner, it becomes possible for him to pay employees equitably, to change rates of pay sensibly and promptly, and to keep permanent, accurate records of the work and pay of each employee.

# The U.S.A. Market Development Bureau

by Warren M. Maybee

In this article Warren Maybee, who was formerly Consul and Trade Commissioner at Buffalo and intimately involved in Export Canada '79, outlines how the Bureau developed and became a model for the establishment of the other regional Bureaux set up to develop Canada's export trade.

The U.S.A. Market Development Bureau was formed in 1980 to assure that the programs started under Export Canada '79 would not be lost but would be continued and further developed.

This was judged as a necessary response to the significant growth expected in the U.S. economy in the future and the knowledge that capturing even a small part of that growth would mean an influx of hundreds of millions of dollars into the Canadian economy.

## The Bureau's Mandate

The bureau has been charged with the mandate to integrate input from all areas of the department, as well as from provinces, into a cohesive marketing thrust into the U.S.A. Its responsibilities will require the development of in-depth marketing/supply information and plans to gain maximum benefit from this information. The implementation of these plans will involve the exploration of new markets with innovative marketing techniques. These activities, therefore, will require an unprecedented degree of coordination among various branches of Industry, Trade and Commerce, other departments of the federal government, the ministries and departments of all provincial governments and the private sector.

## The Bureau's Objectives

In general, the bureau's objective is to increase Canada's exports to the United States by increasing the sales of those companies currently involved in the U.S. marketplace and introducing new firms to the business of exporting. To accomplish this, the bureau has developed the following as guidelines:

To bring together within a single organizational unit the management of all the department's resources directed at assisting Canadian industry to penetrate the U.S. marketplace.

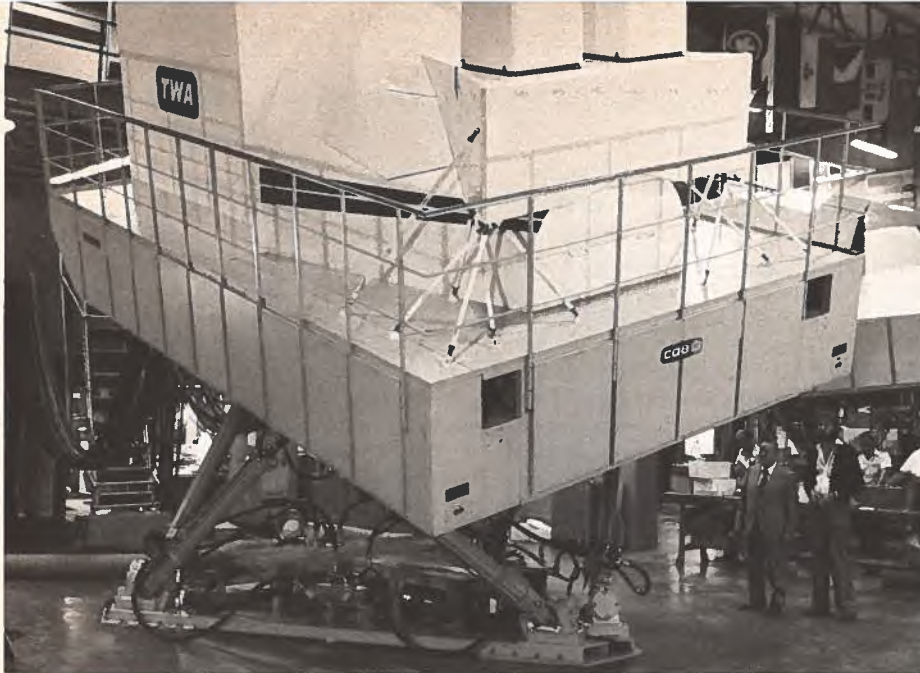
To identify, with the assistance of all levels of government and interested organizations of the private sector, those industry sectors that have the capabilities and capacities to enter the U.S. market.

To initiate programs designed to increase our knowledge of the U.S. market.

To seek out and exploit opportunities to increase Canadian product exposure in the U.S. business community.

To assist the smaller and medium size Canadian firms not presently exporting, or exporting on a very limited scale, to





identify ways and means to penetrate the U.S. market.

### The Bureau's Activities

To meet its objectives, the bureau has identified and developed activities which may be generally categorized in the following manner:

The **identification** of priority markets in a systematic manner with the objective of matching market opportunities with supply capabilities. The gathering of market intelligence will play a key role in the development of effective plans to penetrate these markets.

Conducting specialized **education** workshops for first time exporters and those firms seeking to expand their current export levels in order to better prepare them for the challenges associated with "exporting".

**Trade Promotion** activities such as trade fairs and missions. Particular emphasis is placed on exploiting quickly developing opportunities that present themselves as a result of an unusual set of circumstances (eg: shortage of a particular product in a localized region of the U.S.).

The bureau also has numerous other responsibilities. The following are generally included in this area of activity:

- **Co-ordination of the plans of our 13 posts in the U.S. to ensure they are in complete harmony with overall departmental objectives.**
- **Review and provide input to applications for assistance by companies under the Program for Export Market Development (PEMD).**
- **Provide U.S. market information to industry and the provinces upon request.**
- **Suggest and prepare visits to the United States by cabinet ministers.**
- **Seek the participation of Cabinet Ministers in export oriented activities**

**ties where their contribution will be of significant benefit to Canadian industry.**

### Examples

Since its creation (June 1980) the U.S.A. Market Development Bureau has contributed in a significant manner to a number of successful activities. Included in this list are a ministerial visit (the Honourable Ed Lumley to Boston); three Gift and Craftware Shows (Atlantic Craftware Show, Halifax, and two solo exhibitions, one in New York and one in Boston); a building materials exhibition in Boston; three lumber seminars (Memphis, Tennessee; Atlanta, Georgia; and Charlotte, North Carolina); and assisted in bringing in U.S. buyers to the Canadian Outerwear Fashion Fair in Winnipeg, and the Canadian Hardware Show, Toronto. The bureau has also played a significant role in four solo shows (Food Products Show, Portland, Oregon and Food and Fish Products Show, Boston, Mass.; Jewellery Products Show, Cleveland, Ohio; and an Electronic Environmental Equipment Show in Buffalo, New York). The bureau also sponsored two additional activities, the Batimat International Building Products Show (by bringing in approximately 70 U.S. buyers); and a mission of building product buyers and agents to Ontario and Quebec.

A highly successful mission of Canadian manufacturers of high technology products to Bedford, Mass. and Anaheim, California was also carried out.

It is perhaps appropriate at this time to briefly outline the series of steps that take place in the mounting of a short lead time Solo Trade Fair. No time frame has been assigned to the overall procedure nor to each individual step for they can vary widely. For example, in one case, the Canadian High Technology Show in Boston, Mass. (EC'79), the time passage

from beginning to end was approximately seven months.

There have also been events such as the Solo OEM Components Show in Detroit where only six weeks elapsed from proposal to wrap-up. The following outlined event, therefore, should be viewed as a general representation and not a methodology that is chiseled in stone.

**Bureau approaches U.S. Trade Post seeking ideas for an event.**  
**or Post approaches Bureau with proposal for event that has been indicated as a result of their "on-the-scene" investigations.**

**or Market research indicates to Bureau/Post/Industry Branch that positive benefits may be derived through the initiation of a marketing thrust by Canadian industry.**  
**After the suggestion or proposal is received (eg: participation in established trade fair, organizing solo trade show, mounting mission to U.S. or bringing U.S. buyers/representatives to Canada) the Bureau approaches other interested parties (relevant industry sector branch of IT&C, concerned departments/ministries of provincial governments, IT&C Regional Offices, and various sections of the private sector such as industry associations) for their advice and support of the proposal. As a result of input and consultations with all concerned, a decision is made whether or not to proceed with the event.**

**Assuming the decision is positive, post begins recruiting visitors, obtaining space etc. Industry sector branch/Canadian Regional Offices/provincial governments/industry associations begin recruiting Canadian companies as participants.**

**Trade Fairs and Missions division of IT&C appoints a project manager to ensure physical co-ordination of event. Bureau retains overall show management and co-ordination responsibility and assists in all aspects as required.**

**Event is staged.**

**Bureau submits its report and makes recommendation for the future.**

The U.S.A. Market Development Bureau does not have a monopoly on ideas on how best to penetrate the U.S. market or with which products. We recognize that there are as many ideas as there are readers of this article and we invite you to send them to us. Please write to **D.H. Gilchrist, Director General, U.S.A. Market Development Bureau (64) Department of Industry, Trade and Commerce, 235 Queen Street, Ottawa, Ontario, K1A 0H5.**

## Trade Fair Round-Up by Shirley Plowman

### The Route Leading to (Trade) Success

Just how effective is the trade show route? "Very!" claims one grateful Canadian enterprise — Silcofab Limited.

The Guelph-based company states that participation in the IT&C Trade Fair Program has led to lucrative new sales in the U.S. market.

It was in October 1979 that the gasket and seal manufacturer exhibited at IT&C's Boston High Technology Show Place. Good things began to happen

when a representative of Boeing Commercial Aircraft Company chanced upon the Silcofab display and liked what he saw. A month later a Boeing representative contacted the Canadian firm to determine its suitability as a supplier.

After some intensive development work by Silcofab, all of the Boeing specifications and requirements were met. Prototype parts were subsequently approved and Silcofab is now producing sophisti-

cated fabric reinforced silicone moulded seals for use in the aircraft manufacturer's new 767 commercial aircraft.

**"We see increased growth that may exceed \$1.5 million a year in the next two or three years,"** says Silcofab's Vice President, P. Valeriote. **"Most of the volume will consist of export sales that wouldn't normally exist without the valuable exposure in Boston."**

Added IT&C Minister Herb Gray: **"Silcofab is not an isolated case. It's fairly typical of firms that use IT&C's Trade Fair Program to exhibit their products abroad."**

Isn't this the route you should be taking?

### ISPO Enjoys Greatest Year



Some 37 Canadian manufacturers of sports equipment made their sixth triumphant appearance at ISPO, the International Sports Equipment Fair which was held in Munich, February 26 to March 1, 1981.

**On-site sales totalled \$9,700,000 compared with \$7,700,000 in 1980 and \$1,800,000 in 1979. Estimated follow-on sales should peak at \$22,200,000 — making 1981 the best year ever for Canadian participation at ISPO!**

The skate manufacturers in particular easily glided to success, but other companies did tremendously well also.

Featured along with internationally known Canadian ice hockey equipment, ice skates and blades, was a variety of ski

and winter clothing, hunting, Arctic and winter fashion boots. Equipment for winter activities, water sports and fitness were also popular.

Canada's trade commissioner in Bonn is preparing an umbrella marketing plan to help the Canadian sporting goods industry get an even larger slice of the German market. It is expected that under the plan a group of German trade journalists will eventually come to Canada to study the industry on its own ground.

Canadian companies looking for a higher return on their advertising dollars would be well advised to make use of the many excellent European trade publications.

### Making It With Men's Fashions

Cologne, Federal Republic of Germany, was the scene of the International Men's Fashion Week, February 22-24, 1981. **Eleven Canadian manufacturers exhibited their latest styles in suede and leather jackets and coats, woolen sweaters, sportswear, jeans and underwear. On-site sales totalled \$187,000 with projected sales of \$5,700,000.**

One company became the exclusive distributor for its line of jeans in the Federal Republic.

Good quality, competitive prices and a strong sales force assure success for many Canadian companies exporting to Germany and other EEC countries.

A western company producing high quality leather garments established serious contacts and is actively pursuing export markets in Germany, Holland and the Scandinavian countries.

Another company who "feels good all under" did exceptionally well representing several Canadian manufacturers. Its presentation of a new line of men's underwear caught the eye of Germany's second largest mail order catalogue and will be featured in future editions.

Companies highlighting their products were from Ontario, Quebec and the Western Provinces.

# Multilateral Project Opportunities

The following list of Multilateral Project Opportunities has been prepared by the Bureau of Pacific, Asian, African and Middle Eastern Affairs (PAA) to inform Canadian companies of the projects being considered or already approved for financing by the international financing institutions such as the World Bank and UNDP. It is important to note that further information is available on approved projects only and may be obtained from the respective geographical division of PAA listed below.

In order to capitalize on these export opportunities, experience has shown that getting in on the ground floor by advance marketing activities or use of local agents has increased the probability of success. Small to medium companies may wish to consider participating as a sub-supplier or as part of a

consortium bidding on equipment packages. The Bureau of Pacific, Asian, African and Middle Eastern Affairs is prepared to assist companies in formulating their bids, and to suggest the appropriate contacts for companies interested in obtaining insurance, bonds and performance guarantees which are often required as part of tender specifications.

In addition, our Trade Commissioners, the Department's personnel abroad, are ready to assist you in pursuing business such as arranging meetings for you with personnel and the executing agencies. The Department of Industry, Trade and Commerce also has liaison officers in Washington and Manila, who are prepared to undertake enquiries on your behalf, however, we recommend that you contact the appropriate officer listed below for your initial enquiry.

## Projects under consideration

### Africa/Middle East (613) 995-7752

#### **BENIN & TOGO**

Engineering design and tender documents for the regional Nangbeto hydroelectric  
World Bank (IDA) — \$2.5 M

#### **CAPE VERDE**

Port of Praia  
World Bank (IDA) — \$5.0 M

#### **CENTRAL AFRICAN REP**

Highways IV  
World Bank (IDA) — \$15.0 M

#### **EGYPT**

Sixth Development Finance Co. Project  
World Bank (IBRD) — Amount to be determined

#### **GHANA**

Fourth Power Distribution  
World Bank (IDA) — \$20.0 M

#### **LESOTHO**

Highways IV  
World Bank (IDA) — \$10.0 M

#### **MADAGASCAR**

Agricultural Services (Rice)  
World Bank (IDA) — \$10.0 M

#### **MALI**

Rural water supply  
World Bank (IDA) — \$12.0 M

#### **NIGER**

Forestry II  
World Bank (IDA) — \$23.0 M

#### **TANZANIA**

Forestry II  
World Bank (IDA) — \$10.0 M

#### **TOGO**

Rural Development II  
World Bank (IDA) — \$30.0 M

#### **UPPER VOLTA**

Telecom III  
World Bank (IDA) — \$15.0 M

Development Investment Budget to plan projects (Technical Assistance)  
World Bank (IDA) — \$6.0 M

#### **YEMEN, PEOPLE'S DEM. REP.**

Highways IV  
World Bank (IDA) — Amount to be determined

### Asia/Pacific (613) 996-8661

#### **BANGLADESH**

Second Crop Intensification Program  
Asian Development Bank (AsDB) — \$17.0 M (approx.)  
No decision made whether consultants will be required.

Thana/Union Health Centers Development  
Asian Development Bank (AsDB) — \$20.0 M (approx.)  
No decision made whether consultants will be required.

Southeast Bangladesh Gas Distribution  
Asian Development Bank (AsDB) — Amount to be determined  
No decision made whether consultants will be required.

#### **BURMA**

Groundwater Development (Technical Assistance)  
Asian Development Bank (AsDB) — Amount to be determined  
Consultants will be required.

Second Forestry  
Asian Development Bank (AsDB) — \$20.0 M (approx.)  
No decision made whether consultants will be required.

**CHINA**

## Education I

World Bank — To be determined

## First Agriculture Project

World Bank — To be determined

## Ports

World Bank — To be determined

**FIJI**

## Lautoka and Savusavu Ports Development (Technical Assistance)

Asian Development Bank — To be determined

Consultants will be required.

**INDIA**

## Krishna-Godavari Petroleum exploration

World Bank (IBRD) — \$150.0 M — \$200.0 M (approx.)

## ICICI XIV (Industrial Credit and Investment Corporation of India)

World Bank (IBRD) — \$150.0 M

## Proposed remanufacturing plant for diesel locomotives

World Bank (IDA) — \$150.0 M

## Third Rural Electrification Corporation

World Bank (IDA) — \$150.0 M

## Tamil Nadu Agricultural Extension

World Bank (IDA) — \$37.0 M

## Maharashtra Agricultural Extension

World Bank (IDA) — \$31.6 M

## Madhya Pradesh Agricultural Extension

World Bank (IDA) — \$49.5 M

**INDONESIA**

## Production and Distribution of Essential Drugs

Asian Development Bank (AsDB) — \$34.0 M

No decision made whether consultants will be required.

## Sixth Port

Asian Development Bank (AsDB) — \$30.0 M

No decision made whether consultants will be required.

## Balikpapan Port Development (Technical Assistance)

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be required.

**MALAYSIA**

## Western Jahore — integrated development

World Bank (IBRD) — \$45.0 M

## Rural Electrification I

World Bank (IBRD) — \$50.0 M

**NEPAL**

## Command Area Development

Asian Development Bank (AsDB) — Amount to be determined

No decision made whether consultants will be required.

## Pulp and Paper (Technical Assistance)

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be recruited by the Bank.

**PAPUA NEW GUINEA**

## Rural Health Services

Asian Development Bank (AsDB) — \$10.0 M (approx.)

No decision made whether consultants will be required.

## Second Manus Forestry (Technical Assistance)

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be recruited by the Bank.

**PHILIPPINES**

## Bohol &amp; Cebu Fisheries Development

Asian Development Bank (AsDB) — Amount to be determined

No decision made whether consultants will be required.

## Energy Sector

Asian Development Bank (AsDB) — \$50.0 M (approx.)

No decision made whether consultants will be required.

## Second Palawan Integrated Area Development (Technical Assistance)

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be required.

**SRI LANKA**

## Aquaculture (Technical Assistance)

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be required.

**THAILAND**

## Natural Gas Transmission and Distribution

Asian Development Bank (AsDB) — \$53.0 M

No decision made whether consultants will be required.

## Natural Gas Transmission and Distribution (Technical Assistance)

Asian Development Bank (AsDB) — Amount to be determined

Consultants will be recruited by the Bank.

**Western Hemisphere/Europe****(613) 996-5357****ARGENTINA**

## Highway

World Bank (IBRD) — \$80.0 M

## Craft Development

Inter-American Development Bank (IADB) — \$0.4 M

## Credit for vocational students

Inter-American Development Bank (IADB) — \$0.5 M

**BAHAMAS**

## Training and Advisory Services in agricultural development (Technical Assistance)

Inter-American Development Bank (IADB) — \$0.33 M

## Artisan Fisheries

Inter-American Development Bank (IADB) — \$0.5 M

## Development of Microenterprises

Inter-American Development Bank (IADB) — \$0.3 M

**BRAZIL**

## Investigation of possible petroleum resources

Inter-American Development Bank (IADB) — \$37.6 M

## Feasibility studies in methanol

Inter-American Development Bank (IADB) — Amount to be determined

**CHILE**

## Highway reconstruction

Inter-American Development Bank (IADB) — \$105.0 M

**COLOMBIA**

## Hydropower

World Bank (IBRD) — \$135.0 M (approx.)

## Development of Microenterprises

Inter-American Development Bank (IADB) — \$0.4 M

## Development of Microenterprises

Inter-American Development Bank (IADB) — Amount to be determined

**DOMINICAN REPUBLIC**

Development of Microenterprises  
Inter-American Development Bank (IADB) — \$0.3 M

**ECUADOR**

Institutional Support  
Inter-American Development Bank (IADB) — \$0.666 M

Small Irrigation  
Inter-American Development Bank (IADB) — \$0.4 M

**EL SALVADOR**

Program to control coffee rust  
Inter-American Development Bank (IADB) — \$45.6 M

**GUATEMALA**

Expansion of telephone network  
World Bank (IBRD) — Amount to be determined

**GUYANA**

Feasibility study dairy development program (Technical Assistance)  
Inter-American Development Bank (IADB) — \$0.15 M

Rural Development  
Inter-American Development Bank (IADB) — \$0.25 M

**HAITI**

Highways VI  
World Bank (IDA) — \$15.0 M

Power III  
World Bank (IDA) — \$26.0 M

Preparation of marble exploration project (Technical Assistance)  
Inter-American Development Bank (IADB) — \$0.1 M

Preparation of Stage III of water project in Port-au-Prince  
Inter-American Development Bank (IADB) — \$0.4 M

Agroindustrial Development  
Inter-American Development Bank (IADB) — \$0.5 M

Craft Development  
Inter-American Development Bank (IADB) — \$0.3 M

**MEXICO**

Industrial Ports  
World Bank (IBRD) — \$10.0 M

Agricultural Marketing  
World Bank (IBRD) — \$100.0 M (approx.)

PIDER IV  
World Bank (IBRD) — \$200.0 M (approx.)

Microindustrial Development  
Inter-American Development Bank (IADB) — \$0.3 M

**NICARAGUA**

Line of Credit for industry rehabilitation  
World Bank (IBRD) — \$30.0 M (approx.)

Line of Credit for agriculture rehabilitation  
World Bank (IBRD) — \$20.0 M (approx.)

Managua Upgrading  
World Bank (IBRD) — \$12.0 M (approx.)

National Municipal Development Investment Program  
World Bank (IBRD) — \$8.0 M (approx.)

Agricultural credit for young rural laborers  
Inter-American Development Bank (IADB) — \$0.3 M

**PARAGUAY**

Highways VII  
World Bank (IBRD) — \$35.0 M

**PERU**

Small-Scale Industry  
World Bank (IBRD) — \$25.0 M (approx.)

Mantaro and Pisco transmission lines  
Inter-American Development Bank (IADB) — \$85.0 M

**Approved projects****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**

Fertilizer Transport  
World Bank (IDA) — \$25.0 M

Natural Gas Development Project  
Asian Development Bank (AsDB) — \$31.0 M

Public Health Program  
Asian Development Bank (AsDB) — \$15.6 M

**BURMA**

Grain Storage  
World Bank (IDA) — \$23.0 M

**INDONESIA**

Second Irian Jaya Fisheries Development (Technical Assistance)  
Asian Development Bank (AsDB) — Amount to be determined

**NEPAL**

Irrigation Engineering Project  
World Bank (IDA) — \$3.5 M

Agricultural Extension & Research  
World Bank (IDA) — \$17.5 M

Hill Food Production Project  
World Bank (IDA) — \$8.0 M

**PAKISTAN**

Load Despatch & Transmission Project  
Asian Development Bank (AsDB) — \$67.0 M

Baluchistan Fisheries Development (Technical Assistance)  
Asian Development Bank (AsDB) — Amount to be determined

**THAILAND**

Potash Engineering  
World Bank (IBRD) — \$8.9 M

Natural Gas Transmission & Distribution (Technical Assistance)  
Asian Development Bank (AsDB) — Amount to be determined

**WESTERN SAMOA**

Forestry Development Project  
Asian Development Bank (AsDB) — \$1.74 M

## Africa/Middle East (613) 995-7752

### **BOTSWANA**

Fifth Road  
World Bank (IBRD) — \$17.0 M

### **GUINEA-BISSAU**

Petroleum Exploration  
World Bank (IDA) — \$6.8 M

### **MALAWI**

Fourth Highway  
World Bank (IDA) — \$33.0 M

### **MOROCCO**

Second Urban Development  
World Bank (IBRD) — \$36.0 M

### **SIERRA LEONE**

Eastern Integrated Agricultural Development  
World Bank (IDA) — \$12.0 M

### **UPPER VOLTA**

Second Bougouriba Agricultural Development  
World Bank (IDA) — \$16.0 M

## Western Hemisphere/Europe (613) 996-5357

### **BARBADOS**

Power  
World Bank (IBRD) — \$6.0 M

### **MEXICO**

Rainfed Agricultural Development  
World Bank (IBRD) — \$280.0 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, John 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.

## Reciprocal Electrical Testing Agreement Signed

Canada has signed an agreement with Japan for reciprocal testing of certain consumer electrical products.

The agreement, which allows Canadian goods to be tested in Canada and Japanese goods to be tested in Japan for compliance with Japanese and Canadian standards respectively, is the first of its kind ever negotiated by Japan with a foreign country.

It is expected that accumulated benefits over the next five years will amount to about \$100 million in additional exports for Canadian manufacturers.

**"Both Canada and Japan stand to gain from this exercise in international trade which removes longstanding difficulties over exports of Canadian electrical goods to Japan,"** enthused federal Industry Minister Herb Gray. **"It is also the first of such bilateral agreements being promoted by my department in product certification with foreign governments."**

Added Ontario Industry and Tourism Minister Larry Grossman: **"We consider this a major step in lowering non-tariff barriers in international trade. It will make it that much easier to sell our products in Japan."**

The products covered under the agreement are fry-pans, kettles, household irons, drills and hammer drills, jigsaws, sanders, refrigerators and humidifiers. As the program develops, other products will be added.

**The agreement is the result of a joint effort by the federal Department of Industry, Trade and Commerce, the Ontario Ministry of Industry and Tourism and the Canadian Standards Association. Also involved were Black and Decker Canada Inc., Canadian General Electric Company Ltd. and the Canadian Appliance Manufacturing Company Ltd.**



# If you're searching far and wide for markets, there's help near at hand.

If you're serious about exporting, so are we. The PEMD (Program for Export Market Development) has your success in mind. We know that for Canadian companies to really grow, they have to get to foreign markets. Our job is to help make you and your goods or services known to foreign buyers and markets. And to help show the colours, we'll help pay the costs.

**WE CAN HELP  
GET YOU TO  
MARKET, NO MATTER  
WHAT COUNTRY  
IT'S IN.**

Maybe you know there's a market out there, but not quite where out there. When you're ready to find out come to us. We can help share the cost of tracking it down.

**IF YOU'RE TRYING  
TO GET TO A  
TRADE FAIR, ASK  
US ABOUT OUR  
TRADE FARES.**

We'll help share the cost of getting you there too. We know that whether from Yugoslavia, Japan, Brazil or wherever, all foreign customers are from Missouri when it comes to spending their money. They want you to demonstrate to them that Canadian businesses produce finished products with finesse and that our technology rates highly too. If being there will help you get business, we can help you be there.

**WE SPEAK THE  
LANGUAGE OF BUSINESS,  
NO MATTER WHAT  
LANGUAGE IT IS.**

If you think a foreign buyer might find a first-hand look at your facilities inviting, by all means invite him. We can fill you in on the protocol involved in doing business with another culture. We can provide the funds for sharing the cost of your customers travelling from over there, over here, and their living expenses while here. If you want to expand your markets, visit your regional Industry, Trade and Commerce Office and mention this ad. We'll expand on the things you need to know and the ways we can help. (If you prefer, write directly for a PEMD application form). It's not our interest that's growing. It's your growing that's our interest.



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