



# Québec support for SMEs going global

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Thursday, September 25, 2008

*Développement  
économique, Innovation  
et Exportation*

Québec 

# Presentation plan

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## 1. Québec support for SMEs going global

### History of the intervention

#### Two areas of assistance:

- ◆ Guidance/advice
- ◆ Financial contributions

## 2. A new economic space for Québec businesses

- ◆ The context and the five projects
- ◆ The economic partnership agreement between Canada and the European Union

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## History of the intervention

### 1. Priority changes

- ↳ **1996 to 2000**: priority for new exporters  
Slogan: “2000 new exporters by the year 2000”
- ↳ **2001 to 2007**: priority for consolidating exporters’ presence on markets without, however, neglecting diversification of their markets

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## History of the intervention

### 1. Priority changes (cont.)

↳ **2008 to 2011:** priority for international business development

#### **More than export:**

- ↳ Integration into global value chains
- ↳ Location (establishment of subsidiaries) abroad to sell or produce
- ↳ Best business practices for input acquisition

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## History of the intervention

### 2. Other changes/trends

- ↳ From financial assistance and the organization of activities to guidance/advice
- ↳ From doing to the more frequent use of partners

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## a. History of the intervention

### 2. Other changes/trends (cont.)

↳ Increasingly strategic:

↳ **19 priority countries/territories**

↳ **Economic strategies by country/territory**

↳ **Better definition of sectoral priorities**

↳ **Better targeting of activities**

↳ The importance of collaboration: Réseau Export-Québec

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## Guidance/advice

**It is threefold:**

**Firstly, it**

- ↳ Is provided by advisers in regional offices of the MDEIE
- ↳ Targets new exporters

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## Guidance/advice (cont.)

### Firstly, it

- ↳ Consists of informing, training and preparing the new exporter for a process that will lead to the export of his products or services

#### Examples:

- ↳ **International diagnosis (capacity to export)**
- ↳ **Identification of potential markets**
- ↳ **Strategies for entering the target markets**
- ↳ **Development and implementation of an international business plan**

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## Guidance/advice (cont.)

### Secondly, it

- ↳ Is provided by international business advisers from the Direction générale des affaires économiques internationales (DGAEI) of the MDEIE, located in Québec City and Montréal
- ↳ Targets:
  - ↳ **New exporters (after preparation by regional offices of the MDEIE) and**
  - ↳ **Experienced exporters (who are consolidating or diversifying)**

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## Guidance/advice (cont.)

Secondly,

**International business advisers, desk managers (countries or territories),**

- ↳ Are experts on countries or territories
- ↳ Organize activities:
  - ↳ In these countries or territories (e.g., missions, trade, shows, networking sessions)
  - ↳ In Québec (e.g., incoming buyer missions)
- ↳ Are connected to the economic services of the network outside Québec

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## Guidance/advice (cont.)

### Thirdly, it

- ↳ Is provided by the economic services of the network outside Québec (Canada's diplomatic network abroad also contributes significantly)
- ↳ Consists of:
  - ↳ **Support in finding partners (including distributors) on the target market and**
  - ↳ **Support in organizing activities (e.g., networking, meeting programs)**

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## Guidance/advice (cont.)

**Thirdly,**

**The economic services of the network outside Québec are located in:**

- ↳ 7 general delegations (Brussels, London, Mexico City, Munich, New York City, Paris and Tokyo)
- ↳ 4 delegations (Atlanta, Boston, Chicago and Los Angeles)
- ↳ 8 bureaus (Barcelona, Rome, Berlin, Sao Paulo, Beijing, Shanghai, Mumbai and Toronto)
- ↳ 5 trade branches (Milan, Santiago, Seoul, Taipei and Vancouver)

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**Financial contributions ►► Three programs and financing:**

- a. Assistance program for businesses**
- b. Assistance program for associations (Assistance program for partnerships and industrial clusters)**
- c. Industrial agreement program**
- d. Investissement Québec's SME Financing**

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Financial contributions ▶ Three programs and financing:

a. Assistance program for businesses

**GOAL:** to assist Québec SMEs in entering foreign markets for export

**ELIGIBLE PROJECTS – include:**

- C-TPAT certification
- Foreign market study
- International business plan
- Hiring an international business expert
- Foreign market entry: feasibility study
- Collaborative market development
- Adaptation of products to international standards

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Financial contributions ▶ Three programs and financing:

b. Assistance program for associations (Assistance program for partnerships and industrial clusters)

**GOAL:** to assist organizations representative of business circles in undertaking collaborative and market development activities for the benefit of the majority of their members in accordance with the objectives of the MDEIE

## **ELIGIBLE PROJECTS**

- Market development activities
- Trade missions
- Joint export action
- Investment promotion
- Studies and other international expertise development activities

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Financial contributions ▶ Three programs and financing:

## c. Industrial agreement program

**GOAL:** to assist SMEs in negotiating and concluding an agreement on an industrial or technological project with a European partner located

- In France (UBIFrance program) or
- In one of the following regions: Bavaria (Germany), Wallonia, Brussels-Capital and Flanders (Belgium) or Catalonia (Spain).

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Financial contributions ▶ Three programs and financing:

c. Industrial agreement program (cont.)

**ELIGIBLE PROJECTS:**

- Acquisition or transfer of know-how or a patent for the manufacture of a product or the commercialization of a licensed process, or for the delivery of a specialized service
- Joint development of a product or process or its adaptation, or of a service delivery method
- Creation of a mixed corporation or an industrial or technological subsidiary

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**Financial contributions ▶ Three programs and financing:**

## **d. Investissement-Québec's SME Financing**

### **1. Development of markets outside Québec**

**Loan guarantee or loan for a project to enter or develop a market outside Québec**

### **2. Export line of credit**

**Repayment guarantee on the net loss of a line of credit, surety or letter of credit granted by a financial institution**

### **3. Complementary components**

**Loan guarantee or loan granted for a specific project, including:**

- **Strategic alliance**
- **Productivity improvement**
- **Interim financing of tax credits**
- **Working capital for growth purposes**
- **Succession**

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## **2. A new economic space for Québec businesses**

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### **The context and the five projects**

#### **Context – the changing economy:**

- Competence and innovation are increasingly key to prosperity, hence the importance of our capacity to attract qualified workers and professionals**
- Fluctuations in the Canadian dollar and competition from emerging countries, hence the need to consolidate our markets and develop new ones**

## 2. A new economic space for Québec businesses

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To create this new space,

Québec has undertaken  **FIVE MAJOR PROJECTS**

1. The signing of a France-Québec agreement on the mutual recognition of qualified workers' competencies
2. The signing of a Québec-Ontario agreement on trade and the economy
3. **The promotion of an economic partnership agreement between Canada and the European Union**
4. The complete implementation of the Agreement on Internal Trade (AIT), particularly the chapter on labour mobility, and
5. The acceleration of the recognition of occupational qualifications for people trained outside Québec and the recruitment of temporary workers

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## **2. A new economic space for Québec businesses**

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**The economic partnership agreement between Canada and the European Union**

**Objective:**

**To increase exchanges with the European Union to better stimulate economic growth, job creation and innovation in the context of a globalized economy**

## 2. A new economic space for Québec businesses

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### The economic partnership agreement between Canada and the European Union

#### Evolution of the project:

- ↪ **January 2007:** Québec announces its interest in a closer economic partnership between Canada and the European Union
- ↪ **Subsequently:** promotion of an economic partnership agreement before:
  - **Representatives of the European Union and member States**
  - **Canadian and provincial/territorial governments**
  - **Employer groups in Québec, Canada and Europe**
- ↪ **June 2007:** Canada-EU Summit – The parties agree to assess the costs and benefits of a closer economic partnership

## **2. A new economic space for Québec businesses**

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### **The economic partnership agreement between Canada and the European Union**

#### **Evolution of the project (cont.):**

- ↪ **June 2008:** Joint France-Canada action plan to consolidate economic relations between the two countries and maintain an ongoing commercial dialogue. The objectives are as follows:
  - 1. To strengthen cooperation in areas related to competitiveness, innovation, science and technology**
  - 2. To support the development of a closer Canada-EU partnership**
  - 3. To assist SMEs in expanding their activities on Canadian and EU markets**

## **2. A new economic space for Québec businesses**

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**The economic partnership agreement between Canada and the European Union**

### **Evolution of the project (cont.):**

- ↳ **July 2008:** Council of the Federation – the Premiers
  - ↳ **Stress the importance of a stronger Canada-EU partnership**
  - ↳ **Request that negotiations for the agreement begin at the next Canada-EU summit**
- ↳ **October 2008:** Canada-EU Summit

# Conclusion

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- ↳ The Government of Québec's support for businesses changes in accordance with the business environment and the specific needs of SMEs
- ↳ Its intervention is increasingly targeted and strategic
- ↳ A new economic space will help improve the business environment
- ↳ The importance of the work of the International Trade and Investment Centre and its partners in providing direction