



To the Honourable  
DON PHILLIPS,  
Minister of Industry and Small  
Business Development, Victoria,  
British Columbia.

SIR:

*I have the honour to submit herewith  
the Report of the Ministry of Industry  
and Small Business Development for  
the fiscal year ended March 31, 1980.*

A. L. PEEL  
Deputy Minister  
Ministry of Industry and  
Small Business Development



To the Honourable  
HENRY P. BELL-IRVING,  
D.S.O., O.B.E., E.D.  
Lieutenant-Governor of British  
Columbia

MAY IT PLEASE  
YOUR HONOUR:

I beg to submit the Report of the  
Ministry of Industry and Small  
Business Development for the fiscal  
year ended March 31, 1980.

DON PHILLIPS  
Minister of Industry and  
Small Business Development

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# BUSINESS AND INDUSTRIAL DEVELOPMENT BRANCH

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## OBJECTIVE

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The Business and Industrial Development Branch, operating from Vancouver, pursues three major objectives: to expand and diversify the existing industrial base, to increase the production and export of British Columbia goods and services, and to attract and encourage new investment into the Province.

In order to accomplish these objectives Division personnel work in three groups: Industry Development, Trade Development and Capital Projects, and Business Development.

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## INDUSTRY DEVELOPMENT

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The Industry Development group works closely with the Province's manufacturers, assisting them to develop their full potential. The group is extensively involved in export marketing activities, productivity improvement, and encouraging the development of secondary industry.

During the year, staff members met with over 5,500 B.C. companies who were seeking advice or assistance on expanding their operations.

The group administers several programs to assist British Columbia manufacturers and service companies in developing new markets.

A Market Development Program helps firms investigating new export market opportunities by providing return economy air fare to a maximum of \$1,500 to the designated market for a company or association representative. In 1979, 137 British Columbia companies took advantage of this program.

An Incoming Buyers Program assists firms in attracting potential buyers from outside the Province. Again the assistance consists of the return economy air fare for the potential buyer to a maximum of

\$1,500 and the Ministry will encourage and assist the buyer to visit as many other local companies as appropriate. In 1979, 27 British Columbia companies participated in this program.

A trade show program provides financial assistance and organizing expertise to companies participating in trade shows outside of British Columbia. In 1979, 74 companies utilized this program and four major trade shows in which the Ministry was very active in sponsoring exhibits were:

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Toronto: *Hotel/Restaurant Equipment and Products*

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New Zealand: *Fishing Equipment*

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San Francisco: *Giftware*

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Los Angeles: *Book Publishers*

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## TRADE DEVELOPMENT AND CAPITAL PROJECTS

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The Trade Development and Capital Projects group identifies key capital projects around the world that offer major opportunities for the sale of British Columbia goods and services. The group also maintains close liaison with international financing agencies to ensure that British Columbia companies obtain maximum advantage from projects that they finance.

During 1979 Latin American and U.S. Market Specialists joined the South East Asian, Australasian and Middle Eastern specialists already engaged in identifying export opportunities.

During 1979 the specialists met with several hundred British Columbia companies to review exporting plans and opportunities. Seven opportunity identification missions led to five Ministry sponsored trade missions.

Arrangements were also made for the Ministry to sponsor incoming

missions from Mexico, Malaysia, China and Holland. The visiting businessmen and government officials were shown British Columbia technology and equipment which matched their needs.

The group also sponsored or co-sponsored trade oriented seminars in Vancouver, Langley, Nanaimo and Vernon. Topics included: "Business Opportunities in Latin America," "Foreign Investment in China," "Canadian International Development Agency—Industrial Co-operation Program" and "Export Canada 79—Selling in the U.S. Market."

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## EXPORT ASSISTANCE RESULTS

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The Trade Development and Capital Projects and Industry Development Groups cooperate closely to provide Ministry sponsorship and coordination of trade missions to countries outside of Canada.

In 1979, fifteen trade missions were conducted to introduce British Columbia companies to new sales opportunities. Over 100 companies participated. The missions were:

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Brazil: *Environmental Management*

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South East Asia: *Aircraft Maintenance*

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Chile and Argentina: *Forest Equipment*

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San Francisco: *Electronics*

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Japan: *Fish Products*

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Scotland: *Offshore Petroleum Technology*

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Germany: *Plastic Products*

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Germany: *Food Products*

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Germany: *Sporting Goods*

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Holland: *Timberframe Housing*

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Alaska/Yukon: *Construction Services*

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California: *Capital Projects*

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Australia: *Industrial Equipment*

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Germany: *Joint Venture and Licensing*

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United States: *Health Care*

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These missions and related activities ultimately resulted in an increase of exports of British Columbia manufactured goods of \$80 million.

Some of the key contracts signed were:

- Two contracts to supply housing into Saudi Arabia, total value: \$19 million.
- Three sawmills for Malaysia, estimated total value: \$5 million.
- Sawmill and logging equipment for Central and South America, estimated value: \$15 million.
- Timberframe housing components for Holland, estimated value: \$3.7 million.
- Design and engineering services to Saudi Arabia, value: \$4.5 million.
- Construction contracts in the Yukon, value: \$10 million.
- Aviation servicing and maintenance equipment for South East Asia, value: \$300,000.

#### **BUSINESS DEVELOPMENT**

The Business Development group is responsible for encouraging new business investment in British Columbia by both established companies and firms located elsewhere in Canada and abroad. Emphasis is placed on encouraging local companies to develop joint venture or licensing arrangements and on identifying import replacement and public purchasing opportunities. The group also assesses the viability of business proposals made by foreign entrepreneurs interested in emigrating to British Columbia.

During the year the Business Development group coordinated visits by incoming missions from Austria, Germany, the Netherlands,

China and Italy. These visits focused on the exchange of technology and on joint venture opportunities in British Columbia.

As a result of the group's efforts, over \$20 million in new investment and additional entrepreneurial capital of \$25 million flowed into British Columbia in 1979.

The Business Development group has also been active in ensuring maximum benefits to British Columbia from Canadian defence contracts. During the year sub-contracts of more than \$6 million were awarded to British Columbia aerospace firms and licensing agreements with a value of more than \$2 million were negotiated.

Canada will soon spend over \$4 billion to purchase new fighter aircraft, resulting in several hundred million dollars in benefits to British Columbia. The Business Development group organized two British Columbia mini-missions which visited major aircraft contractors in the United States and Eastern Canada to apprise them of our expertise.

The Business Development group, in cooperation with the Program Implementation and Coordination Branch in Victoria, also provides assistance to Regional Economic Development Commissions. The prime role of these commissions is to coordinate and promote economic activities in the respective regions of British Columbia. There are currently sixteen commissions in place and four more are anticipated. During the year, the commissioners made over 2,800 calls on local businesses and assisted companies applying to government assistance programs. In cooperation with the Business Development group, the commissions were instrumental in encouraging more than \$90 million in new investment in British Columbia.

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#### SPECIAL EVENTS

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The Trade and Industry Division assisted in arranging several seminars to inform British Columbia companies on changes to international trade and tariffs agreements.

During 1979 incoming missions from South East Asia, Latin America and Europe were welcomed to British Columbia. These visits were a direct result of export promotion activities and helped to better inform potential customers of British Columbia's industrial capabilities.

Senior staff from the Division were also involved in the study of the Vancouver Trade and Convention Centre and participated as observers on the Federal Enterprise Development Program Board of Directors.

# ECONOMIC ANALYSIS AND RESEARCH BUREAU

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## OBJECTIVE

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The objective of the Economic Analysis and Research Bureau is to assess, for Cabinet, government policies and initiatives related to trade, commerce and industrial development; to perform sectoral, regional and socio-economic analysis of the British Columbia economy; and to

provide analytical support to other Branches of the Ministry and other Ministries. The Bureau achieves these objectives through three Divisions: Economic Analysis, Special Projects and International Economic Relations.

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## ECONOMIC ANALYSIS DIVISION

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The Economic Analysis Division performs economic research and policy analysis and undertakes long-term planning and forecasting activities. The Division is largely responsible for the development of the Province's economic

and industrial strategies. The strategy's goals are to facilitate the growth of employment and real incomes, improve economic efficiency, stabilize prices, and achieve balanced regional development.

Using its economic analysis and forecasting the Division supplies profiles and policies for individual sectors and regions which are woven into the strategy framework.



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#### ACTIVITIES

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A primary function of the Division is to develop sectoral strategies in harmony with the overall British Columbia economic and industrial strategy. Important projects included the preparation of sector profiles and strategy papers for energy, selected metals and minerals, transportation, coal, research and development, the forest industry, commercial fisheries, estuary development and resource roads. Market studies have been undertaken for a number of commodities important to the provincial economy. One example is the "Pacific Rim Metallurgical Coal Market Survey," which was prepared in cooperation with the Federal Department of Industry, Trade and Commerce. Continuing liaison with industry and the federal government is an important component of market analysis.

Regional research is another basic activity. The British Columbia economy comprises diverse regional structures and development patterns which warrant special consideration. Projects have included developing a resource infrastructure policy, providing assistance in developing impact guidelines for major developments to the Environmental Land Use Committee and reviewing the recommendations of the Royal Commission on the British Columbia Railway. The Division has supplied advice on regional development proposals and compiled numerous economic reviews.

Briefing notes and background papers are prepared for the Minister and Cabinet members for economic missions to Europe, the far east, and elsewhere; and for federal-provincial and inter-provincial Ministers' conferences.

Division staff have participated in socio-economic and manpower evaluations including several studies for the inter-ministerial Equal Employment Opportunities Committee. Community impact studies of major projects were also conducted.

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#### SPECIAL PROJECTS DIVISION

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The Special Projects Division plans, coordinates, and directs Ministry development projects in the natural resource, processing, and manufacturing sectors.

Close liaison is carried out with other branches of the Ministry, other ministries, consultants and business organizations in order to coordinate formulation of economic development objectives for British Columbia.

The Division prepares the *Monthly Bulletin of Business Activity*, *British Columbia Economic Activity Review and Outlook*, and other sectoral, regional and foreign trade publications.

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#### ACTIVITIES

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The Division is conducting a feasibility study for non-ferrous metal smelting facilities in British Columbia. An investigation of British Columbia-China trade opportunities is also underway. A study of capital markets in British Columbia was completed and passed on to the Ministry of Consumer and Corporate Affairs.

Division personnel are members of the IDSA (Industrial Development Subsidiary Agreement) and TIDSA (Travel Industry Development Subsidiary Agreement) Research Technical Sub-Committees.

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#### INTERNATIONAL ECONOMIC RELATIONS DIVISION

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The International Economic Relations Division identifies policies for international trade which will encourage industrial development and thus produce higher real incomes for British Columbians.

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#### ACTIVITIES

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The Division made strong representation to Ottawa on British Columbia's position on trade policy during the long Multilateral Trade Negotiations (MTN) for reduced trade barriers, which have taken place under the General Agreement on Tariffs and Trade (GATT). Since the signing of the trade accords in Geneva, the Division has begun an in-depth assessment of their impact on the British Columbia economy. This effort is being coordinated with the other western provinces, as agreed by the Western Premiers at their conferences in 1978. The Division is monitoring the implementation of the MTN decisions by other nations with particular attention being paid to the effects of the U.S. Trade Agreements Act on British Columbia exports.

The Division, in conjunction with the Business and Industrial Development Branch, is formulating a Pacific Rim trade development strategy.

British Columbia companies facing difficulties in maintaining their access to export markets are being assisted with up to date information and guidance.



# PROGRAM IMPLEMENTATION AND COORDINATION BRANCH

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## OBJECTIVE

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The objective of the Program Implementation and Coordination Branch is to negotiate, coordinate and implement intergovernmental and joint government-industry programs, and to provide financial management for these programs. The Branch also performs analyses of a financial, accounting, and taxation nature in response to requests from government Ministries and agencies. Finally, the Branch has been designated responsibility for evaluating applications to the Foreign Investment Review Agency which are pertinent to the Province and for performing research on overall foreign investment levels and requirements.

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## PROGRAM DESIGN AND PROJECT APPRAISAL DIVISION

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This division provides analytical input for the development and management of intergovernmental and joint government-industry economic development programs. Technical information for economic, financial, and resource management submissions to the Minister and Cabinet is also prepared. The division evaluates and recommends amounts of cost-shared funding for major development projects. The division also conducts program management and

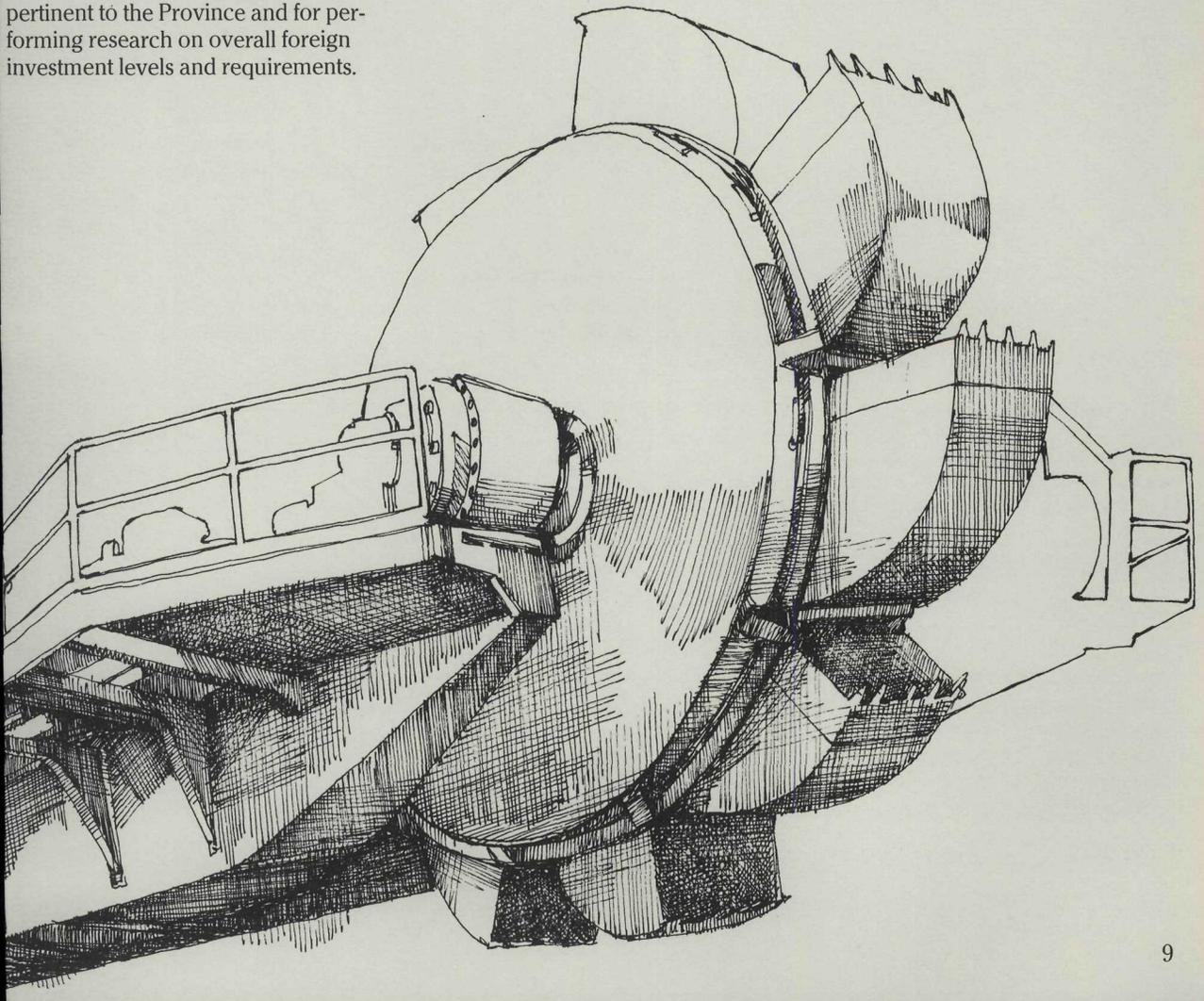
evaluation activities. Finally, the division participates for the Province in the Foreign Investment Review Act process.

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## ACTIVITIES

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Since the 1974 signing of the General Development Agreement (GDA) between the Ministry and the federal Department of Regional Economic Expansion (DREE), the Ministry has signed nine major subsidiary agreements with DREE. These agreements are equally cost-shared by the two levels of government. The currently active agreements are:



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North East Coal Subsidiary Agreement, Phase II (1977-1978) (extended to 1980) \$10 million

Agriculture and Rural Development Subsidiary Agreement (1977-1982) \$60 million

Industrial Development Subsidiary Agreement (1977-1982) \$70 million

Travel Industry Development Subsidiary Agreement (1978-1983) \$50 million

Intensive Forest Management Subsidiary Agreement (1979-1984) \$50 million

Castlegar Water Supply Agreement (1978-1983) \$3 million

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Subsidiary agreements have brought a total joint commitment of more than \$280 million to the Province.

Program development activity during 1979 included the formulation of the \$50 million Intensive Forest Management Subsidiary Agreement which was signed May 15, 1979.

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#### FOREIGN INVESTMENT REVIEW

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The federal Foreign Investment Review Act provides for consultation with provinces affected by investment proposals reviewed under the Act. The Division is responsible for reviewing foreign investment proposals and for recommending a provincial position to the Minister and Cabinet.

During the 1979 calendar year, a total of 141 cases were handled. Of these, 58 came under the short review process (for businesses with gross assets of less than \$2 million and fewer than 100 employees), and 83 under the more detailed regular

review process. Of the 83 regular cases, 44 were allowed and 12 were disallowed, 11 were withdrawn and 16 are still under review. Of those approved 31 involved the acquisition of existing businesses and 13 involved the establishment of new businesses. A significant number of these approvals were made subject to undertakings which will increase their benefit to British Columbia and Canada. Many jobs were created or assured through responsible foreign investment.

In addition, the Division studied overall investment levels and requirements, and closely monitored the federal review agency to ensure that the Province's economic interests were respected.

The Program Design and Project Appraisal Division is responsible for provincial participation in the Co-operative Overseas Market Development Program. This program, aimed at increasing export sales for specific Provincial forest industry products, is jointly funded by the Ministry of Industry and Small Business Development, the federal Department of Industry, Trade and Commerce and the Council of Forest Industries of British Columbia. The 1979 Ministry contribution was \$1,116,000.

Representatives of the Division participated in the administration of the Agriculture and Rural Development Sub-Agreement and the Special Agriculture and Rural Development Agreement and one representative is a member of a three man intra-provincial agency responsible for overseeing the operations of the Burns Lake Native Development Corporation.

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#### COMMUNITY ECONOMIC DEVELOPMENT SERVICES DIVISION

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The objective of Community Economic Development Services is to encourage new industrial development capacity at the community level by providing for the planning and implementation of programs coordinating public and private sector actions.

Working with municipal and regional governments, the Division emphasizes close liaison with the needs of the private sector. The means for realizing the Division's objective include the \$70 million Industrial Development Subsidiary Agreement. It provides programs for Research, Industrial Parks, Industrial Malls, Advance Factory Space, Industrial Commissions, and Assistance to Small Enterprises. Other activities include participation in municipal, regional and provincial land use planning processes, providing resources and guidance to municipal and regional governments in their respective industrial developments, and assisting the private sector with its industrial land needs.

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#### INDUSTRIAL DEVELOPMENT SUBSIDIARY AGREEMENT (IDSA)

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In 1979 the Division undertook the administration of this equally cost-shared, federal-provincial agreement. Signed in 1977, this 5 year program now has commitments in excess of \$41 million of which \$20 million were committed in the 1979 fiscal year. There are six program components:



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#### RESEARCH

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To date, 36 studies have been funded, covering a variety of subjects including industrial land analyses, feasibility reports, socio-economic impact studies and regional profiles. In recognition of the needs of the private sector the program has been expanded to fund up to 50% of the costs of market and economic feasibility studies for individual businesses.

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#### ECONOMIC DEVELOPMENT COMMISSIONS

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To date, 16 commissions are in place, all supported by a cost-sharing arrangement with Regional District governments. In cooperation with

the Ministry's Trade and Industry Division in Vancouver, this program sponsors the activities of each individual commission in the promotion of economic development at the regional level.

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#### INDUSTRIAL PARKS AND SITES

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IDSAs have assisted nine industrial land developments since the signing of the agreement, increasing the Province's supply of serviced industrial land by 792 acres. It is estimated that this new industrial land will accommodate 8,000 new jobs when filled and will place the Province on a more sound competitive footing with its neighbours to the

south and east. Two new major projects valued at over \$3 million were approved in 1979. One, at Campbell River, will provide over 33 acres of serviced industrial land.

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#### INDUSTRIAL MALLS

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A \$1.2 million low interest loan was approved for the construction of a Marine Technology Centre adjacent to the Institute of Ocean Sciences at Patricia Bay near Victoria. On completion, this facility will accommodate up to 175 technical and professional people engaged in high technology marine research and development.

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#### ADVANCE FACTORY SPACE

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A \$1.6 million loan was made available to an Okanagan Valley Indian Band to establish a new winery creating 25 new full-time jobs.

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#### ASSISTANCE TO SMALL ENTERPRISE PROGRAM

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The Assistance to Small Enterprise Program (ASEP) continues to be an unqualified success in the Province. It is designed to assist small businesses in the manufacturing and processing sectors, in recognition of the fact that more than 85% of the industrial firms in the Province have fewer than 50 employees. The success and popularity of this program has resulted in additional funding of \$5,000,000 being made available. The program has received 878 applications and assistance has been approved for 362 projects. New facility projects account for approximately 65% of these applications while modernizations and expansions account for the remaining 35%. A total of \$6,943,902 has been approved to date, and it is projected that this assistance will create 1,637 new jobs in the manufacturing and processing sector.

Also under the IDSA, \$3 million of federal-provincial money was committed for a new water system for the City of Castlegar to assist the community in achieving its industrial development potential. This was augmented by a \$1.5 million provincial grant sponsored by the Ministry.

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#### PROGRAM COORDINATION DIVISION

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The major activity of the Program Coordination Division in 1979 was the implementation of the Travel Industry Development Subsidiary Agreement (TIDSA). Signed in October 1978, implementation of the \$50 million five year agreement is taking place in conjunction with the Ministry of Tourism. The agreement is helping the Province to take advantage of the employment and income potential of its unique natural attractiveness as a tourism destination.

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#### TRAVEL INDUSTRY DEVELOPMENT SUBSIDIARY AGREEMENT

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To date, more than 1,000 enquiries for assistance have been received under the five program components:

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#### PLANNING

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The studies and planning program helps develop long-term strategies, feasibility and opportunity studies. In 1979, several industry studies were completed including a Province-wide assessment of travel industry development opportunities. Several specific opportunity identification studies were nearing completion at year end including such topics as heli-skiing, river rafting, and coastal cruising. These studies are expected to be available for distribution in the spring of 1980.

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#### INDUSTRY ORGANIZATION

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The industry organization program involves the development of structures needed to coordinate travel industry associations. During the year, an analysis of the organization of the travel industry was completed.

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#### INDUSTRY UPGRADE

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The industry upgrade program provides financial assistance to upgrade travel industry facilities. Through this program, 57 applicants were offered assistance totalling \$6.7 million.

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#### TRAVEL GENERATORS

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The travel generators program helps create, improve, and expand attractions which will entice tourists to stay longer in the Province. Seven applications were approved under this program during the year representing total assistance of \$1.9 million.

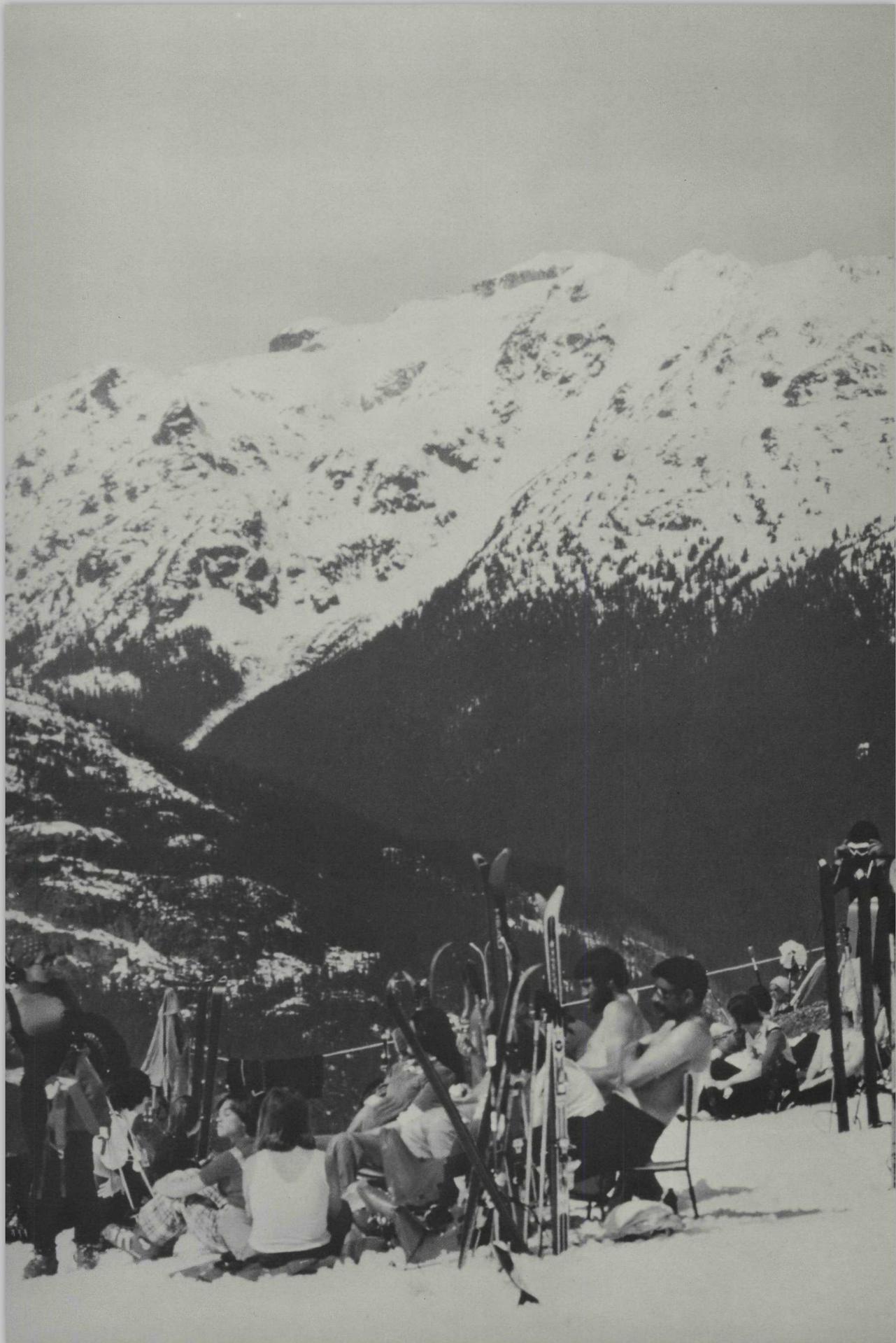
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#### SKI DEVELOPMENT

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The skiing development program aids in the development of world-class ski resorts offering year-round multi-recreational facilities. Applications approved under this program during the year totalled \$1.5 million. This is in addition to more than \$9 million allocated for infrastructure improvements to assist the resort municipality of Whistler in becoming a world class, year round destination resort.

A major destination ski resort project in 1979/80 was the development of the new Mount Washington Ski Resort on Vancouver Island. The Mount Washington project has excellent potential as a four season employer and over \$1 million of TIDSA money was used for improvement of roads, installation of parking areas, hydro electric power, water supply and distribution and sewage collection and treatment systems.



# CENTRAL STATISTICS BUREAU

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## OBJECTIVE

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The objective of the Central Statistics Bureau is to satisfy the requirements of government, business, and the British Columbia public for statistical information and forecasts on the economic and social characteristics of the Province and its regions. This is achieved through the utilization of existing data sources and the development of new statistical programs, including the use of administrative data for statistical purposes. In addition, the Bureau provides technical statistical advice and services to government ministries including the provision of quantitative analysis based on mathematical and computer models.

During the past year, the Central Statistics Bureau has progressed towards realizing its mandate as a service agency for the entire Government as outlined in the British Columbia Statistics Act of 1977. The Act provides for access, under strict confidentiality safeguards, to data not previously available to the provincial government, including data collected and maintained by Statistics Canada. The Act also provides for the adoption of regulations to establish appropriate standards for statistical activity in government and for the avoidance of duplication in data gathering by different ministries.

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## ACTIVITIES

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The Bureau's work can be partitioned into four activities on the basis of the principal main uses of its services.

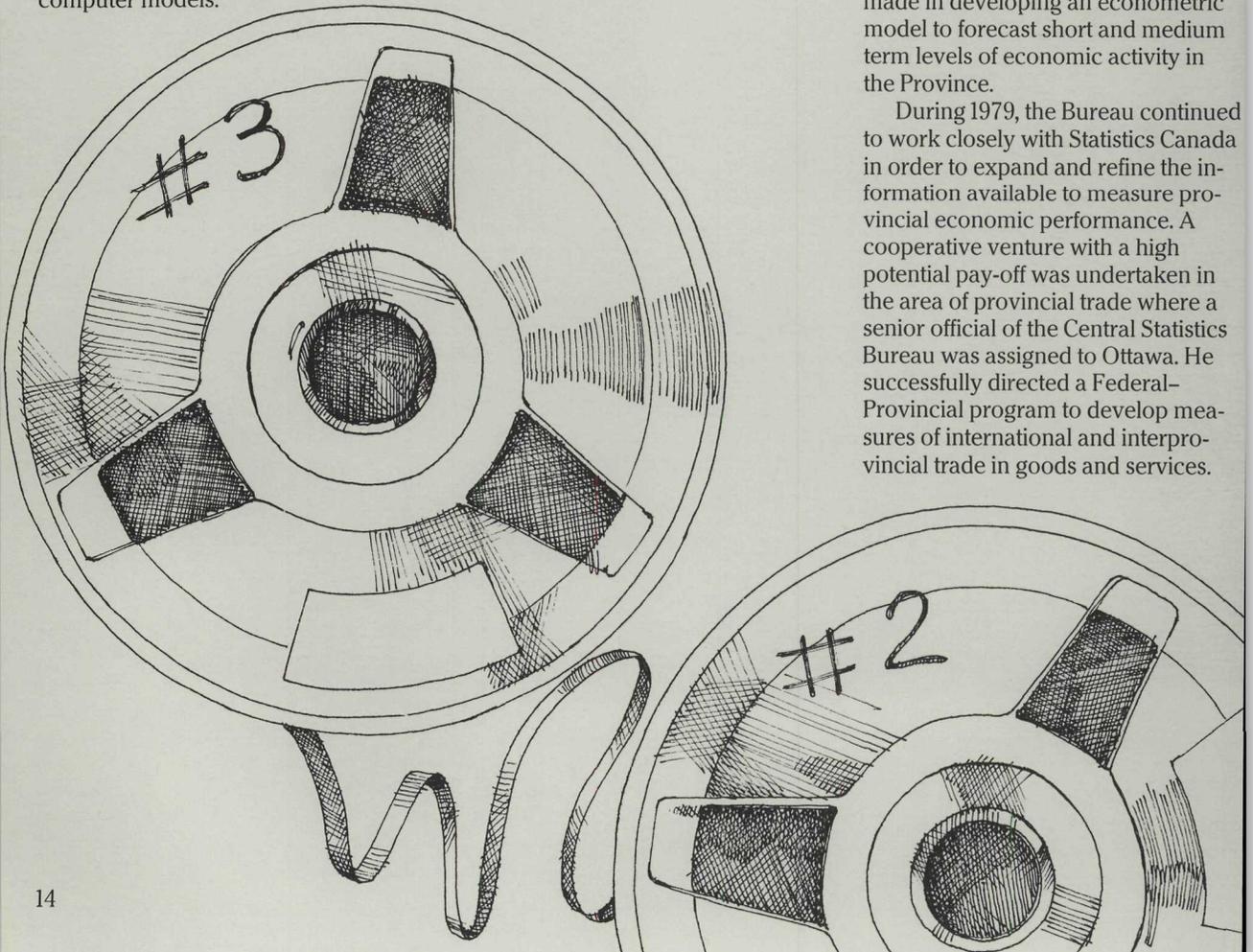
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### PROVINCIAL ECONOMIC PERFORMANCE

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Considerable progress was made during 1979 in preparing statistics so as to measure the economic performance of the Province. A set of annual current dollar income and expenditure accounts was prepared covering the period 1961 to 1978, and work is underway to provide similar information on a quarterly basis and in constant dollars. Progress was also made in developing an econometric model to forecast short and medium term levels of economic activity in the Province.

During 1979, the Bureau continued to work closely with Statistics Canada in order to expand and refine the information available to measure provincial economic performance. A cooperative venture with a high potential pay-off was undertaken in the area of provincial trade where a senior official of the Central Statistics Bureau was assigned to Ottawa. He successfully directed a Federal-Provincial program to develop measures of international and interprovincial trade in goods and services.





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## REGIONAL STATISTICS

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This activity serves needs for quantitative information about the many economic, administrative, resource and political regions of the

Province. During 1979 a system was designed and implemented which is capable of sorting and aggregating individual records into a variety of geographical groupings. The system requires that individual records

carry a postal code and that "translators" are available which link postal codes to the required groupings. The translation file is still being expanded, but the capability already exists to aggregate postal coded records to

economic regions, school districts, human resource districts, and a variety of Census of Population areas.

The major thrust of the Bureau, in terms of developing new sources of regional statistics during 1979, was to assess the feasibility of using information contained in administration records rather than implementing surveys which impose a response burden on the people and businesses of the Province. It is likely that administrative sources will prove to be invaluable in the development of regional population estimates and projections and in monitoring regional trends in the supply and demand for labour.

Another key effort of the Bureau during 1979 was to enter into selected data sharing arrangements with Statistics Canada under Section 10 of the Federal Statistics Act and Section 11 of the British Columbia Statistics Act. Arrangements of this kind permit the Bureau to have access to survey responses without adding to the burden of surveys on the Province. Responses can be processed and aggregated in such a fashion as to produce regional and other types of distributions that are not directly available from Statistics Canada. During 1979, considerable progress was made in developing regional manufacturing, investment and employment information via data sharing agreements.

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### **BUSINESS AND INDUSTRY STATISTICS**

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This activity is designed primarily to serve the needs of ministries and agencies of the Government that have specific missions for private sector development. The statistics developed under this activity are also of direct value to decision-makers in the private sector.

Although this activity is relatively new, considerable progress was made during 1979 in several areas. Work began on the development of a comprehensive register of all incorporated and unincorporated businesses in British Columbia. When completed, the register will contain a variety of information about each establishment including names, addresses, type of business, size, inter-corporate links, location of head office, etc. Certain confidentiality restrictions will apply to the register, but in general, much of the information is derived from publicly available sources. The register will be invaluable in a number of applications, including support to the Business Opportunities Sourcing System (B.O.S.S.), a major federal-provincial project to identify export opportunities for domestic producers. The Central Statistics Bureau provided representation for the Government of British Columbia on this important project during 1979.

Progress was also made during 1979 in the development of a comprehensive statistical profile of the British Columbia small business community. When completed in 1981, this project will provide a wide range of statistical information for analysis of policies and programs promoting small business development.

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### **STATISTICAL SERVICES**

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This activity encompasses the provision of a wide range of information and services to the government and people of British Columbia. It ranges from responding to fairly routine requests for information to providing highly technical quantitative analytical support to professional studies undertaken elsewhere in the Government. This activity also includes the responsibility for coordinating statistical activities among government ministries.

During 1979, a wide range of economic and social statistics compiled by the Bureau appeared in publications of the Ministry of Industry and Small Business Development and in those of other ministries such as Education, Finance and Labour. The Bureau provided analytical support in a variety of projects designed to assess the impact of proposed industrial development measures. Study areas included the extension of rail transport facilities and the costs and benefits associated with mining and other resource related developments.

In addition to the cooperative ventures and data sharing agreements described earlier, intensive consultations were held with Statistics Canada on a wide range of technical statistical topics of concern to the Province, including standards and classifications, Censuses of Population and Housing, social statistics, and economic statistics relating to agriculture, manufacturing and primary industries, merchandising, construction, transportation, prices, labour and economic accounts. These consultations were designed to maximize the availability and relevance to the Province of statistical information gathered by Statistics Canada.



# SMALL BUSINESS DEVELOPMENT BRANCH

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## OBJECTIVES

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The Small Business Development Branch\* works to support and strengthen small enterprise activity in all industry sectors in British Columbia. Recognizing the significant contribution small businesses make to the provincial economy, the Branch offers assistance and advice to ensure that healthy small enterprises play their role.

There are four major services that the Branch provides to assist the start up, operation, efficiency and expansion of small business. They are: business enterprise services, financial assistance services, management development, and research and development services.

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*\*In 1979 the Ministry of Tourism and Small Business Development was combined for a time with the Ministry of Economic Development to form the Ministry of Industry, Tourism and Small Business Development. These functions were subsequently separated to form two ministries, the Ministry of Tourism and the Ministry of Industry and Small Business Development. The activities of the Small Business Development Branch are therefore included in this annual report.*

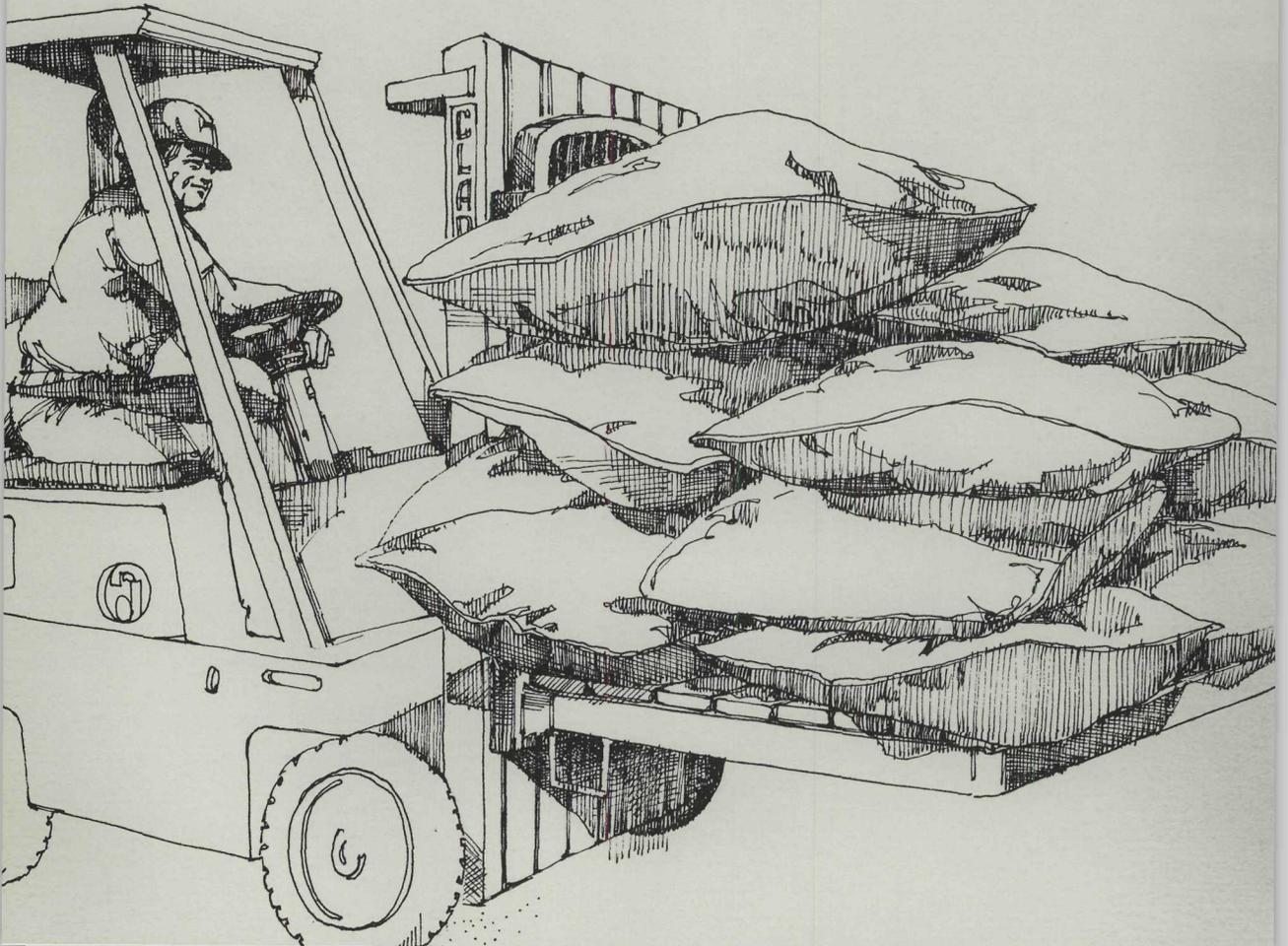
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## BUSINESS ENTERPRISE SERVICES

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Enterprise Development Officers responded to over 12,000 business enquiries in 1979. Information and counselling was provided to those wishing to start new businesses or to improve the productivity of their firms. Enterprise Development Officers diagnose, analyze and assist in solving business problems in the areas of marketing, financing, production and management. When appropriate, the advisors make referral arrangements to other public and private agencies.





A counselling and follow-up service is provided in all regions of the Province. During 1979, 1,500 calls were made to agencies such as chartered banks, government agents, Chambers of Commerce, the Federal Business Development Bank, and provincial and federal government departments who work with small firms in more than 120 communities in the Province.

In 1979, sixty-four Business Information Centres were established in communities throughout British Columbia, anchored by a Small Business Centre in the Branch's Vancouver office. The centres ensure quick and easy access to business information and Ministry personnel. Local Chambers of Commerce in the Province have been offered the first opportunity to house the Centres.

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#### **FINANCIAL ASSISTANCE SERVICES**

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The Small Business Development Branch is responsible for the "field operations" aspects of the Assistance to Small Enterprise Program and the commercial programs of the Travel Industry Development Subsidiary Agreement. Branch officers provide detailed evaluations of applications for assistance under these programs which, along with the efforts of the Program Implementation and Co-ordination Branch, ensure effective program delivery.

A Professional Services Assistance Program is also offered by the Branch. This program can provide financial assistance of up to \$5,000 to assist smaller firms and business groups to hire outside consultants to carry out business improvement research. Studies this year have included a technical survey to determine expansion of production capacity, a retail impact study, new product identification and research on up-to-date processing formulations.

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#### **MANAGEMENT DEVELOPMENT SERVICES**

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The Small Enterprise Management Development Program places emphasis on the practical, rather than the theoretical, aspect of business operation. In conjunction with the public education system, federal and provincial government departments, and industry associations, assistance is provided for small firm management development. The Branch has presented the small firm perspective in projects with many of the Province's colleges, the Open Learning Institute, Simon Fraser University, high schools, and technical and vocational schools. The Branch also provides financial assistance to continuing education programs in regional colleges and school districts in order to stimulate courses, workshops and seminars on small firm operation. The program assisted 236 classes which allowed over 3,404 individuals access to training.

Three "needs review" workshops were conducted during the year. Two, on management, development and entrepreneurship were held in Dawson Creek and Cranbrook. The third workshop, in Vancouver, brought 75 small firm owners together to discuss areas of concern and to make recommendations for government programs.

A series of business management training packages is being developed to provide a basic pool of practical business management information. In 1979, specifications for these packages were determined after a detailed comparison of existing materials with management training needs. Approximately 12 "how to" packages will cover such topics as small firm financing, marketing, management and expansion.

The Branch responded to numerous requests for speaking engagements, literature, research and assistance with industry organization. Sixty-five associations have used the services of the Branch, reaching over 2,000 small firm owners and managers. The Branch also represents the Ministry on industry advisory committees.

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#### **RESEARCH AND DEVELOPMENT SERVICES**

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An expanded role of the Branch is that of developing programs that are of practical help for the small business sector. The past year's activities have centered on determining the small firm owner's information needs and then building a good business information base within the Branch. A library of books, publications, extended files, and resource files are used by the Branch staff, educators and individuals researching a business.

In cooperation with the Central Statistics Bureau of the Ministry, a statistical description and data base for the British Columbia small enterprise sector is being compiled. The first phase, to be completed March 1980, is the development of a basic profile of small manufacturing activities. Phase 2 will provide a complete data base for the total small enterprise sector.



GREENWOOD  
INN

HOTEL

LICENSED

LITTLE CITY SERVICES  
LENNOX  
AIR CONDITIONING + HEATING

Traveler's  
CAFE &  
CONFECTIONERY  
LICENSED DINING LOUNGE  
ORIENTAL-CANADIAN DISHES

# BRITISH COLUMBIA HOUSE, LONDON

During 1979, the focus of the Ministry's activities in British Columbia House, London, shifted markedly. For the previous two years major efforts had been oriented toward monitoring the progress of the GATT trade negotiations in Geneva and ensuring that Provincial interests there were appropriately represented. Once these negotiations were concluded in April 1979 the Ministry was able to redeploy its staff in London and strengthen its efforts in other areas.

The role of the Ministry's unit in London is multi-faceted and reflects the full range of Provincial interests in Europe. Prime objectives are:

- to analyse and report on economic, financial and business developments in Europe that could have an impact upon British Columbia's future economic prosperity;
- to represent the Province in meetings with officials and committees of the European Economic Community;
- to monitor the implementation of the 1979 GATT agreements; and,
- to encourage appropriate European companies to consider business operations or joint ventures in British Columbia, thereby stimulating job creation.

To fulfill these objectives, the Ministry now has three professionals based in London. An Executive Director of Economic Development, Europe was appointed mid-1979. Working with him are a Business Development Officer whose top priority is to seek out European companies who might wish to establish a business presence in British Columbia, and a Commercial Officer who handles most of the export and entrepreneurial enquiries received in British Columbia House.

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## ACTIVITIES

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During the year, the London unit was involved in British Columbia business opportunities presentations and seminars in London, Paris, Milan, Cologne, Hamburg and Amsterdam. Subsequently, three senior business missions visited British Columbia to explore opportunities for establishing business links. British Columbia House, London assisted them, ensuring that their itineraries were effectively planned.

One blue-ribbon group was sponsored by the BDI (the West German Federation of Industry) and comprised twenty leading industrialists representing all sectors. Another mission to British Columbia from West Germany was sponsored by a leading bank, the Stadtsparkasse Koln, which brought a group of its senior clients to the Province. Finally, almost 40 companies from the Netherlands discussed opportunities for joint ventures and cooperation in third country projects with their British Columbia counterparts as part of a mission sponsored by the Netherlands Council for Trade Promotion.

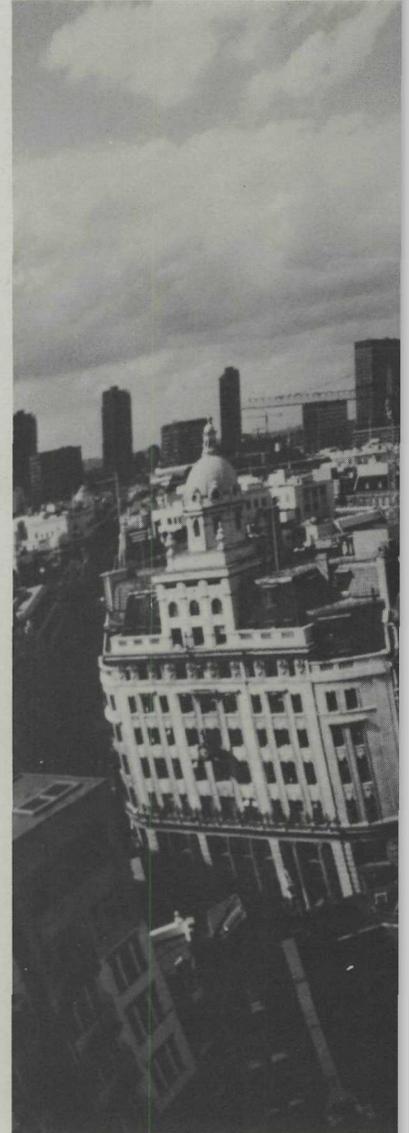
The Ministry's Vancouver and London based groups cooperated to ensure a strong British Columbia presence at trade shows in the United Kingdom and West Germany and to organize business development missions into West Germany and Austria.

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## INTO 1980

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1980 will be a most important year in the development of relationships between Western Europe and British Columbia. About 1.5 billion dollars a year of our products are exported to this market and thus its economic



stability is vital to our own economic strength. Present currency exchange rates and continued buoyancy in the West German economy indicate continued opportunities in this vast market for British Columbia's commodity and manufactured goods producers.



The London staff plan to visit more than 500 European companies with potential interests in British Columbia. They will also be involved in several seminars in the United Kingdom, France and West Germany.

Already, six investment missions to our Province are planned by West-

ern Europeans, with German industry in particular showing a strong interest in British Columbia.



# GRANTS

The Ministry of Industry and Small Business Development provided, in its 1979/80 estimates, for a number of grants and financial contributions to support the following activities:

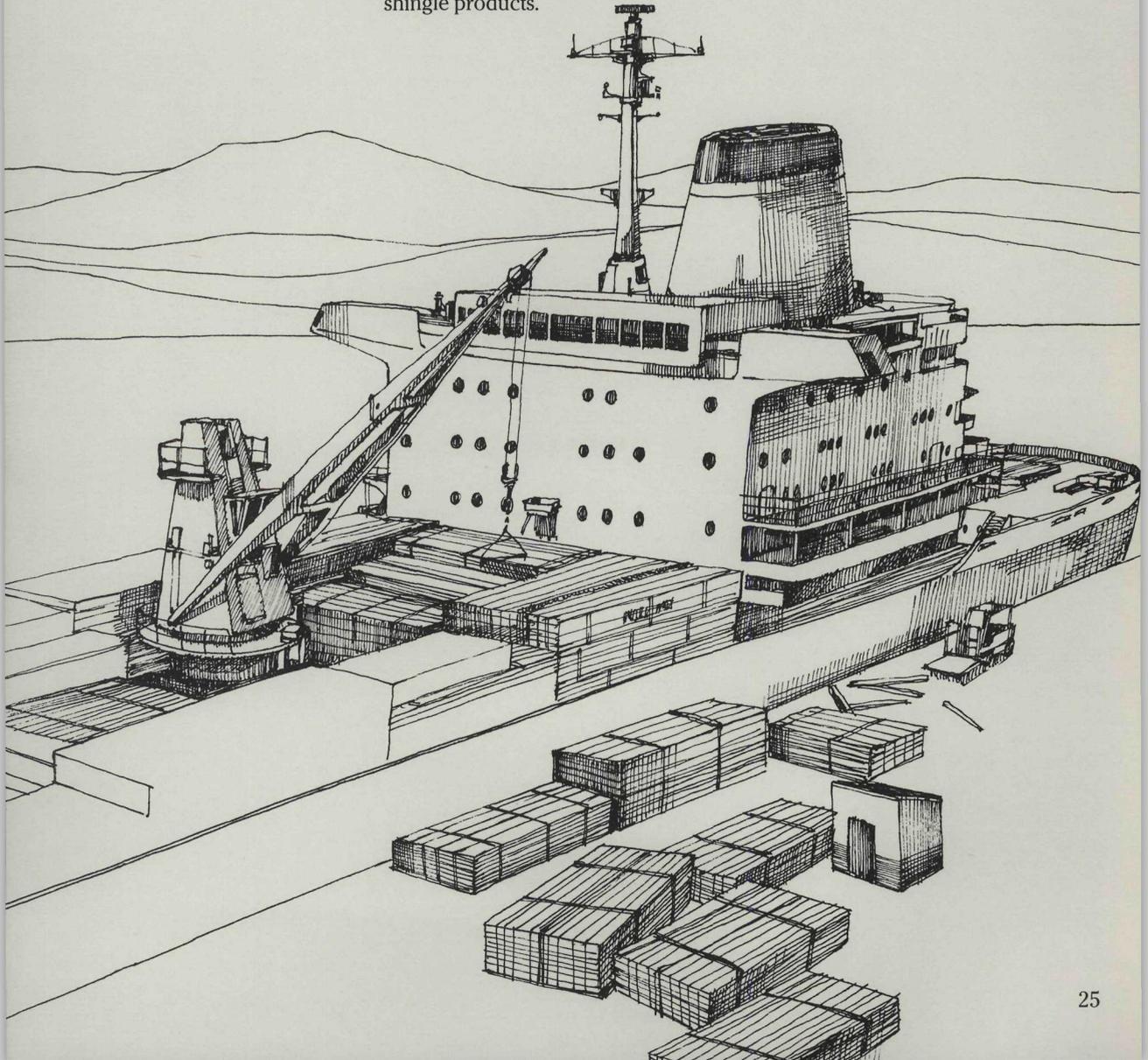
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COOPERATIVE OVERSEAS MARKET  
DEVELOPMENT PROGRAM  
**\$1,116,000**

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This program, jointly financed by the Ministry, the federal Department of Industry, Trade and Commerce, and the British Columbia Council of Forest Industries, was established to promote the development of new overseas markets for British Columbia lumber, plywood and shingle products.

The program which is in the fourth year of its second five-year term is an outstanding example of an aggressive, cooperative venture between governments and industry and contributes to stability and growth in the Province's first industry.



A mid-term review of the program's effectiveness showed that its potential was being seriously eroded by the lower value of the Canadian dollar abroad and by worldwide inflation and all parties agreed that the funding levels should be increased.

Because of COMDP involvement, British Columbia lumber sales to Japan increased 60%. Platform frame starts were estimated at 15,000 compared to 9,500 in 1978. Also in Japan the second "Caravan" of display homes was displayed in fourteen centres and 1979 marked initiation of the first training program for platform frame tradesmen in Japanese vocational and technical high schools. Other highlights of 1979:

Spruce/pine/fir exports to overseas markets of 497 million fbm were 50% higher than 1978 shipments.

Major timber frame housing developments were planned or started in the Netherlands and involved several thousand houses.

There was a significant increase in sales of B.C. lumber and plywood to Italy with favourable and growing product acceptance in many end-use areas.

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CANADA WEST FOUNDATION  
**\$30,000**

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The Ministry contributes a grant to this non-profit society whose objective is to represent western Canada within Confederation. The Province has elected representatives to the Foundation.

The Foundation is currently engaged in several major projects of interest to British Columbia: a study of western Canadian agriculture, developing an economic/industrial strategy for western Canada, assessing the problems and prospects for developing the water resources of the four western provinces.

In 1979 the Foundation tabled two major reports, "Confederation '79" and "Attitudes Towards a New Federal System for Canada." As background for these reports and for input into federal statements, the Foundation sponsored twenty-four public workshops in the four western provinces.

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JUNIOR ACHIEVEMENT  
**\$15,000**

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The Junior Achievement Program is designed to introduce students to the world of business. The Ministry grant, which contributes to the general funding of the program, is representative of the Government's recognition of the important role played by the organization. Part of the grant is used to fund awards for students showing the most imagination and enterprise in their new-business venture.

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B.C. RESEARCH COUNCIL  
**\$420,000**

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B.C. Research is the technical operation of an independent society, the British Columbia Research Council. The annual grant received from the Government of British Columbia is used to defray the costs of a free technical information service carried out in conjunction with the National Research Council of Canada, and to provide funds for exploratory, high-risk research for the benefit of industrial development of British Columbia.

During 1979 the Ministry of Industry and Small Business provided \$100,000 to assist in staffing and in providing mechanical facilities in the Ocean Engineering Centre located alongside the research laboratories of B.C. Research, on the south campus of the University of British Columbia. Funds from the Ministry also supported research and development on the supercritical gas extraction of wood, a program which later gained sponsorship under one of the Government of Canada energy assistance programs. The Ministry assisted also in a project for undertaking research on the bulk-handling of materials, such as wood chips, sawdust, coal fines, and other small particulate materials that are conveyed by flow systems.

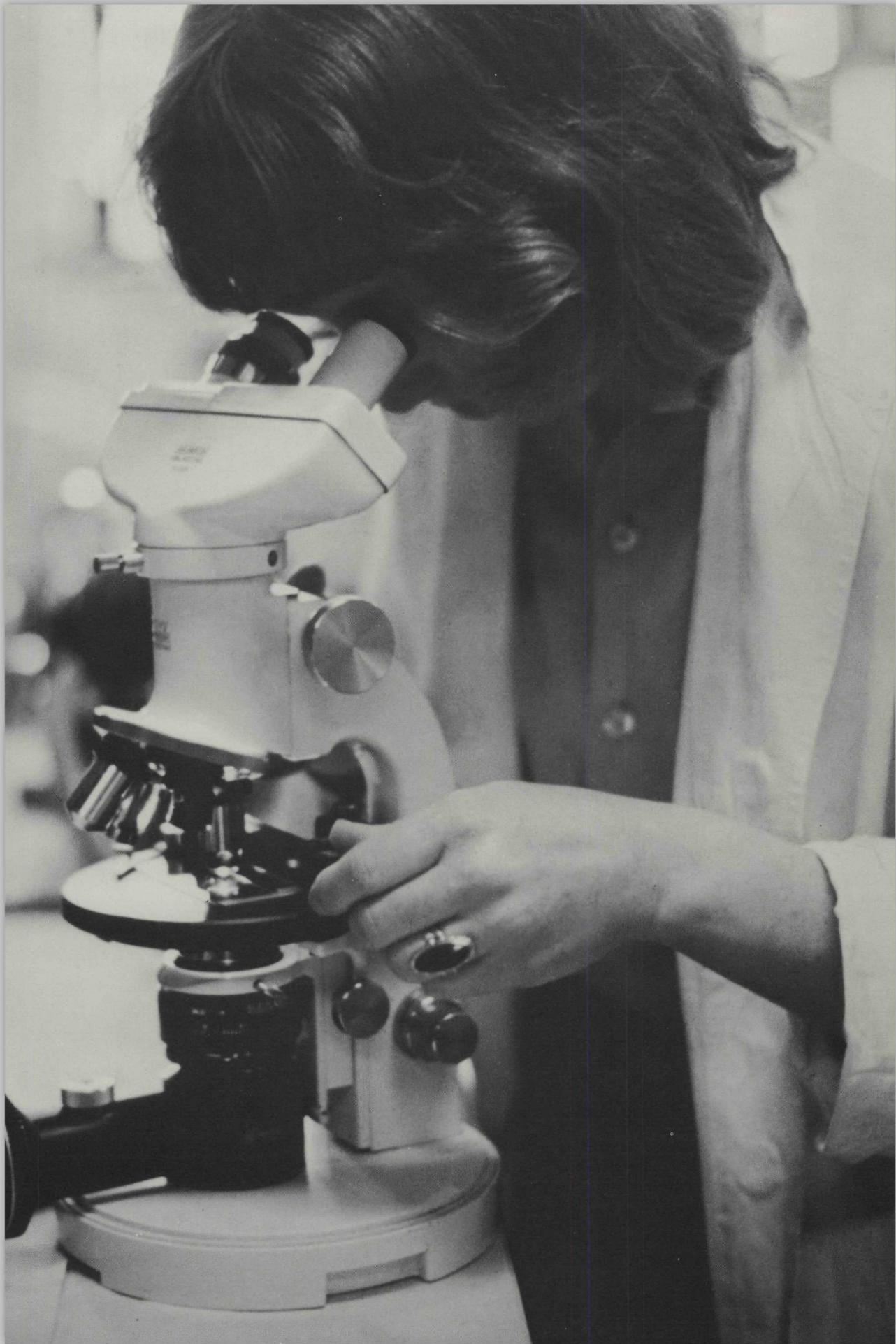
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BRITISH COLUMBIA  
DEVELOPMENT CORPORATION  
**\$4,000,000**

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This grant was provided to the Development Corporation, who act as trustees for the Province in the administration of a Low Interest Loan Assistance program, to cover the 1979 program costs.

The program, an adjunct of the 1977 Canada-British Columbia Industrial Development Subsidiary Agreement, provides low-interest loans for the capital costs of fixed assets for new and expanding manufacturing and processing facilities.



# INDUSTRY AND SMALL BUSINESS DEVELOPMENT STAFF COMPLEMENT

	Employed	Vacancies	Total
March 31, 1979	109	18	127
March 31, 1980	134	15	149*

## DISTRIBUTION

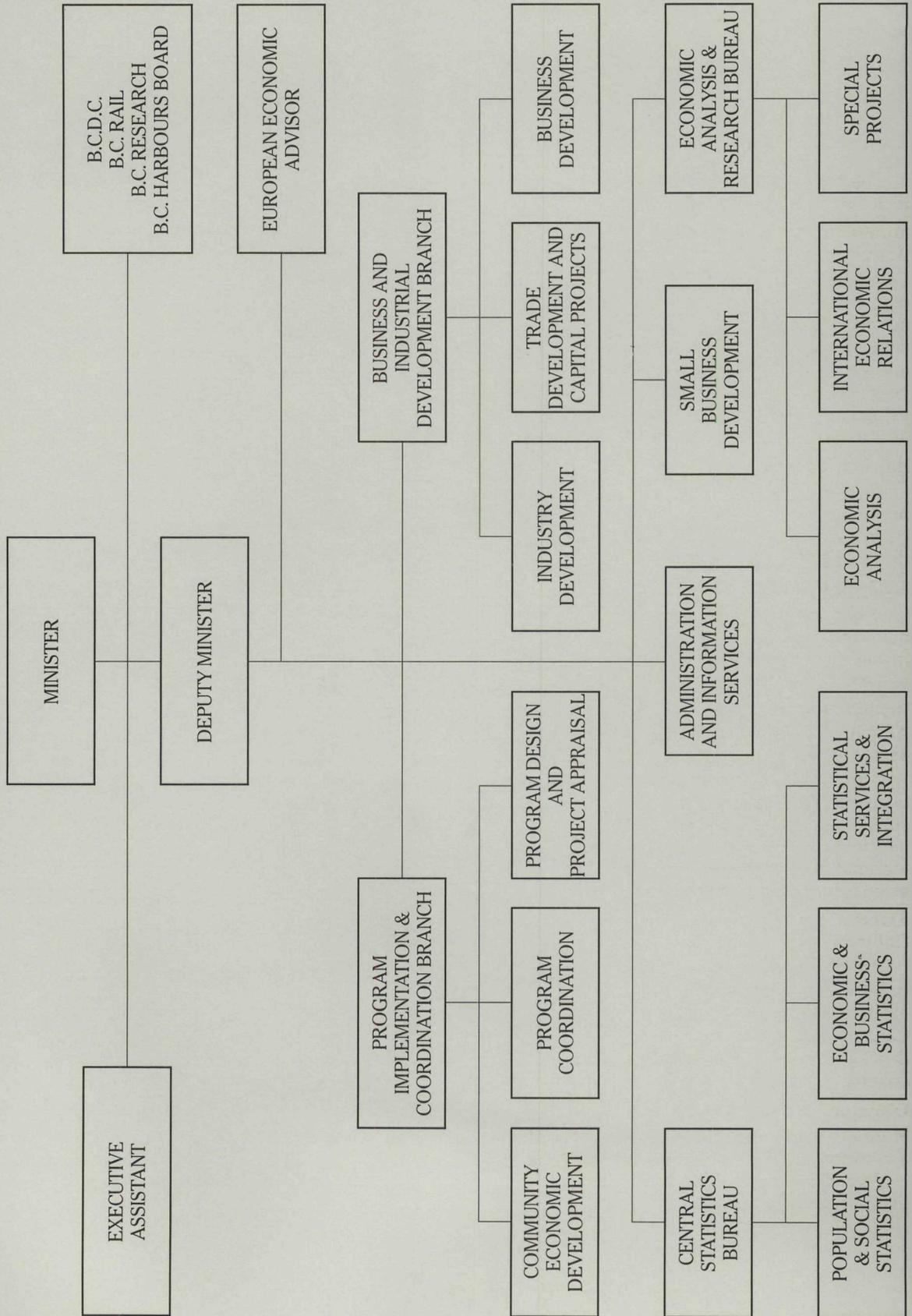
	1979	1980
<b>VICTORIA</b>		
Minister's Office	7	7
General Administration	21	22
Central Statistics Bureau	21	22
Program Implementation and Coordination Branch	22	26
Economic Analysis and Research Bureau	32	32
Policy Planning*		
<b>VANCOUVER</b>		
Business and Industrial Development Branch	22	27
Small Business Assistance*		9
<b>LONDON</b>	2	4
<b>TOTAL</b>	127	149

\*Nine established positions were transferred from the Ministry of Tourism and Small Business Development.



# MINISTRY OF INDUSTRY AND SMALL BUSINESS DEVELOPMENT

# ORGANIZATION



Following is a list of publications issued by the Ministry in 1979:

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## **Monthly Bulletin of Business Activity**

A monthly summary and review of current economic and business activity with statistical data showing comparisons to the previous month and the same month of the preceding year. Special articles of current interest and lists of new publications are also included.

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## **B.C. Market News**

A quarterly newsletter for businesses in British Columbia. Outlines current business activities and introduces new Ministry programs.

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## **Trade and Industry Bulletin**

A bi-monthly listing of foreign enquiries regarding distribution and manufacturing of foreign products under licence in British Columbia.

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## **British Columbia Economic Activity, 1979 Review and Outlook**

An annual summary and review of the economic pattern of the current year and an economic outlook for the following year, containing a statistical supplement with ten year historical perspectives.

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## **External Trade Through British Columbia Customs Ports**

An annual report providing both detailed and summary tables showing exports and imports through British Columbia customs ports, including data by commodity and destination country.

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## **Directory of Importers and Manufacturers' Agents in British Columbia**

A catalogue listing including information by commodity groups.

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## **British Columbia Facts '79**

A leaflet containing statistical information on population, the economy, government, transportation, and retail trade.

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## **B.C. Economic Development**

A full colour quarterly magazine highlighting the achievements of businesses and individuals throughout British Columbia.

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## **B.C. Regional Index**

A seven hundred page marketing and educational tool containing statistical and descriptive information on each and every community in the Province. Price: \$10.00. Please remit cheque or money order payable to *Minister of Finance*. (Individual reprints on each region and area are available free of charge.)

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## **Manufacturing Opportunities Through Import Replacement**

A listing of import items which have a potential for domestic manufacture.

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## **Industrial and Commercial Expansion in British Columbia**

A semi-annual publication detailing active industrial and commercial projects in the Province for the first and second halves of 1979.

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## **B.C. Manufacturers' Directory 1979**

A listing of manufacturing activity which indicates products manufactured, alphabetically, by company and by product classification.

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## **Directory of Lumber, Plywood and Building Materials... Made in B.C.**

A guide which indicates the products manufactured by the British Columbia forest industry and the companies which manufacture them.

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## **A Directory of Public Buying Agencies in B.C.**

A guide for businesses wishing to sell goods and services to provincial and municipal governments and other "public" agencies, which lists key contacts.

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## **Manual of Resources**

A summary of current data about the resources and economic activities of the Province.

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## **Establishing a Business in British Columbia**

A guide to government rules and regulations controlling the establishment of businesses in B.C.

The publications listed, several series of brochures, and small business aids are available from:

Information Services,  
Ministry of Industry and  
Small Business Development,  
Victoria,  
British Columbia V8V 1X4  
and

Ministry of Industry and  
Small Business Development,  
315 Robson Square,  
800 Hornby Street,  
Vancouver,  
British Columbia V6Z 2C5

Also contact Information Services for information on the availability of reports, studies, and etc. mentioned throughout this report.

