

**Annual Report
2008-09**

Innovation, Trade and Rural Development

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Paper

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MINISTER'S MESSAGE

As the Minister responsible for the Department of Innovation, Trade and Rural Development (INTRD), I am pleased to submit the Annual Performance Report for the 2008-09 fiscal year. It is submitted in accordance with the Department's obligation as a Category 1 entity under the *Transparency and Accountability Act*, prepared under my direction and I am accountable for the actual results reported.



This report marks the end of the first year of the Department's three-year strategic plan. While this report demonstrates, with indicators and measurable results, how my Department performed during this fiscal year in addressing the annual objectives for each of our priority issues, it also addresses how it performed in the context of our over-arching strategic goals.

I am pleased to report that significant progress has been made for all three of the Department's priority issues—competitiveness, capacity building, and strong regions.

To increase our competitiveness on the global stage, my Department has worked diligently towards finalizing its Ocean Technology Sector Strategy and aims to accelerate the growth of this industry. This investment will enable the Provincial Government to identify opportunities where the province's cluster of internationally-recognized leaders in ocean technology can market their technologies, expertise, and services. Through our Export Development Strategy, the Department continued to assist companies compete for new export markets and audiences and those companies have garnered high praise for their innovative products.

Through the development of Youth Retention and Attraction Strategy, provincial government is building Newfoundland and Labrador's human resources capacity with a special emphasis on the youth of this province. My Department is actively involved in developing policies and procedures to counter the negative impacts of youth out-migration, promoting and profiling local youth entrepreneurship and innovation, and identifying key programs that can transform their ideas into substantial business ventures.

In 2008-09, the Department delivered a suite of programs and services designed to advance rural and urban companies and build capacity in all regions of the province. Investments were made in many sectors including aerospace, forestry, manufacturing, mining, energy, tourism, aquaculture, and information and communications technology. Each investment was integral in the diversification of local economies. The Department also took steps towards improving broadband access in more than two hundred communities across all regions. For people who choose to live in rural communities, this means access to world-class capabilities in communications, enhanced delivery of health care, education, research and development, justice, and other Provincial Government services, and greater opportunities to live, work, attend school, and operate businesses.

I thank all staff for their dedication to these and other initiatives as the Department continues to build on the foundation for economic growth in all regions of Newfoundland and Labrador.

A handwritten signature in black ink that reads "Shawn Skinner". The signature is fluid and cursive.

Honourable Shawn Skinner
Minister of Innovation, Trade and Rural Development

DEPARTMENT AT A GLANCE

Vision

The vision of the Department of Innovation, Trade and Rural Development (INTRD) is “a diversified, competitive economy with productive and prosperous regions across the province.”

Mission

By 2011, the Department will “have stimulated economic and business development to foster regional and provincial prosperity.”

Mandate

The mandate of the Department of Innovation, Trade and Rural Development is to lead:

- (a) the creation and maintenance of a competitive economic environment that encourages and supports private sector business growth and long-term sustainable employment opportunities for the people of the province;
- (b) the diversification of the economy on a provincial and regional basis, with particular attention to rural areas;
- (c) the promotion and encouragement of increased trade and export of goods and services by provincial industries and businesses in the national and international marketplace;
- (d) the creation of a climate conducive to innovation in business through the facilitation of research and development, technology transfer and technology commercialization within provincial industries and individual business enterprises;
- (e) the provision of business information, counseling and financial support programs and services to small and medium-sized enterprises; including private businesses, co-operatives, credit unions and community development corporations to stimulate economic and employment development within the province;
- (f) promoting the value of an enterprise culture and encouraging economic self-reliance throughout the province; and
- (g) the negotiation and administration of comprehensive federal/provincial economic development co-operation agreements and other forms of collaboration.

Legislation

The Department is responsible for the following legislation:

- *Economic Diversification and Growth Enterprises Act*
- *Business Investment Corporation Act*

The *Research and Development Act*, for which department was previously responsible, became the responsibility of the Research and Development Council in 2008-09.

Lines of Business

The Department operates the following lines of business:

- Small and Medium-sized Enterprise Development
- Industrial Diversification
- Innovation
- Investment
- Economic Intelligence

These are delivered through 23 offices in five regions throughout the province. In addition, through the Canada-Newfoundland and Labrador Business Service Centre, which the Department co-manages with the Atlantic Canada Opportunities Agency (ACOA), INTRD offers additional business information and resources.

INTRD delivers a wide range of regional, sectoral, and cross-sectoral services and programs organized under its lines of business. These are supported by staff in corporate policy, communications and information management. In addition, INTRD is responsible for coordinating the Strategic Partnership, the Ireland Business Partnerships, and cross-departmental and federal-provincial economic issues and initiatives.

Organizational Landscape

INTRD employees of the four executive branches, supported by two corporate services divisions, are guided by the fundamental values as they strive to conduct the business of the Department and meet its commitment to economic development. These values include innovation, resourcefulness, accountability, cooperativeness, respect, communication, effectiveness, and responsiveness.

Executive Branches:

- Trade and Export Development
- Regional Development
- Strategic Industries and Business Development
- Innovation, Research and Technology

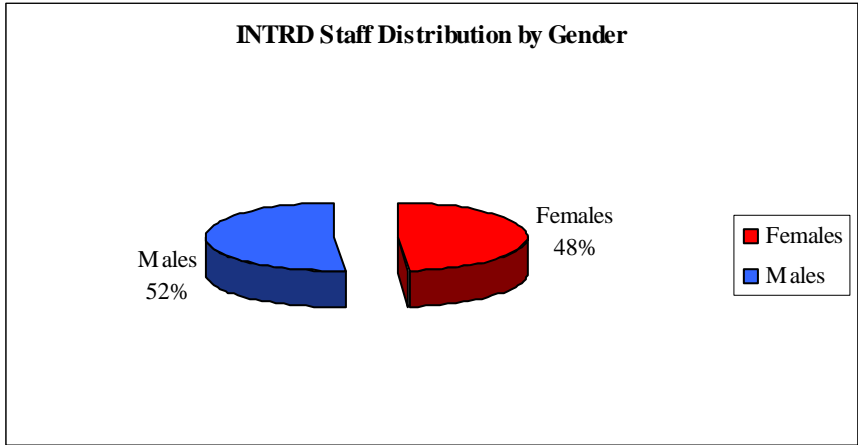
Corporate Services Divisions:

- Policy and Strategic Planning
- Communications

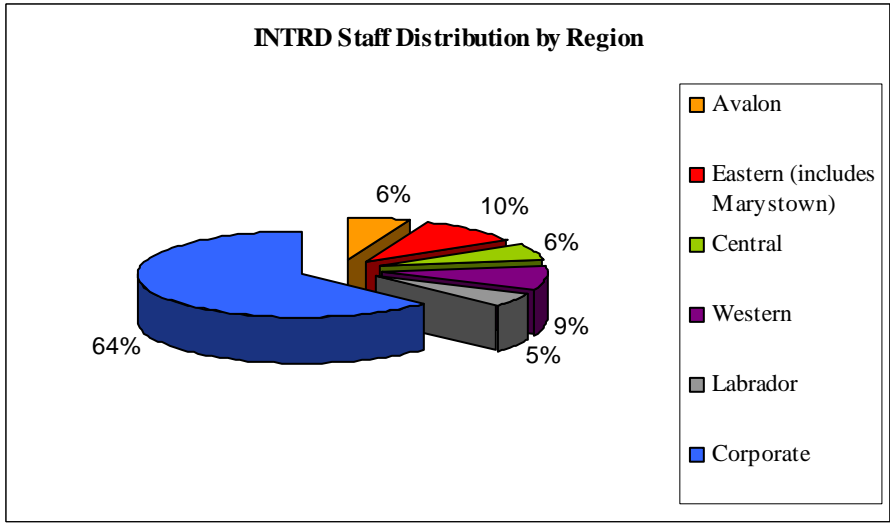
Secretariats:

- Strategic Partnership
- Ireland Business Partnerships

Most of the Department's 85 male and 80 female employees are engaged in program and service delivery, while executive and corporate support make up just 20 percent of that total (*Policy and Strategic Planning, Communications, and Information Management*).



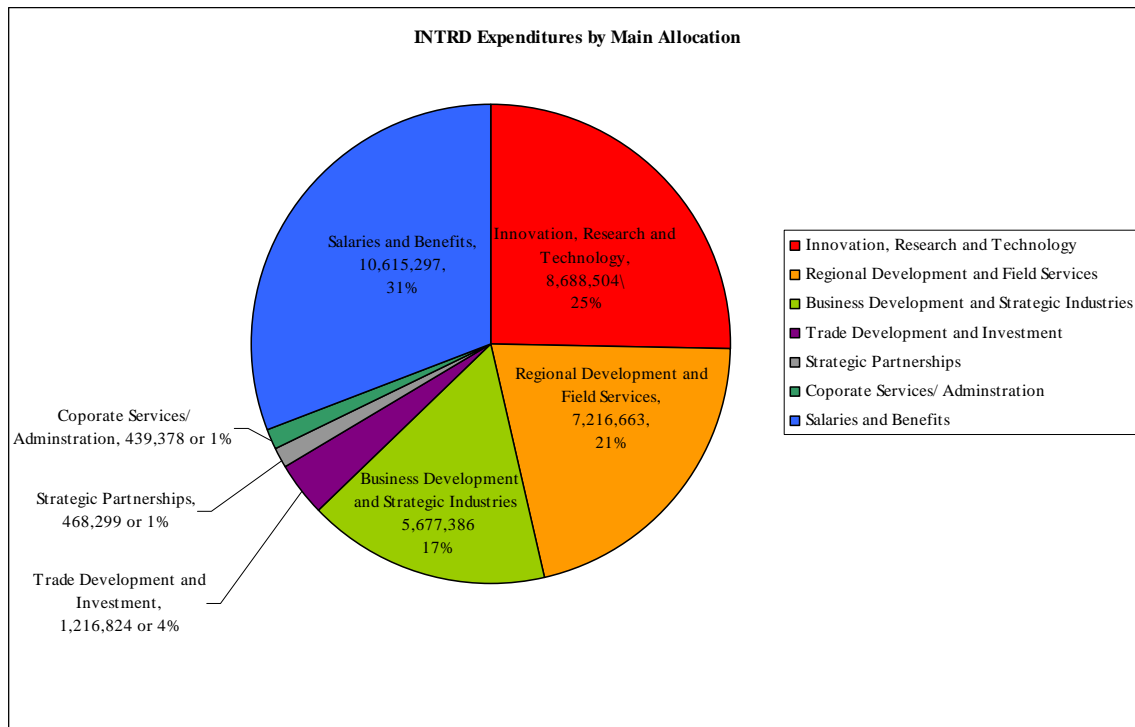
INTRD staff are located throughout the province, with more than 60 employees operating from the 5 regional offices and 17 local area offices in the province. The remaining staff are located at corporate headquarters (St. John's and Marystown). The Department also provides staff resources to the Canada-Newfoundland and Labrador Business Service Centre (Appendix B: regions/office locations).



Budget and Expenditures

The Department's approved budget for 2008-09 was \$54.3 million and net expenditures, after revenue, totaled \$34.3 million for the year. For further budget details see Appendix A: Statement of Financial Performance.

Approximately 31 percent of the Department's 2008-09 expenditures were allocated to salaries and benefits. The remainder was split between programs, strategic initiatives, and corporate services.



The balance of the Department's budget is allocated annually to supporting business initiatives, development projects, and activities of other agencies. In 2008-09, INTRD investments were \$20.0 million which is 57 percent of its net expenditures.

Investment Portfolio

The Department's investment portfolio, which falls under the Business Investment Corporation, received repayments of \$3.1 million in 2008-09, ahead of the forecasted repayments of \$2.2 million.

Corporations and Boards

There are four Crown corporations reporting to the Minister of Innovation, Trade and Rural Development:

- Newfoundland Hardwoods Limited
- Newfoundland Ocean Enterprises Limited/Marystown Shipyard Limited (NOEL/MSL)
- Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIFL)
- Business Investment Corporation (BIC)

The Minister is also responsible for two advisory boards:

- Economic Diversification and Growth Enterprises (EDGE) Advisory Board
- Ireland Business Partnerships (IBP) Advisory Board

These corporations and boards publish separate annual reports, which are posted on the INTRD website.

<http://www.intrd.gov.nl.ca/intrd/publications.htm>

Programs and Services

- Ambassador Program
- Atlantic Canada International Business Development Agreement (IBDA)
- Business Networks Program (BNP)
- Business Retention and Expansion (BR&E)
- Canada/Newfoundland Business Services Centre (CNLBSC)
- Commercialization Program (COMM)
- Community Economic Development (CED) Information/Counseling
- Community Capacity Building Program
- Co-operative Development
- Craft Industry Development Program
- Economic Diversification and Growth Enterprises (EDGE)
- Fish Plant Workers Employment Assistance Program
- Fisheries Loan Guarantee Program
- Getting the Message Out (GMO)
- Innovation Enhancement Program (IEP)
- International Economic Cooperation MOUs
- International Trade Assistance Program (ITAP)
- Ireland Business Partnerships (IBP)
- Regional Economic Development Boards (REDBs)
- Regional Sectoral Diversification Fund (RSDF)
- Small and Medium-sized Enterprise Fund (SME)
- Small Business and Market Development Program (BMDP)
- Small Business Support Services and Co-operative Development
- Strategic Partnership
- Strategic Sector Development
- Supplier Development Initiative (SDI)
- Trade and Export Development Information / Counseling
- Trade Policy Office

SHARED COMMITMENTS

Grand Falls - Windsor Ministerial Task Force

On December 4, 2008, AbitibiBowater Inc. announced its intention to cease operations in Newfoundland and Labrador by March 31, 2009. This closure directly impacted approximately 700 employees, as well as the residents and businesses that were indirectly dependent on the operation of the mill.

In response to AbitibiBowater's decision, the Provincial Government established a Ministerial Task Force in September 2008. Led by the Minister of Innovation, Trade and Rural Development, it consists of the Ministers of Human Resources, Labour and Employment, Education, Municipal Affairs, Environment and Conservation, Transportation and Works, and Natural Resources. The cross-representation of various departments enabled the Provincial Government to explore multiple areas while coordinating between all activities.

Through the Department of Innovation, Trade and Rural Development, the Provincial Government has a series of business development programs that support this approach. In collaboration with the Federal Government, it is also working to develop a regional approach to diversifying and strengthening the economy. The mill's closure has impacted a region and therefore strategies and initiatives being developed must impact the region.

Labour Market Agreement

In Newfoundland and Labrador, many sectors are experiencing labour shortages and skills imbalances among the existing labour force. Provincial employers report increased difficulty recruiting and retaining skilled workers. Traditionally, employers make low levels of investment in workplace training, with less than three out of ten Canadian workers receiving training during their career. These factors can have a negative impact on productivity, competitiveness and business retention and expansion.

For that reason, the Department is focused on workplace-directed skills enhancement to achieve its strategic objectives related to capacity-building and competitiveness. In 2008-09, the Provincial Government signed a new Labour Market Agreement (LMA) with the Federal Government. This agreement aims to increase individual participation rates in the labour market as well as enhance recruitment, retention and development of a skilled

workforce to improve competitiveness. It will also strengthen human resource development and planning capacity among employers and partners, and increase access to comprehensive, integrated and effective labour market and training services.

INTRD, in partnership with other provincial departments, began identifying program areas to develop local labour markets with support from the LMA.

Poverty Reduction

Poverty reduction is an integral part of the Provincial Government's overall policy objective and will continue to link with other major initiatives. In 2006 the Provincial Government released its Poverty Reduction Strategy (PRS) that is designed to transform Newfoundland and Labrador over a ten year period from the province with the most poverty to a province with the least poverty. The vision for the strategy is one of a province where poverty has been eliminated and where all individuals are valued, where they can develop to their full potential, and where they have access to the support they need to participate fully in the social and economic benefits of Newfoundland and Labrador.

The following goals and objectives have been identified for the four-year period ending in 2011:

- A stronger social safety net
- Improved earned incomes
- Increased emphasis on early childhood development
- Improved access and coordination of services for those with low incomes and
- A better educated population

The Department of Human Resources, Labour and Employment is the lead on this initiative. It is working with INTRD and with the Departments of Education, Health and Community Services, Finance, Labrador and Aboriginal Affairs, and Justice. Other partners include the Rural Secretariat, Women's Policy Office, Cabinet Secretariat, and the Volunteer and Non-Profit Sector.

Youth Retention and Attraction Strategy

On June 5, 2008, the Government of Newfoundland and Labrador, in partnership with youth and other key stakeholders, announced the development of the Youth Retention and Attraction Strategy. The strategy will include policies and actions that will position Newfoundland and Labrador as the province of choice for young adults. The Department of Human Resources, Labour and Employment leads the development of this strategy. INTRD provides input, advice, and guidance on the development of the Youth Retention and Attraction Strategy. This includes the discussion of key directions and the overall process of the strategy.

Other Shared Commitments

The Department is involved with many departments, agencies, groups and stakeholders on a number of shared commitments. INTRD staff work on a daily basis with Provincial and Federal Government officials and private citizens on various initiatives and projects to enhance the economic climate. Some of these are listed below and further information is available by contacting the Department:

- Red Tape Reduction Initiative
- The Provincial Healthy Aging Policy Framework
- Community Capacity Building Program Steering Committee
- Futures in Newfoundland and Labrador's Youth (FINALY) Advisory Council
- Junior Achievement Newfoundland and Labrador (JANL) Board of Directors
- Co-operative Development with Newfoundland-Labrador Federation of Co-operatives
- Provincial Immigration Strategy
- Skills Task Force Interdepartmental Working Group
- Provincial Investment Attraction Strategy
- Fisheries Adjustment & Economic Diversification
- Atlantic Gateway Strategy
- Forestry Diversification
- Aquaculture Development
- Northern Strategic Plan

The Strategic Partnership

The Strategic Partnership is a unique, dynamic partnership of business, labour, and government dedicated to improving the quality of life for the people of Newfoundland and Labrador through sustainable and balanced economic and social development.

The Partnership's governing body, the Strategic Partnership Council, includes four members selected and appointed by each of the three partners:

- Business (represented by the Newfoundland and Labrador Business Coalition),
- Labour (represented by the Newfoundland and Labrador Federation of Labour) and
- The Provincial Government (represented by the Departments of Innovation, Trade and Rural Development and Human Resources, Labour and Employment; the Labour Relations Agency; and the Public Service Secretariat).

The Council's independent chair is chosen through the mutual consent of the three partners.

The Strategic Partnership Secretariat is the operational arm of the Strategic Partnership and includes permanent staff members of the Partnership. They support the Council and are responsible for the everyday operations of the Partnership.

TAKING ACTION ON STRATEGIC DIRECTIONS

This section describes the five strategic directions of the Department of Innovation, Trade and Rural Development which support Government's long-term goals.

INTRD programs and services are based on the strategic directions provided to it by the Provincial Government. The five main strategic directions on which INTRD operates and focuses its programs and services around are:

- Regional/Sectoral Diversification Fund and industry growth
- Innovation enhancement
- Small and medium-sized enterprise business supports
- Business promotion, trade, and export development
- Business, industry, and economic intelligence

Regional Diversification and Industry Growth

Provincial Outcome Statement: Diversified and strengthened regional economies.

In 2005 the province released the Comprehensive Regional Diversification Strategy (CRDS). It is designed to build on community and regional strengths in business and community development. Components of this strategic direction include internal and external partnerships, co-ordination of public investment, enhanced infrastructure that supports growth, expansion and diversification of existing businesses, coordinated labour-market policy and development, strategic industry development, capacity building and access to skills enhancements, and applied research.

INTRD has made stronger regions a priority in our current strategic plan. This emphasis supports the Provincial Government's commitment to build on the strengths in rural communities and to assist those communities to expand their economies. Our activities under this strategic direction are guided by the CRDS. It informs the Department's identification of strategic regional initiatives with the largest economic impact, particularly in rural communities, and provides the necessary support for sustained growth. It also provides the Department with the means to respond to industry adjustment and downturns in the economy by marshalling the resources toward diversification.

In 2008-09 the Department worked in collaboration with provincial and federal departments to further regional growth and diversification through programs that provide a range of incentives and support to encourage significant new business investment in the province; Regional partners included Regional Economic Development Boards, the Rural Secretariat, and municipal councils.

Capacity building at the regional and industrial sector levels provides support to enhance skills required for economic planning, business and community development, project implementation, and business innovation and expansion. It provides stakeholders in regional and community development and in business with opportunities to network, to explore new markets at home and abroad, and to introduce new and innovative workplace technologies.

Innovation Enhancement

Provincial Outcome Statement: A culture of innovation.

The components of this strategic direction include research and development, commercialization, skills and training, technology infrastructure, innovative culture, capacity building, and entrepreneurship.

INTRD is the Department primarily responsible for the Provincial Government's development and delivery of programming to identify and encourage innovative activity. This includes new products, services and new business models. Because private investment is one of the most important drivers of innovative business activity and because Newfoundland and Labrador is tied for seventh place in Canada with respect to investment in research and development, the Department in collaboration with Research and Development Council is working to introduce new initiatives to increase investment in research and development.

Among the programs and services related to initiatives under this strategic direction is the Commercialization Program. It is designed to help innovative companies bridge the funding gap between product research and product marketing. The Innovation Enhancement Program (IEP) was developed to assist public sector institutions, not-for-profit groups, community-based organizations, and industry associations as they advance

innovation in the province. Through IEP, the Department also supports the expansion of strategic industry clusters and public/private partnerships for new technology development. For example, in 2008-09, under IEP, the Department approved funding for a joint scientific project with the University of Rhode Island's Graduate School of Oceanography to bring their research vessel, the *R/V Endeavor*, north to examine human impact on the Grand Banks.

In 2008-09 INTRD worked closely with educational institutions such as Memorial University and its Marine Institute (MI) to facilitate industrial and research initiatives. Under the Industrial Research and Innovation Fund the Department invested in collaborative applied-research projects including \$0.3 million for the RAVEN Unmanned Aerial Vehicle (UAV) project of Memorial's Faculty of Engineering and Applied Science. The Province and MI maintain several memoranda of understanding with partner organizations in the state of Rhode Island and in the Republic of Ireland.

Small and Medium-sized Enterprise Business Supports (SME)

Provincial Outcome Statement: An environment supportive of enterprise establishment and growth.

Activities in support of financing, counseling, information and aftercare, business intelligence, business networks, capacity building and entrepreneurship are the main components of this strategic direction.

Small and medium-sized businesses play a lead role in creating employment and income in the province. Through INTRD's network of corporate, regional, and field offices, the Department provides programs and services directly aimed at helping small and medium-sized businesses to thrive and grow. Those services include the fishery for which the loan guarantee program was developed to address strategic industry issues—such as access to capital and fleet separation—from the perspective of the harvester.

Among the small and medium-sized business supports developed by the Department is the Small and Medium-sized Enterprise Fund. It is a public source of term loans and equity investments to complement funding from conventional sources for small and medium-sized businesses in strategic growth sectors. The fund also targets businesses which have export potential and need assistance to enter or expand in external markets.

Through the Business Retention and Expansion Program (BR&E) the Department partners with regional stakeholders to build on existing enterprises and to expand into those sectors that offer potential for regional economic growth and diversification.

Youth are a key stakeholder in rural diversification and business development. This fact is identified in the strategic plan and, as a result, youth entrepreneurship received focused attention in 2008-09. The Department actively administered an extensive portfolio of programs and services available to young entrepreneurs and innovators.

Business Promotion, Trade and Export Development

Provincial Outcome Statement: Increased Business Promotion, Trade and Export.

The components of support for this strategic direction include trade policy, export development, enterprising culture, capacity building, and entrepreneurship.

The Department works with industry associations, individual exporters and other key stakeholders to continually improve export development, trade, and business promotion benefits for Newfoundland and Labrador industries.

Among the programs and services which support this strategic direction are the Getting the Message Out Program, the Crafts of Character Branding Program, and the Supplier Development Initiative (SDI) which helps businesses capitalize on supply opportunities within the public and private sector, the International Trade Assistance Program (ITAP); and the Business Market Development Program (BMD). These also support the long term market entry initiatives for strategic export markets.

Business, Industry and Economic Intelligence

Provincial Outcome Statement: Improved understanding of, and response to, significant and long-term economic and competitiveness issues.

Supporting components of this strategic direction include enhanced information products and analytical capacity, economic intelligence and dissemination of information (i.e. competitive analysis), policy coordination, and capacity building.

The Department collaborates with a wide range of Provincial Government departments to collect up-to-date information and conduct comprehensive analysis to get an accurate account of the province's economic position and overall competitiveness. This knowledge enables us to deliver a suite of information services including seminars, market intelligence, and strategies that give business and industry the information they need to take advantage of opportunities and overcome challenges.

As described above, the Strategic Partnership includes members from business, labour, and government. Its operational arm, the Strategic Partnership Secretariat is housed within INTRD and its staff report to the Minister.

The Canada/Newfoundland Business Services Centre (CNLBSC) is a primary interface between information sources and the business and economic development clients. Co-managed by INTRD and ACOA, the Centre in St. John's provides business support services and online access through 36 network locations across the province.

TAKING ACTION ON PRIORITY ISSUES

In 2008, INTRD released the 2008-11 Strategic Plan for the period April 1, 2008 to March 31, 2011. The previous strategic plan for 2006-08 encompassed priority issues like innovation, ocean technology, export development, and small business growth. Through this plan, and subsequent actions during the first year of the plan's implementation, the Department is supporting the principles that guide the Provincial Government's economic development investments over the next several years namely competitiveness, capacity building, and strong regions. Success with these priority issues is considered essential to the province's continued economic growth.

In accordance with the *Transparency and Accountability Act*, the following section of this performance report provides measures for the Department's activities in the 2008-09 fiscal year in support of the goals and objectives as set out in the strategic plan. This section also includes the 2009-10 objectives, measures, and indicators.

COMPETITIVENESS

In the 2008-11 Strategic Plan, INTRD's objectives to meet its goal of competitiveness are aimed at supporting small and medium-sized enterprises (SME). This will enable Newfoundland and Labrador to become more competitive, realizing growth in SME export activity, and advancing the global agenda of the ocean technology industry.

Ocean technology is positioned to become the province's newest flagship industry, joining the ranks of the world-class renewable energy assets, offshore reserves, and resource industries in contributing to the overall wealth and prosperity. While many of the industries have seen positive gains in recent years, ocean technology stands out. It is built on a solid foundation of research capacity and industrial activity and it has significant competitive potential. The advancement of this industry has been singled out as an objective of this priority issue.

2008-2011 Goal: By 2011, INTRD will have assisted business clients compete for and access market opportunities.

Measure: INTRD will have assisted business clients to compete
INTRD will have assisted business clients to access market opportunities

Business Indicator 1: Description of client engagement in productivity and competitiveness related initiatives.

Activities:

- **Business Retention and Expansion (BR&E):** During 2008-09 INTRD launched a new phase of the BR&E program. In partnership with the City of Corner Brook, the Greater Corner Brook Board of Trade, the Downtown Business Association, and ACOA, the Department concluded a BR&E project in the Corner Brook area. This project resulted in seventy-nine firm visitations, a facilitated stakeholder planning retreat, and an action plan to support BR&E. The Department used the BR&E model to support other economic development priorities including the establishment and growth of business co-operatives, networks, and clusters.
- **Fluent Lean Manufacturing Consortium:** The Department supported the Fluent Lean Manufacturing Consortium by facilitating the development of their 2009 work plan. Two Lean manufacturing / Fluent Consortium sessions were facilitated through the Fluent Consortium of the Canadian Manufacturers and Exporters (CME). These sessions informed participants on Effective Lean Management Skills, how to achieve results through people and "Lean Product Design and Development", specifically how to implement innovative manufacturing cost reduction strategies.
- **Community Capacity Building (CCB)** assisted Chambers of Commerce with economic development sessions.
- **The Ambassador Program** coordinated five networking events in four markets, including Boston, Toronto, Edmonton, and Fort McMurray.
- **Strategic Industries** conducted four information and networking sessions on Selling to the Public Sector, coordinated the first Atlantic Provinces Reverse Trade Show, organized technical, business and marketing skills workshops (about one hundred participants in total), continued development of the

web-based Public Sector Procurement Directory, helped Newfoundland and Labrador firms market their goods and services to public sector buyers, provided Internet Marketing Workshops (about sixty participants over all sessions), commenced development of the Manufacturers Directory, promoted local manufacturers and products and facilitated investment attraction, conducted seven Manufacturing Insights Information Sessions in various economic zones throughout the province.

- The Fisheries Loan Guarantee Program is reviewed on a regular basis and any identified enhancements that will allow harvesters to compete on a global basis are recommended for Provincial Government consideration.
- Under Trade and Export, in 2008-09, the International Trade Assistance Program (ITAP) program assisted seventy-nine companies participate in nineteen Department led export-oriented activities.

Business Indicator 2: Feedback from events/initiatives.

Activities:

- Incorporated into the design of most of the programs is an opportunity for clients to provide feedback, whether through client interviews, independent satisfaction surveys, client feedback forms or quantifiable means. The feedback received is consistently positive and encouraging, with clients indicating a high level of satisfaction with training, brokers/buyers secured, sales achieved, or the potential for profit and productivity increases anticipated as a result of participating in Department-led initiatives. Among the programs and initiatives that received the strongest positive client feedback in 2008/09 are the BR & E program, the Manufacturing Insights Information Sessions, Lean Manufacturing Training Sessions, CNLBSC, the Guest Advisor Program, and the Intellectual Property (IP) sessions.

Business Indicator 3: Provincial and leveraged investment in competitive improvements

Activities:

- INTRD approved \$6,579,221 for investment in improving competitiveness of provincial firms and businesses. The chart below shows how much of that total amount was approved for various projects under INTRD's six programs. While most of INTRD's other funding programs may have some projects that improve competitiveness of firms and businesses, these six programs provide the best measures for this indicator. (See Figure 1a)

Figure 1a

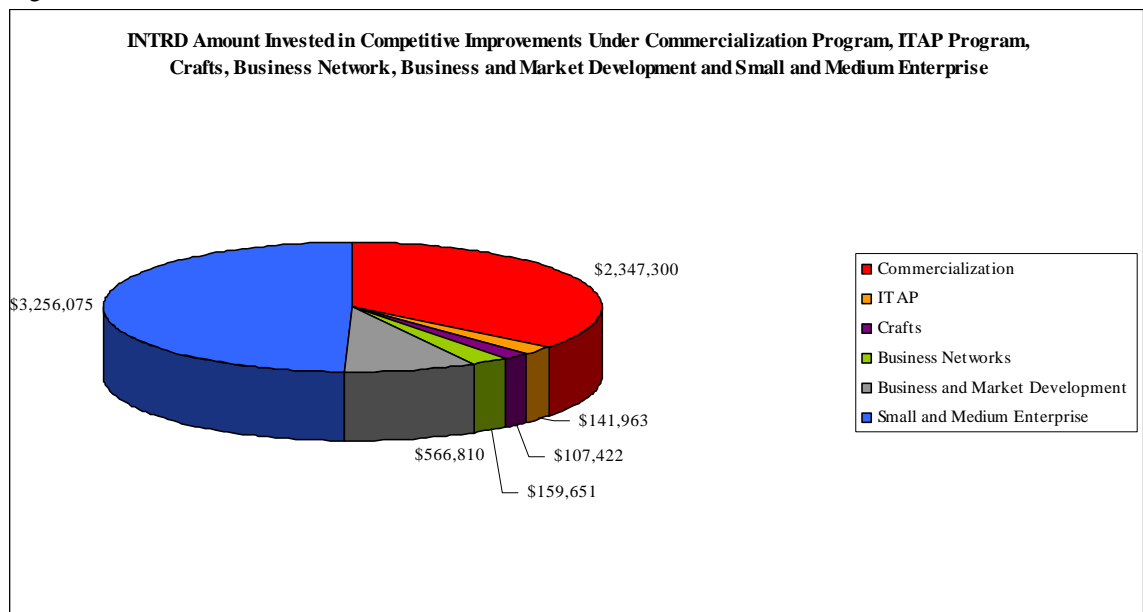


Figure 1b

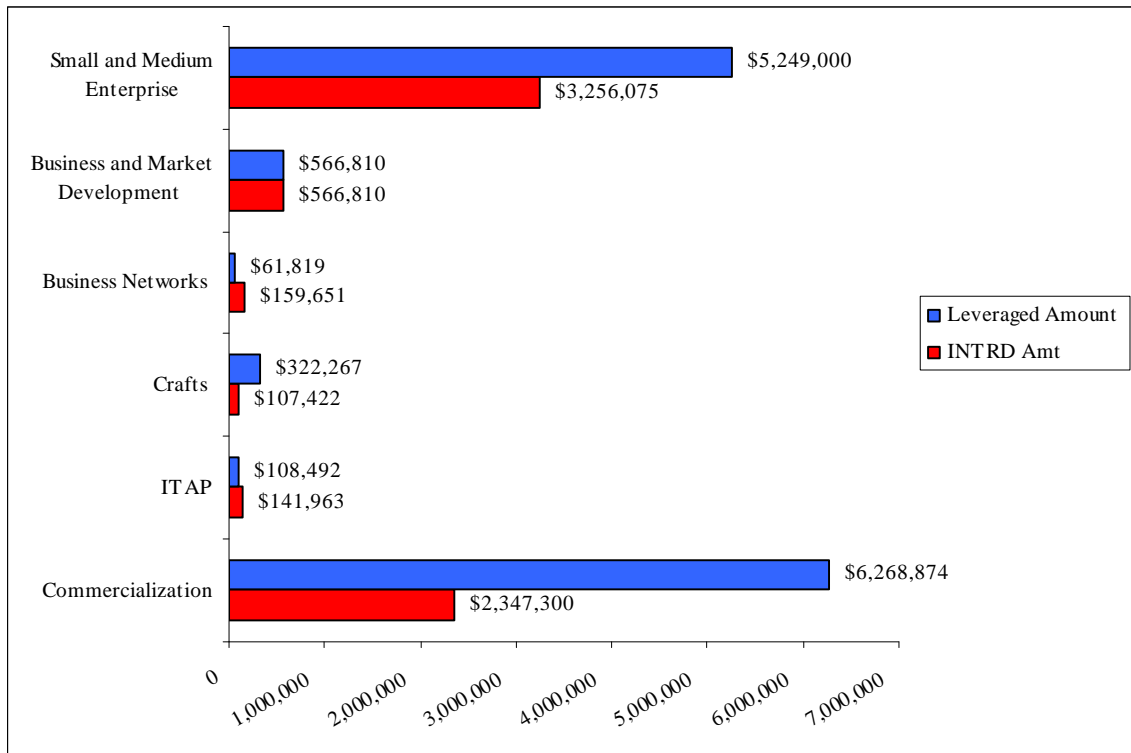


Figure 1b shows the amounts approved by INTRD and the amounts subsequently leveraged in fiscal 2008-09 for competitive improvements projects under INTRD's six program areas.

Market Access Indicator 1: Description of market research and dissemination activity

Activities:

- Community Capacity Building assisted economic development groups with an investment promotion course delivered through the Economic Developers Association of Newfoundland and Labrador.
- Completed research on export opportunities for Atlantic Canadian companies in the Caribbean. Funded by the International Business Development Agreement (IBDA), this project indicated that this market is a good fit for many companies in Atlantic Canada both from a capacity building and requirement perspective.
- CNLBSC responded to approximately 3,000 information requests (i.e. phone, walk-ins, email, fax, and mail) from clients, including potential entrepreneurs, existing entrepreneurs, community development staff, private-sector service providers such as accountants, consultants, and lawyers. Ten to fifteen percent of these requests involve market research.

Market Access Indicator 2: Description of export readiness and export development activity and results

Activities:

- Small and Medium Sized Enterprise Fund helped start or grow 19 small businesses. Of the \$3.2 million approved in 2008-2009, 54 percent was made available to firms with export activities.
- The Small Business and Market Development (BMD) Program assisted 51 small businesses by approving \$567,000 in 2008-09. Of this funding, 37.4 percent was for firms involved in exporting.

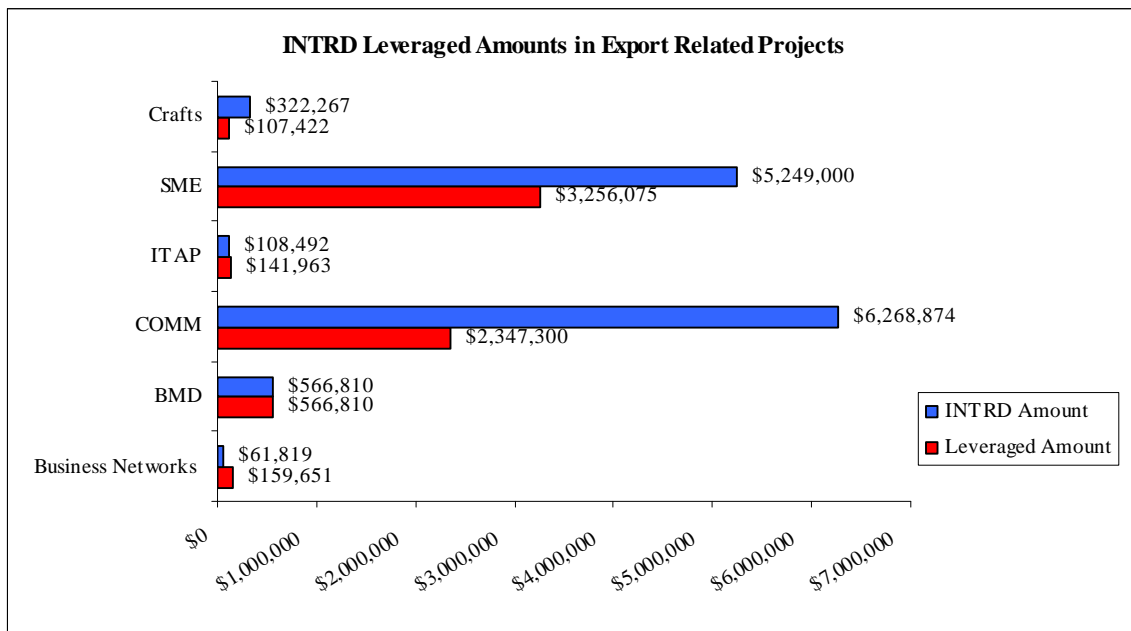
- In partnership with the trade division, the Sector Development Officers provided information about the markets or events to trade mission delegates. The export diagnostic survey and/or BR&E survey are used as tools to determine the company's export potential.
- INTRD was involved in the Atlantic Craft Trade Show (ACTS) particularly in the Incoming Buyers Program. In addition, INTRD played a key support role for the development of Craft Alliance to provide strong export focus.
- During 2008, the CNLBSC offered Import and Export Readiness sessions in partnership with P.F. Collins. Additional import and export sessions may be offered in the future.
- In 2008-09, INTRD led fourteen missions to key markets in Canada, the United States and Europe. A total of ninety-four companies participated. Further to the long term export development approach adopted by the Department, these missions were focused on existing markets such as New England, Chicago, the United Kingdom, and Alberta. In addition, two initiatives exploring new markets were undertaken in 2008-09 with the view to determining the potential for a long term approach. In June 2008, INTRD led a small mission to the South Eastern United States-Canadian Provinces (SEUS-CP) conference in Savannah, Georgia. The newly signed SEUS-CP Alliance opens a large market to the province and preliminary work indicates significant opportunities exist for Newfoundland and Labrador companies. A long term strategy to address these opportunities will be developed. In November, INTRD in cooperation with TCR, led a mission of ten film producers to Wales, the second new market being explored, to examine co-production opportunities. Discussions between the province and Wales during and after the mission verified that other opportunities exist for trade and partnerships and these will be explored further.
- The Business Networks Program has contributed \$159,651 towards projects totaling \$337,557 focused on export development, lean manufacturing, network development, and market intelligence.

Market Access Indicator 3: Provincial and leveraged investment in export-related firm projects.

Activities:

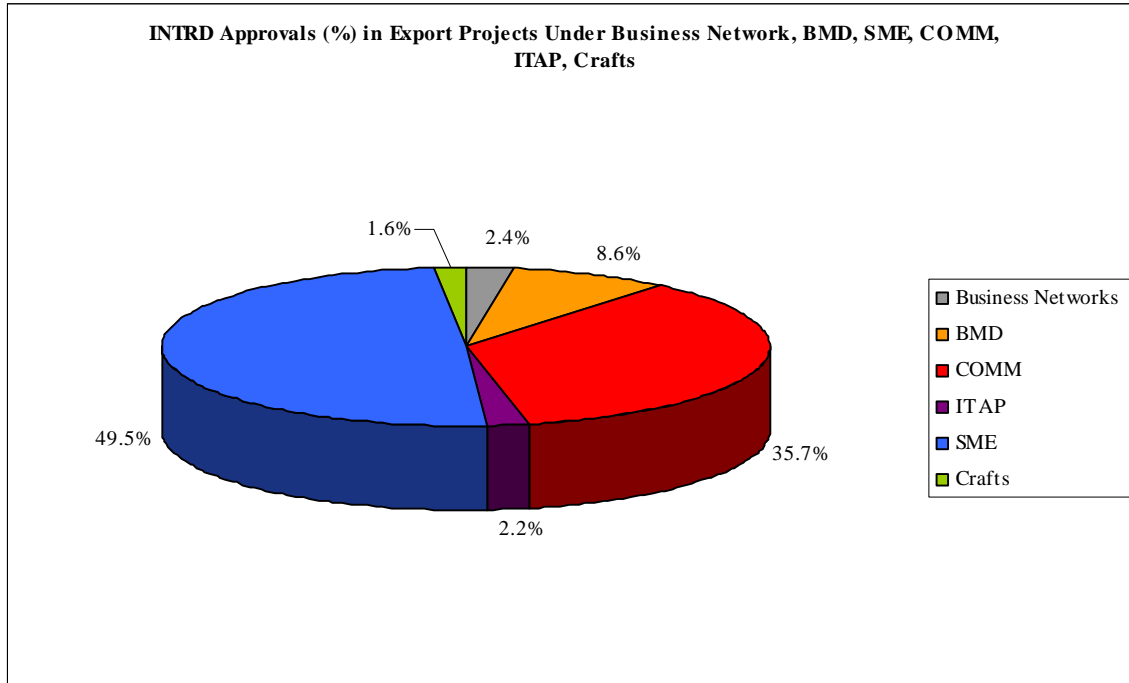
- INTRD approval in export related projects under Business Networks, BMD, SME, ITAP, COMM and Crafts is \$6,579,221 which helped leverage \$12,577,262 (See Figure 2a)

Figure 2a



- Of the total approved for export related projects under the listed program areas (See Figure 2b), 2.4 percent is in Business Networks, 8.6 percent is in BMD, 35.7 percent is in COMM, 2.2 percent is in ITAP, 49.5 percent is in SME, 1.6 percent is in Crafts.

Figure 2b

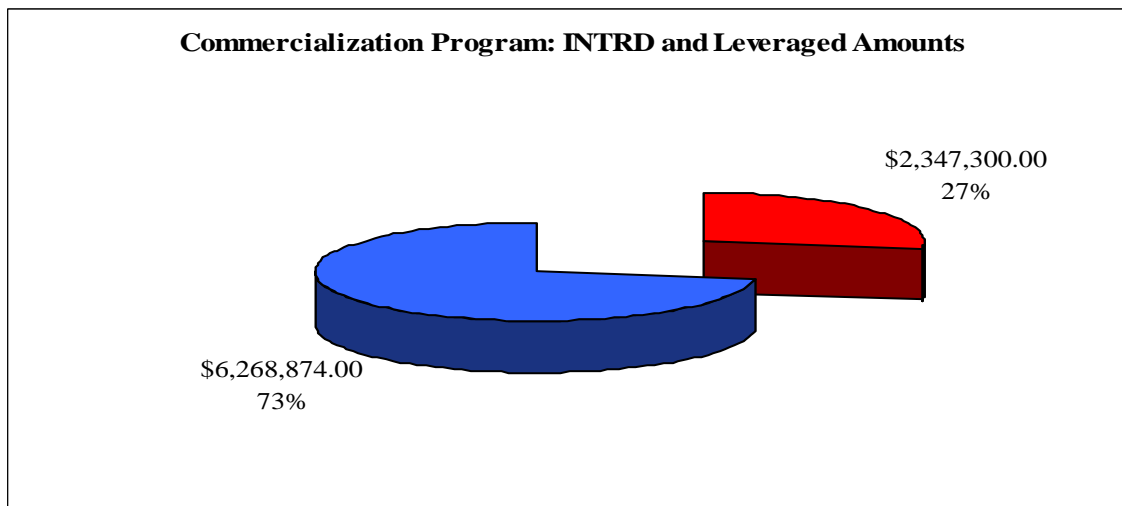


Market Access Indicator 4: Provincial and leveraged investment in commercialization projects

Activities:

- The Department approved \$2,347,300 for nine projects under the Commercialization program in 2008-09. These projects leveraged \$6,268,874 from various sources.

Figure 3a



Annual Objective 08-09: By 2008-09, INTRD will have supported ocean technology-related growth opportunities and, in partnership with industry stakeholders, enhanced the capacity of the ocean technology sector in the province.

Measure: Supported growth opportunities and enhanced ocean technology sector capacity

Indicator 1: Provincial funding is secured to support ocean technology sector development

Activities:

- INTRD worked with a variety of stakeholders to enhance the capacity of the ocean technology sector. This was achieved by supporting the activities of Oceans Advance, the local sector cluster initiative, by undertaking trade missions and by facilitating partnerships for local educational institutions.
- The International Trade Assistance Program (ITAP), supported ocean technology companies to access international markets through a broad range of activities. In total, ten companies received funding totaling \$33,970 for twelve different international market initiatives including participation in four ocean technology specific trade missions or trade shows and eight multi-sector activities.
- Development of the “*Oceans of Opportunity, Newfoundland and Labrador’s Ocean Technology Sector Strategy.*” Provincial funding of \$28 million, for the strategy and the related programs was approved.

Indicator 2: Industrial partnerships with academic institutions on industrial and research initiatives are initiated

Activities:

- INTRD worked closely with educational institutions such as Memorial University and its Marine Institute to initiate a number of industrial and research initiatives. Under the Industrial Research and Innovation Fund (IRIF) program, INTRD approved a number of collaborative applied research projects such as support for the Faculty of Engineering and Applied Science’s RAVEN unmanned aerial vehicle (UAV) project. This project received \$310,965 from IRIF and it leveraged a further \$5,240,000. IRIF also supported a marine geomatics project with \$94,580 in funding that leveraged another \$134,918.
- INTRD supported the Marine Institute’s annual Ocean Innovation conference in St. John’s. This annual conference is held every second year in St. John’s and in various Canadian cities on alternate years. The 2008 event conference was called “World Summit on Ocean Observation.” After the conference, INTRD announced \$250,000 in funding for the Marine Institute’s SmartBay project, which is an ocean observation system operating in Placentia Bay, one of Canada’s busiest industrial waterways. This investment, made under the Innovation Enhancement Program, allowed the Marine Institute to source an additional \$438,810 in funding.
- Under the MOUs with Rhode Island, INTRD approved \$250,000 for a joint scientific expedition on the Grand Banks (Marine Institute and the University of Rhode Island). The University of Rhode Island’s Graduate School of Oceanography (URI-GSO) brought its research vessel, the *R/V Endeavor* to Newfoundland and Labrador waters in July 2008. A team of researchers from the Marine Institute and Memorial University were onboard assisting the URI-GSO scientists. The team used a suite of underwater vehicles to examine the human impact on the Grand Banks. They examined geological formations, explored shipwrecks, and searched for deep sea corals. The INTRD funding, provided under the IEP, allowed the team to raise an additional \$350,000.

Indicator 3: Strategic programs have been developed

Activities:

- In 2008-09, the OceanTech Strategy was adopted. Under this strategy, guidelines for OceanTech Smart Growth Fund, Ocean Tech Intelligence Program and Ocean Tech Global Program were developed. These programs are available to commercial clients and not-for-profit organizations, involved in the development and promotion of this sector:
 - OceanTech Smart Growth Fund supports further growth and development in Newfoundland and Labrador of small and medium-sized ocean technology companies with high growth potential, and on projects that emphasize ocean intelligence and observation, vessel operations, ocean energy, and related activities.

- OceanTech Intelligence Program provides non-repayable contributions to not-for-profit organizations supporting ocean technology and to public sector institutions to help promote their capabilities and enhance the growth of the province's ocean technology sector. Private sector partnerships are encouraged.
- OceanTech Global provides non-repayable contributions to small and medium-sized companies, not-for-profits, and public sector institutions involved in the ocean technology sector to help promote their capabilities and participate in national and international trade and export markets and events.

Indicator 4: Export Markets for ocean companies and technologies are being explored

Activities:

- The Department arranged trade missions to explore export markets for ocean technology companies and their technologies at the Work Boat Show in New Orleans, the Ocean Tech Expo in Rhode Island and the Ocean Business Show in South Hampton, England. Accompanied by several local ocean technology companies, INTRD also led a trade mission to San Diego in co-operation with OceansAdvance, NATI, and Department of Foreign Affairs and International Trade (DFAIT)
- The Department has an ongoing partnership with Rhode Island and New England and continues to lead activity with the oceans technology community in the New England markets and in the Irish market as well. Relationships continue to be strengthened with ongoing missions to and from these markets. For example, Ireland brought a small ocean technology mission to the province in October 2008. As well there were three multi-sector missions to New England which incorporated ocean technology companies.
- As a result of the recent signing of the SEUS-CP Alliance, the state of Mississippi has been identified as a new market for ocean technology products and services. The area has specific expertise and strengths in ocean technology. Partnerships are being explored through a long-term business approach which includes activities such as the SEUS-CP Conference in St. John's, in July 2009, the OCEANS conference and Exhibition being held in Biloxi, Mississippi in October 2009, and the SEUS-CP conference scheduled for Spring, 2010 in Mississippi.
- By the end of 2008-09 the Department in co-operation with a wide range of public and private sector stakeholders advanced successfully innovative research, international networking, and business opportunities. The Department also consulted widely with the industry as officials developed the final draft of an ocean technology strategy for release in 2009-10.

Annual Objective for 2009-10: By 2009-10, INTRD will have supported clients to identify and realize market opportunities at home and abroad.

Measure: Supported clients in markets at home and abroad

Indicators:

- Assisted/supported in educational and professional development of clients
- Supported clients in various sectors to access market opportunities
- Number of clients assisted through various programs
- Supported clients to realize opportunities abroad (number, types, program and sectors)

CAPACITY BUILDING

Capacity building is a continuous process that involves establishing and maintaining a supportive environment that motivates and equips people, firms, communities, and regions to take responsibility for their development. Building capacity for all stakeholders who contribute to economic growth will allow for greater success in advancing regional economic development initiatives.

Social and economic trends and factors including demographic shifts, an aging population, and a smaller labour force are important issues for the future economic competitiveness of the province. In Newfoundland and Labrador, the population is aging faster than the rest of the country and this is particularly true in rural regions. Compounding this problem is the high level of youth out-migration. Investing in youth, entrepreneurship and innovation are intended for help mitigate these issues.

INTRD's 2008-11 Strategic Plan, includes capacity building objectives that are targeted at supporting small and medium-sized Newfoundland and Labrador firms: assisting them to build enterprise skills and improve productivity; delivering on our portfolio of youth-oriented services in leadership, innovation, and enterprise development; and extending our efforts in building community leadership and capacity for community economic development.

2008-11 Goal: By 2011, INTRD will have assisted business, community and economic development stakeholders to build capacity through:

- Facilitating company access to training and supports to enhance enterprise and entrepreneurial skills essential to competitiveness
- Participating in business network activities
- Enhancing skills essential to regional economic coordination, planning, and implementation
- Facilitating access to enterprise and entrepreneurial skills for non-profit groups
- Enhancing skills essential to project leadership and implementation
- Continuing to lead and support regional development initiatives

Measure: Assisted business clients to build capacity and assisted economic development stakeholders to build capacity

Indicator 1: Description of information/training sessions held with clients and target groups

Activities:

- The Ambassador Program coordinated five networking events in four markets, including Boston, Toronto, Edmonton, and Fort McMurray. Attendance at the events included key in-market contacts, MUN Alumni, and trade show/mission delegates. The events included: multi-sector trade mission to Boston (thirty-five in attendance); Toronto International Film Festival (one hundred twenty in attendance); Edmonton/Fort McMurray Food and Beverage Show (eighty in attendance); Canadian International Food Show in Toronto (one hundred thirty in attendance).
- Community Capacity Building (CCB) Program workshops include module delivery (eighteen modules on topics such as Strategic Planning, Board Governance etc.); planning sessions with municipalities; industry development sessions and also piloting the Co-operative Development modules.
- The Poverty Reduction Strategy and Community Building Program (PRS-CCB) Program workshops include module delivery, planning sessions with stakeholders requiring action plans for themes specific to poverty reduction, and networking sessions to help build partnerships between organizations with complementary mandates.
- Strategic Industries Division arranged series of workshops and sessions including Financial Programs Training Workshop, Private Labeling Information Session, Control of Listeria Training, MI Sessions, and Boat Builder Training Program with College of the North Atlantic. Fundamental marketing, pricing, product development information sessions were also delivered by craft consultants on request. Technical skills enhancement and design training was provided to increase skills capacity of clients, marketing seminars were held at the Pre-Commercially Thinned Stands (PCTS), and a series of internet marketing sessions were arranged throughout the province.

- CNLBSC is a partnership between INTRD and ACOA. INTRD provides for forty percent of the operating costs and ACOA provides the remaining sixty percent. It hosted twelve seminars (Co-operative Enterprise in Newfoundland and Labrador, Employer Workplace Health, Safety and Compensation Commission (WHSCC) Information Session, How to Complete a Record Of Employment On-line, Metro Business Opportunities Programs and Services, YMCA-YWCA of Northeast Avalon Employment and Enterprise Services Information Session, Wage Subsidy Programs, Taxation for Small Business, Undertaking Market Research, Use of Web Development Tools for SMEs, Monitoring Web Traffic Using Google Analytics, Introduction to Simply Accounting, and Government At Work for Business.
- Trade and Export Division held two market information session in St. John's during the year. The first held in June 2008 was in support of an October mission to Iceland. The second was held in October 2008 in preparation for the Team Canada Atlantic mission to Chicago scheduled in November. Speakers at the separate sessions included the Canadian Consul for the respective areas as well as others. Participants learned about respective market opportunities, how to do business in the region, and how best to access these opportunities. Additionally, two specific pieces of training were provided to a smaller group of companies who expressed an interest in the Icelandic market. This included training on how to maximize presence at a trade show plus one-on-one training on company marketing and promotion in Iceland.
- The University of New Brunswick, through the pan-Atlantic International Business Development Agreement, was contracted to provide E-Commerce training throughout Atlantic Canada. In 2008-09, six full-day "Marketing on the Internet" workshops were held throughout Newfoundland and Labrador. The key goal of the sessions was to enable participants to enhance business export opportunities through the application of current internet marketing tools.

Indicator 2: Number and Category of Participants

Activities:

- Community Capacity Building (CCB): 101 CCB workshops were delivered to 3,985 participants and 31 PRS-CCB workshops were delivered to 1,310 participants.
- Training provided by Strategic Industries Division: 13 companies attended Financial Programs Training Workshop; 5 delegates attended Private Labeling Information Session; 35 participants attended Control of Listeria Training; 150 – 200 clients were served by fundamental information sessions; 100+ clients participated in skills and design training; 50+ participated in the marketing seminars at PCTS; and 60+ clients participating in the internet marketing workshops.
- CNLBSC: 129 clients participated including entrepreneurs and community development staff (e.g. INTRD Economic Development Officers, Community Business Development Corporation staff, Regional Economic Development Board staff, etc.)
- Trade and Export Division: 34 participants attended the Chicago Market information sessions including 19 private sector and 15 government and association representatives; 81 participants attended the Iceland Market information session including 60 private sector and 21 government and industry association representatives. 62 representatives participated in the E-Commerce training including 39 from the private sector and 23 from the non-profit and public sectors.

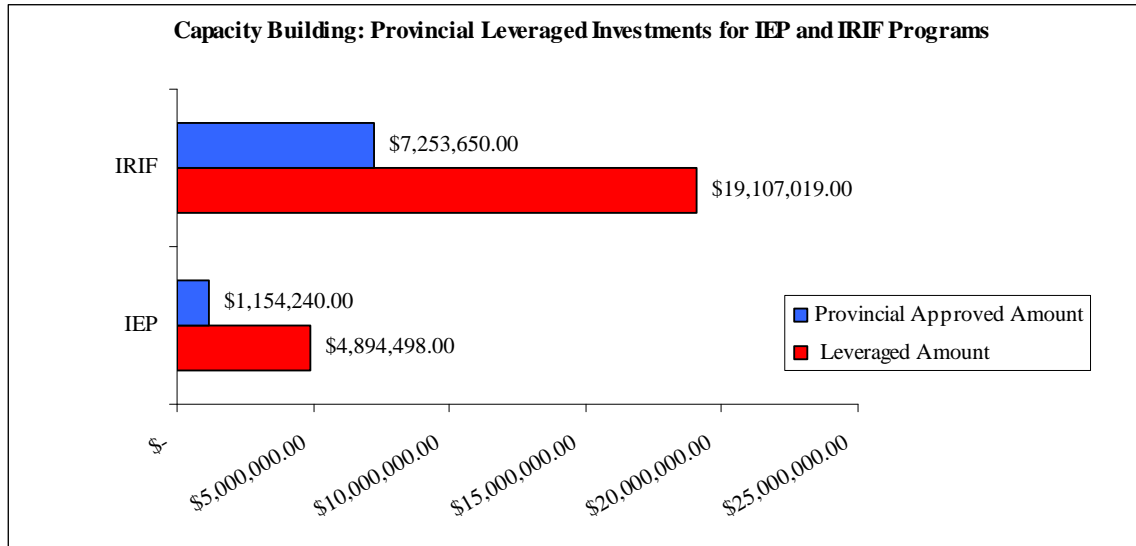
Indicator 3: INTRD leveraged investments in capacity building projects

Activities:

- Under IEP, the Department approved ten projects in fiscal year 2008-09. The total approved amount invested by INTRD is \$1,154,240 which leveraged an additional \$4,894,498 for a total project value of \$6,048,738.
- The Department approved 63 projects under IRIF. (The funds for the IRIF program come from Department of Education however the assessment of the projects is done by INTRD staff). These projects were worth \$26,360,669 with the province investing \$7,253,650 to leverage \$19,107,019 from other sources (See Figure 4).

- Community Capacity Building (CCB) and Capacity Building under Poverty Reduction Strategy programs assisted various clients in capacity building projects. 131 projects were approved in 2008-09, with the total approvals from INTRD estimating at \$408,773.
- Under RSDF, the total amount of new approvals by the Department in 2008-09 was \$4,204,858. The approved projects leveraged \$246,075 from other provincial sources, \$15,816,900 from federal/private sources and clients (See table provided on page 30). Some examples of capacity building initiatives supported by RSDF include support for the Coast of Bays Corporation to participate in an Aquaculture Best Practices Mission and approved funds to assist the Labrador Straits Development Corporation with a Wild Berry Scandinavian Learning Tour.

Figure 4: Provincial investment includes INTRD investment as well as investment from other departments of government.



Indicator 4: INTRD leveraged funds invested to support skills enhancement

Activities:

- Poverty Reduction Community Capacity Building program (PRS-CCB) leveraged funds to enhanced enterprise skills among non-profits. For example, the PRS-CCB program leveraged \$43,956 from ACOA, Community Services Council, and other stakeholders to enhance the capacity of non-profits to deliver community enterprise development workshops throughout the province.

Indicator 5: Description of business networks, activities and results

Activities:

- The Business Networks Program contributed \$159,651 towards eight networks with ten projects, for a total project value of \$337,557.
- The St. Pierre et Miquelon Business Network is working with Burin Peninsula companies to forge relationships with businesses from St. Pierre and Miquelon.
- Community Capacity Building and PRS-CCB created a province-wide facilitator network with 80 trained facilitators. In 2008-09, 19 new facilitators were trained.
- Agri-food Business Network, which is formally incorporated, had three members.
- Alberta Food Network, focuses to access market opportunities for Newfoundland companies in Alberta, has seven companies registered as members. As well, there has been some preliminary work completed on developing food and beverage networks in Central and Western Newfoundland and Labrador.

Indicator 6: Description of stakeholders plan and projects resulting from capacity building efforts

Activities:

- Quarterly planning meetings with Regional Economic Development Boards, annual renewal meetings, development of MOUs with Newfoundland and Labrador Regional Economic Development Association (NLREDA), annual capacity building sessions based on organizational needs assessments and updates to the regional Strategic Economic Plans.
- Industrial Adjustment Services (IAS) project with Craft Council partners to conduct a training needs assessment for the craft industry. Plan to develop a co-ordinated industry training plan.

Indicator 7: Client feedback on capacity-building initiatives (by client group)

Activities:

- Positive direct client feedback and requests for similar projects, for capacity-building initiatives. Through BR&E survey, clients have expressed interest in business network membership and continuous capacity-building initiatives. The CNLBSC's partnership with the Newfoundland and Labrador Regional Economic Development Association (NLREDA) on a communications seminar led to further partnering on a session for REDB staff and volunteers. Direct client feedback on E-Commerce sessions demonstrated that the workshops improved clients' ability to adjust and grow, highlighting the fact that web-analytics, search-engine optimization, and email marketing are significant take-away skills.

Annual Objective 2008-09: By 2008-09, INTRD will have identified and promoted departmental programs and services to encourage and support youth innovation and entrepreneurship.

Measure: Departmental portfolio of youth services identified and promoted.

Indicator 1: INTRD has defined a portfolio of youth services that is coordinated with other existing programs and services

Activities:

- INTRD completed a jurisdictional scan of available support to young entrepreneurs and innovators to determine program and service priorities, and inform the development of a coordinated portfolio of youth services. As a result of this research, INTRD defined a portfolio of youth services from the Department's existing suite of programs and services including:
 - the Getting the Message Out (GMO) Program
 - the Community Capacity Building (CCB) Program
 - the Co-operative Developers' Network
 - Global Entrepreneur Week
 - Business Retention and Expansion
 - one-on-one export counseling
 - active membership on the Board of Directors for Junior Achievement of Newfoundland and Labrador and the Advisory Board for Futures in Newfoundland and Labrador's Youth! (FINALLY!)
- To promote the portfolio of programs and services, INTRD:
 - continued to deliver the popular and interactive Getting the Message Out presentations, distribute GMO classroom kits, and profile local youth entrepreneurs and innovators.
 - profiled youth entrepreneurship and innovation via the Ambassador newsletter. Specifically, the March 2009 issue profiled young entrepreneurs, as well as the accomplishments of the internationally acclaimed SIFE Memorial. The December 2008 issue profiled innovative research in the Province, while the May 2008 issue profiled innovative ocean technology companies.
 - promoted the portfolio during presentations throughout the province to youth organizations, young entrepreneurs and innovators.
 - used the departmental website to communicate programs and services to youth.
 - targeted youth via the website to promote the National Youth Entrepreneur Awards.
 - finalized plans to re-develop the INTRD and Getting the Message Out (GMO) websites for launch in 2009-10.

- INTRD also began partnering with other government departments and youth stakeholder organizations to develop the provincial Youth Retention and Attraction Strategy. As part of an interdepartmental working group, INTRD identified five potential new program areas to be added to our existing portfolio of youth services.
- In conjunction with its partners, the Department worked to finalize programs and services under the Youth Retention and Attraction Strategy and planned a coordinated approach to promote and implement the strategy in 2009-10.

Indicator 2: Youth clientele reached (by service and by total portfolio)

Activities:

- Through total portfolio of existing youth-oriented services, INTRD reached 12,072 youth clientele as follows:
 - provided direction and support as a member of the Board of Directors for Junior Achievement of Newfoundland and Labrador, and organization that reached 4,970 students through 197 programs in 2008-09. The Department also provided direction and support as a member of the FINALLY! advisory board, an organization that reached 1,200 members in 2008-09.
 - delivered GMO presentations to 170 high schools, 40 post-secondary groups and 30 organizations, reaching more than 5,100 individuals throughout the province. The department also distributed the fourth edition of the GMO classroom kit to teachers of Enterprise Education 3205 and Career Development 2201 reaching 170 students.
 - facilitated CCB workshops for youth-oriented organizations reaching approximately 500 youth. These included the Community Youth Network, Labrador West Young People's Association, Community Education Network, Youth Ventures, Red Ochre Regional Economic Development Board, Southeastern Aurora Development Corporation, Shakespeare by the Sea Festival, and Southern Avalon Tourism Association.
 - promoted the Co-operative Network to 50 youth during the Atlantic Cooperative Youth Leadership Camp and the Newfoundland and Labrador Federation of Cooperatives Annual General Meeting.
 - provided financial support for "Make Way for Youth" project implemented by Le Réseau de Développement Économique et d'Employabilité (RDEE) on the Port au Port Peninsula to encourage youth to return to the area after post secondary studies to work or start businesses. This initiative reached over 50 youth.
 - initiated and collaborated with Junior Achievement and the Newfoundland and Labrador Angel Network to host a Global Entrepreneur Week event for 30 youth.
 - conducted one Business Retention and Expansion interview with a young entrepreneur and provided follow-up support.
 - provided one-on-one export counseling to a young exporter.

Indicator 3: Supports directed at youth-run enterprises, and potential youth entrepreneurs

Activities:

- In 2008-09, INTRD supported youth-run enterprises via the Business Retention and Expansion Program as well as business and export counseling services. To recognize youth excellence in areas of export and innovation, two Export and Innovation Awards of Merit were awarded in 2008 to the Memorial Student in Free Enterprise (SIFE) team and the Marine Institute Marine Advance Technology Education Center and Newfoundland and Labrador Remotely Operated Vehicles (MATE ROV) team.
- In 2008-09, the ITAP program provided six grants totaling \$9,748 to three youth-owned enterprises. These grants helped these youth-owned enterprises access national and international markets. In addition, \$8,000 was provided to eight students to participate in a Junior Team Canada mission to Panama, February 2009. A presentation on the Department's programs and services was given to all of

the Newfoundland and Labrador students involved in this program. This exposure to international markets will not only help to further educate students in global business but could serve to encourage students to explore careers in some aspect of international business.

- INTRD has representatives on the youth support groups including:
 - Youth Retention and Attraction Strategy working group and executive committee to coordinate INTRD support for the group;
 - the FINALLY Advisory Board (Futures in Newfoundland and Labrador Youth) to support organizational mentorship and direction;
 - the Entrepreneurs' Forum Advisory Board for mentorship and direction to young business owners; and
 - the Junior Achievement Newfoundland and Labrador (JANL) Board of Directors to which INTRD has contributed more than \$12,000 to support to JANL initiatives and \$27,000 to support the Entrepreneurs' Forum.

Indicator 4: Supports leveraged from other sources

Activities:

- The Marine Institute received support to hold an ROV competition and to send three provincial youth teams to the international conference. INTRD's contribution of \$27,137, leveraged \$30,138 from industry partners and other sources.
- Canadian Information Processing Society (CIPS) leveraged \$2000 from a private company for \$10,500 project supported by \$8,500 investment from INTRD. As well, the St. Francis Robotics Program received \$10,350 from INTRD to support for eight youth to attending an international robotics conference.
- INTRD supported the "Make Way for Youth" project proposed by Le Réseau de développement économique et d'employabilité (RDEE) for the Port au Port Peninsula. This project encouraged youth to return after post-secondary studies to work or start businesses in their home region. The \$10,000 contribution from INTRD leveraged a \$10,000 contribution from Human Resources, Labour and Employment (HRLE) and a \$20,000 contribution from the Government of Quebec.
- As part of a three-year initiative to focus on youth, departmental personnel in this fiscal year focused on building our youth portfolio. They developed and delivered positive one-on-one mentoring sessions and group workshops in leadership, critical and creative thinking, youth-focused entrepreneurship training, and youth awards—all designed to link with and support provincial labour force development objectives and the new youth recruitment and retention strategy under development by the Department of Human Resources, Labour and Employment.

In addition, INTRD's Strategic Partnership provided a unique forum for exploring opportunities to increase the rate at which young people successfully enter and remain in the province's labour force.

Annual Objective for 2009-2010: By 2009-10, INTRD will have facilitated capacity-building and skills enhancement for business and economic development clients.

Measure: Facilitated capacity-building and skills enhancement with clients

Indicators:

- Development of tools (manual, website, guides) to facilitate capacity building for business clients and economic development clients
- Deliver information seminars and workshops related to skills enhancement for clients (BR&E, Market Readiness Seminar, Sessions, workshops and networking sessions)
- Implementation of Regional Collaboration Pilot to advance regional sustainability
- Implementation of Ocean Tech Funding Program
- Support funding to not-for-profit organizations for skills enhancement

STRONG REGIONS

This province has experienced strong economic growth and rising average income levels in recent years due largely to natural resource development. This activity is yielding provincial gains in productivity at or above national levels. Yet, as Newfoundland and Labrador is closing the gap with other provinces and creating record employment, single industry communities continue to face regional shifts in people, skills, and capital. The persistence and determination of the stakeholders in rural communities to bridge economic downturns and outmigration and to maintain a viable regional economy reflects positively on local leadership and on the strength and the entrepreneurial capacity of Newfoundlanders and Labradorians. Meaningful growth in all regions of the province requires economic infrastructure that is linked to industry and business expansion.

In the 2008-11 Strategic Plan, INTRD's priority objectives for stronger regions included enhancing the province's broadband infrastructure, reassessing and prioritizing growth opportunities, and identifying the economic infrastructure investments most critical for regional and sectoral growth. All three of these objectives involve developing supportive public-to-private and public-to-public partnerships and other labour market and related development mechanisms to realize regional focused opportunities.

2008-2011 Goal: By 2011, INTRD will have supported regional economies to diversify and become more self-sustaining.

Measure: Supported regional economies to diversify
Supported regional sustainability

Indicator 1: Diversification Indicators: Proportion of investments made in enterprises important for diversification

Activities:

- College of the North Atlantic, Centre for Agri-food Development: INTRD invested \$170,720 and leveraged \$512,612.
- Terra Nova Marine Yacht building: INTRD invested \$400,000 and leveraged \$2,726,204.
- Department has assisted various enterprises in the manufacturing sector. SME approved \$200,000 to Dynamic Shelters in Burin Peninsula; \$73,000 to Canada Ice in St. Anthony; \$250,000 to Trinity Resources and Energy in Nut Cove; and \$225,000 to 57351 NFLD Limited and Kent in Springdale.
- With the Departments of Finance, Business, and Justice, INTRD's Business Analysis Division undertook consolidation and expansion of Kodiak's Canadian footwear manufacturing operations in Harbour Grace. This facilitated an \$8 million investment through the Business Attraction Fund (administered by the Department of Business).
- Gray Aqua Group Limited, which operates a finfish operation on the province's south coast, was approved for a loan guarantee to a maximum of \$6.8 million and capital funding assistance of \$1 million under the Aquaculture Working Capital Loan Guarantee Initiative and the Aquaculture Capital Investment Program (administered by the Department of Fisheries and Aquaculture).
- Under Supplier Development Initiative, sessions were held for clients across the province.

Indicator 2: Diversification Indicators: INTRD and leveraged funds invested to support regional diversification opportunities

Activities:

- Through the Innovation Enhancement Program, INTRD invested in regional innovative projects including \$170,720 in Carbonear, \$500,000 in Placentia, \$28,195 in Humber East, \$100,000 in Burgeo, and \$65,825 in Happy Valley-Goose Bay.
- INTRD provided \$1.2 million administration funding to REDBs, leveraging \$3.3 million from ACOA.

- The CNLBSC, as part of a collaboration agreement with the Newfoundland and Labrador Regional Economic Development Association, will be partnering in the delivery of a seminar on opportunity management to the regional economic development boards.
- ITAP contributed \$24,104 towards the travel costs of rural companies to participate in export development opportunities. This was seventeen percent of the total amount paid under the program in 2008-09. 26 of the 79 companies (33 percent) receiving funding were from rural regions.
- The Business Networks program has contributed funding towards the establishment of networks in the Emerald Zone, the Irish Loop, and the Burin Peninsula.

Indicator 3: Sustainability Indicators: INTRD funds and leveraged funds invested in client enterprises (by region, by sector)

Activities:

- Examples of INTRD's approval by sector:
 1. In Carbonear \$170,720 invested, leveraged \$512,162 in Agrifoods/Agriculture sector,
 2. In Placentia \$250,000 invested in Smart Bay leveraged \$438,810 in Ocean Technology,
 3. In Humber East invested \$5,695 in Model Forest, leveraged \$5,695 for capacity building in Forestry,
 4. In Burgeo invested \$100,000 at College of the North Atlantic (CAN) for non-destructive testing in advanced manufacturing sector and leveraged \$300,000,
 5. In Happy Valley-Goose Bay invested \$68,825 in Labrador Professional Outfitters Association for study in Tourism and leveraged \$81,825.

Indicator 4: Sustainability Indicators: INTRD funds and leveraged funds invested in initiatives important to regional sustainability

Activities:

- The Business Investment Corporation committed \$3.2 million in 2008-09 through the Small and Medium-sized Enterprise Fund (Term and Equity), attracting \$5.2 million in additional funding from private and public business financing, to help start or grow nineteen small businesses.
- The Business Investment Corporation committed \$567,000 in 2008-09 through the Small Business and Market Development Program to 51 small businesses, attracting an additional \$567,000 in other business financing to help entrepreneurs and small businesses pursue new business ideas and new markets for their products and services. Of this funding, 37.4 percent went to firms involved in exporting.
- Regional/Sectoral Diversification Fund invested in initiatives important to regional sustainability, such as the feasibility study for the container transshipment initiative for the Argentia Port Corporation and the comprehensive study of the Exploits River and the Downtown business community.
- Trade and Export Development Division invested \$29,488 towards a \$106,000 project for the development and market preparation of a Burin Peninsula export network looking at the Saint Pierre and Miquelon market. It also approved \$15,000 towards export diagnostics for companies in the Irish Loop and facilitated a Greenland information session for companies in the Emerald Zone.

Annual Objective for 2008-2009: By 2008-09, INTRD will have worked with regional and other partners to identify and access economic opportunities in key sectors.

Measure: Identified sector opportunities.

Indicator 1: Activities are in process to advance sectors with high growth potential

Activities:

- Cranberry Commercialization Strategy was completed. This strategy outlines an approach for the development and growth of this industry in Newfoundland and Labrador. Preparation for these new farms began in this fiscal year with plant material anticipated for spring 2010. Significant development in new cranberry farms, particularly in the central region will occur in 2009-10. This effort is supported by INTRD, Natural Resources and ACOA.
- In an effort to enhance the capability of the Newfoundland and Labrador boat building industry to successfully penetrate out-of-province markets for higher-end pleasure boats, a training project was established with the College of the North Atlantic. The need to penetrate the pleasure-boat markets was identified as part of a strategy developed with the industry several years ago. The objective of the training project is to assist the provincial industry in improving the quality and variety of pleasure boats produced in the province through improvements in worker skills and the adoption of newer production processes within the industry.
- Regional/Sectoral Diversification Fund supported a total of 85 new initiatives in sectors with high growth potential, as well as additional funding for amendments for 26 priority sector initiatives. For example, initiatives focused on tourism, forestry and agriculture, post-secondary education, and business development.
- Community Capacity Building supported sector planning workshops. The CCB program provided financial assistance for 39 sector planning workshops. This included support for 13 sessions to pilot and further develop an Opportunity Management (OM) module throughout the province with delivery partners such as the Town of Port aux Basques and the Irish Loop Regional Development Board. OM focuses on a process to assist regions in the identification and management of sector and business opportunities.
- As a key sector for the craft industry, cultural tourism provides many opportunities to develop cultural products for historic sites and cultural destinations and offers hands-on experiences to visitors interested in learning more about our crafts and our culture. Through the Industrial Adjustment Services (IAS) process a cultural products “roadmap” is being developed to assist craft consultants and community development agencies as they increase the relevance of products offered in local museums, historic sites and other retail outlets across the province.
- INTRD supported Newfoundland and Labrador Association for Technical Industries fact finding mission for the Information, Communication and Technology (ICT) industry in the South Eastern United States region.

Indicator 2: Immediate and long-term opportunities that give priority to the development of the key growth sectors, are identified and initiated

Activities:

- Regional/Sectoral Diversification Fund: In addition to supporting education and training and research and development, a primary focus for RSDF has been infrastructure planning and development. RSDF funded various projects that created instant and long-term opportunity for key sectors in an area. RSDF identified regionally specific supports required based on links to high-priority sector development in the province. For example, it provided support for the Placentia Cultural Arts Centre; it supported a research project for the oil-and-gas sector to develop a long term strategy for Zone 15; and it assisted the Hunter/Nature/Fisher Guide Training Program with the College of the North Atlantic in St. Anthony.

Indicator 3: Community, business and government stakeholders are informed and involved in the activities and priority initiatives

Activities:

- CNLBSC signed a collaboration agreement with the Newfoundland and Labrador Regional Economic Development Association. The Centre will assist in the delivery of seminars on the process of opportunity management. It will also provide information support to assist boards with opportunity evaluation and to aid in the identification of funding sources.
- INTRD coordinated a BR&E project for Grand Falls-Windsor and surrounding areas. This included the establishment and orientation of a local BR&E Team with 11 representatives from economic development organizations in the community. The team targeted businesses to be interviewed and began visitations and follow-up.
- Close involvement with OceansAdvance in the development of an Ocean Technology Sector Strategy.
- The IAS process involves many sector stakeholders on a steering committee including INTRD, Craft Council, Anna Templeton Centre for Craft, Art and Design, HRLE, CNLBSC, and the College of the North Atlantic. Funding is provided by Service Canada.
- INTRD in partnership with the Rural Secretariat and other departments developed a framework for an interdepartmental pilot project on regional collaboration on the Great Northern Peninsula in the St. Anthony/Port au Choix region. Through this project, Government and regional development stakeholders will explore processes and practices that advance regional sustainability. Stakeholders will provide advice to senior decision-makers regarding investment in the region as they work together to identify regional development initiatives and priorities.

Indicator 4: INTRD and leveraged funds identified to undertake priority opportunities in the regions

Activities:

- Use of innovation/commercial funding programs to undertake priority opportunities.
- Sandler Sales Training: In September 2008, Sandler Training was contracted to train 16 Newfoundland and Labrador exporters in an Exporters' Business Development Program. This one-year program focuses on long term re-inforcement of sales, prospecting, and deal closing strategies. A one-day boot camp was followed by weekly webinars, mentoring, and coaching. This training will be completed in mid-2009. 20 private sector participants attended. The training was funded through the Atlantic Canada International Business Development Agreement. The total project cost was \$509,093 for training up to 100 companies in the four Atlantic Provinces. This training program usually cost participants \$8,500, however, an additional \$15,000 was contributed to the Newfoundland and Labrador companies through the Business and Market Development Fund leaving them with out of pocket expenses of \$750.
- Regional/Sectoral Diversification Fund: The province's Comprehensive Regional Diversification Strategy aims to build on existing or potential natural economic regional clusters. The strategy recognizes the need for Government to support regions and clusters with education and training, research and development, and industrial infrastructure. Clusters are a natural progression for key growth sectors and have been identified in the Strategy, based on regional strengths, existing opportunities, and identified regional economic development priorities. Funds are allocated for these regional economic development priorities. The RSDF supports initiatives focusing on regional strengths and growth sectors and aims to address any gaps preventing further development or diversification of a sector. In 2008-09, the RSDF supported initiatives for 70 clients in every region of the province (some clients had more than one RSDF approval). The investment by region is outlined in the table below:

Region	Total RSDF Investment	Total Project Value	Leveraged from Federal/ Private Sources(incl. Client)	Number of Projects
AVALON	\$849,489	\$3,745,503	\$2,886,014	14
CENTRAL	\$237,397	\$1,083,711	\$818,314	11
EASTERN	\$632,164	\$3,387,918	\$2,746,754	7
LABRADOR	\$1,003,741	\$4,867,348	\$3,858,607	16
WESTERN	\$953,063	\$4,757,117	\$3,650,054	25
PAN PROVINCIAL	\$529,004	\$2,426,236	\$1,857,157	12
TOTAL	\$4,204,858*	\$20,267,833	\$15,816,900	85

* Does not include approved amendments totaling \$437,241.

- Completion of Government's Broadband Initiative is the next phase in enhancing the province's telecommunications infrastructure and leveling the playing field for all regions of the province and allowing businesses to have increased electronic access to international markets. The new trans-gulf fibre optic link will enhance this initiative by upgrading Newfoundland and Labrador's critical infrastructure to the level of telecommunications access and capability that already exists in the rest of Canada.

Annual Objective for 2009-2010: By 2009-10, INTRD, in collaboration with the Office of the Chief Information Officer, will have initiated an advanced broadband telecommunications network for government operations across the province.

Measure: Initiated an advanced broadband network for government

Indicators:

- Initiated implementation of construction and management agreement
- Identified Government operations to be connected.

CHALLENGES AND OPPORTUNITIES

While the current global economic downturn has created many challenges, it reinforces the importance of Newfoundland and Labrador's strategic planning as the Department builds on the province's strengths, creating opportunities to become more competitive and build capacity, reducing our dependence on single industries and fostering strong regions where economic growth and industrial diversity are an integral part of the way the regional stakeholders conduct their business, locally, nationally, and internationally.

Challenges

As a player in the global economy, Newfoundland and Labrador has to develop strategies to overcome the challenges of competing in an international market. The current economic downturn, the dramatic shift in international stock markets, tightening of credit by lending institutions and job losses have increased the challenges for many sectors of the economy.

Particularly susceptible to market forces, is the provincial export community. The seafood industry for example, a major exporter, has endured a significant decline in markets for high-end products such as crab, shrimp, and lobster. The resulting low prices make it difficult for fishers to meet financing and operating costs.

Rising global energy prices impact both the seafood and manufacturing industries. Manufacturers in the food and beverage sectors cite the high cost of transportation and raw material imports as among their most significant impediments to global competitiveness.

A significant Department-wide challenge is ensuring that our programs and services are structured appropriately and are sufficiently flexible to effectively meet the needs of those we serve, while meeting provincial, national, and international requirements. For example, within the voluntary and not-for-profit sector, a lack of administrative support funding is an issue, which is further compounded by federal regulations requiring a contribution from non-governmental sources for project implementation.

The task of ensuring that the Department programs are fully utilized is another Department-wide challenge, from recruiting clients for the International Trade Assistance Program (ITAP) to increasing awareness of Community Capacity Building opportunities. ITAP for instance, has difficulty recruiting new companies, particularly rural companies, because the majority of firms have a small number of employees and very few if any, have staff dedicated to international market development. The budgets of SME's are often limited with little if any funding allocated for long-term market development. Furthermore, exporting is often perceived by inexperienced companies as risky, time consuming, and expensive.

Staying the course to reap the results of the Departmental programs is important. The challenge is that it requires significant time before the full impact of the programs and services are readily acknowledged. A focused and consistent approach to achieve desired results and a self reliant attitude to see the outcomes of the programs introduced and their benefit to public is necessary.

Government's ongoing commitment to innovation has allowed the Department to take a successful approach in the development and implementation of programs to benefit the companies in Newfoundland and Labrador. The Department has made investments from traditional resource-driven industries to knowledge-based industry sectors. Much of the activity is driven by small business in sectors like ocean technology, agriculture, life sciences, tourism, and information and communications technologies. It's a challenge to see the impacts of the programs immediately. However, the Department is providing local enterprises with the tools to target new opportunities and modernize their operations to support a climate of growth and prosperity in the province.

Newfoundland and Labrador is described internationally as a place "standing tall as an international epicenter of marine technology". As such Government is determined to capitalize on opportunities to grow this sector by releasing a new ocean technology strategy. In collaboration with the province's industry leaders, Department's role is significant and challenging i.e. strengthening ties between institutions and industry, enhancing supports for businesses, expanding global markets and nurturing an environment of success to attract world leaders to the province, to invest in the lucrative ocean technology sector.

Opportunities

Government's proactive approach to develop the Youth Retention and Attraction Strategy provides an opportunity for the Department to define a portfolio for the youth of the province from existing programs. Department is also using this initiative as an opportunity to adapt its existing programs to cater to youth entrepreneurs and to take a lead role in the Government-wide initiative to curb youth out-migration, and position the province as a desirable career location for young people.

Community involvement is integral to the success of department's programs. The department provides continued support to the Regional Economic Development Board process which involves broad public consultation in the development of economic plans. The experience, knowledge, and commitment of the people of communities therefore informs regional economic development process. On the other hand, community leaders, volunteers, and entrepreneurs also realize the importance of capacity building at the community level. This provides an excellent opportunity to implement department's programs for the economic growth of the regions. Also, the Department benefits from its vast geographic dispersion of staff and clients. With 5 regional offices and 17 field offices, the Department has developed considerable expertise in successful provincial-wide program coordination and delivery.

The growing awareness that communities are stronger and more sustainable when they work as regions by sharing services, provides an opportunity for the Department to collaborate with regional partners to see better results. Through a Regional Collaboration Pilot Project led by the Rural Secretariat, regional leaders will explore collaborative forms of governance that will advance regional sustainability. The department continues to work collaboratively with Municipalities Newfoundland and Labrador and local municipalities, regional economic development boards and other rural development agencies to develop long-term integrated sustainability plans which will help build a stronger province. The Rural Secretariat and its Regional Councils play a pivotal role in supporting the efforts of the Department. The Department will work closely with the Rural Secretariat as it explores new approaches to regional governance and citizen engagement.

The Business Networks Program enables Newfoundland and Labrador companies to work together cooperatively to enhance their opportunities for export sales. Establishing business networks also helps create new opportunities to find solutions to industry challenges and to grow businesses through joint marketing, purchasing, strategic alliances, creative solutions, competitive collaboration, and improved technologies. A business network has the opportunity to accomplish for its members what individual businesses cannot do alone. Based on the experience of network colleagues, it can help members learn best practices and avoid mistakes. A network can also capitalize on combined network skills, resources, marketing, and financial leverage.

Partnerships with community groups and provincial associations, offer an excellent opportunity for the Department to share its resources and experience with local economic development groups. The Regional Co-operative Developers' Network, for example, is a partnership between the Department and the Newfoundland Labrador Federation of Cooperatives (NLFC). The Network educates stakeholders and creates awareness within regions about the realities of the co-op model as a viable business model and how it is reliable for developing and supporting enterprise growth. As well, the network focuses on educating people about using the co-op model as a realistic approach for many regional development initiatives. Also, as part of the Provincial Government's Poverty Reduction Strategy, Department and NLFC have partnered to launch micro-lending projects in St. John's and in the Exploits Region. Through these pilot projects participants can avail of skill development workshops, in addition to the establishment of peer support groups that provide access to business loans ranging from \$2,500 to \$10,000. These are valuable resources that provide opportunity for start-up or expansion of home-based businesses and micro-enterprises. Loans may also be used for investment in co-operative enterprises or to access co-op services. This pilot project supports self-employment using a micro-lending process and expands opportunities for co-operative development.

The province's five-year, \$28 million ocean technology sector strategy was finalized and approved by government in March 2009. Entitled *Oceans of Opportunity* the strategy is designed to accelerate sector development and enhance the province's business and technology development environment. When the strategy is implemented, the province will be strongly positioned to identify new opportunities in ocean technology and expand relationships with local, national, and international partners. *Oceans of Opportunity* is an extension of the overarching innovation strategy that outlines the Provincial Government's commitment to advancing knowledge-based industries throughout Newfoundland and Labrador. The ocean technology sector in particular, with the existing infrastructure of education, research, and commercialization, offers a tangible opportunity to carve out a

significant global niche for industries like oil-and-gas, research, environmental activities, and other marine related industries. Through the department's Innovation Enhancement Program (IEP) and the Commercialization Program (COMM) opportunity and support is provided to stakeholders to bridge the gap between research and development and commercialization.

Accomplishments

In 2008-09 the Department in partnership with Rural Secretariat, led the development of a framework for a Regional Collaboration Pilot project, using an interdepartmental approach. The pilot, which is being implemented on the Great Northern Peninsula in the St. Anthony/Port au Choix region, will inform best practices with respect to coordination of economic development priorities and spending. Through a partnership with community and government, the pilot will allow stakeholders to provide advice to senior decision-makers regarding regional investments, development initiatives, and priorities.

Bridging the Gap (BTG) program is an example of successful partnership, where the Provincial Government is working with the Random North Development Association to identify and consult with rural companies across the province that have growth potential. A provincial coordinator, under the direction of an interdepartmental working group, applies the BTG model to identify impediments to expansion with a focus on human resource issues. Participating firms assess labour demands in strategic growth sectors against the available labour supply, with a focus on marginalized and underemployed segments of the labour force. Firm specific, workplace-based training is designed with educational partners, focusing on essential skills development for the participating individuals.

The Department's Business Analysis Division, while continuing to deliver programs under its mandate, partnered with other departments to deliver two significant initiatives in 2008. These are specifically the consolidation and expansion of Kodiak's Canadian footwear manufacturing operations in Harbour Grace, facilitated by an \$8 million investment through the Business Attraction Fund administered by the Department of Business. The Department also participated in the analysis and approval of a loan guarantee (to a maximum of \$6.8 million) and capital funding assistance (\$1 million) to Gray Aqua Group Limited (operating a finfish operation on the Province's south coast) under the Aquaculture Working Capital Loan Guarantee Initiative and the Aquaculture Capital Investment Program.

The agriculture industry is evolving rapidly with berry cultivation enterprises in 2008-09. This is largely due to the completion of the Cranberry Commercialization Strategy and preliminary work on a provincial blueberry strategy. Through implementation of the Cranberry Commercialization Strategy, supported by the Department, Natural Resources and ACOA, new cranberry farms, particularly in the Grand Falls Windsor region, are expected for 2009-10. Preliminary research with both local and foreign blueberry producers indicate there is an opportunity to grow this currently low-value industry and capitalize on the natural advantages of a clean environment and later growing season to create export opportunities. Completion of the Provincial Blueberry Strategy will set the direction for sustainable growth within this promising industry.

Implementation of the Forestry Diversification Initiative, in partnership with the Department of Natural Resources, will assist the forestry industry in competing globally and developing new products and market opportunities. Focusing initially on creating a sustainable sawmill sector through an infrastructure diversification program is leading a number of sectoral initiatives including production of new forest products to gain access to new markets; mill diagnostics and the development of sustainable business plans; a marketing program that supports all integrated sawmills to access new global markets; and the exploration of an opportunity to use local wood pellets as a fuel source.

Developing a sustainable aquaculture industry is a priority for the Department. The Departments of INTRD, Fisheries and Aquaculture, and Finance work together to offer assistance through the Aquaculture Working Capital Loan Guarantee Program and the Aquaculture Capital Incentive Program. By matching private sector investments, these programs are designed to complement each other and improve access to financing and increase production from hatcheries and marine sites. The Department's concern with the infrastructure and bio-security needs of the industry resulted in the Departments' participation in a committee to review those needs on the Connaigre Peninsula.

During 2008-09 the Department, Fisheries and Aquaculture, and Finance continued to demonstrate a strong commitment to the fishing industry through ongoing administration and further development of the Fisheries Loan Guarantee Program (FLGP), in partnership with four chartered banks. Providing Government loan guarantees of up to \$2.0 million to support commercial bank loans to harvesters, the program saw significant enhancements implemented in the last year. And the Department continues to work with its partners to explore extending the FLGP to include combined enterprises.

Working closely with regional partners and the Department of Tourism, Culture and Recreation, INTRD focuses on culture and heritage as a key area of development to create opportunities. Cultural events and attractions appeal to tourists, improve the quality of life of residents and generate many economic spin-offs. In addition to generating income and jobs, the culture sector attracts potential tourists, residents, and investors. Every year, INTRD's Regional/Sectoral Diversification Fund supports the implementation of cultural and heritage initiatives in all regions of the province. Some highlights in 2008-09 include support provided for the construction of the Placentia Cultural Arts Centre, as well as support for the Torngasak Cultural Centre for the Hebron Restoration Project.

INTRD continued its series of supplier development sessions with events held in St. John's, Clarenville, Deer Lake, and Plum Point. The Department also hosted the Atlantic Provinces Reverse Trade Show in St. John's.

In 2008-09, the Department began the implementation of a long-term market-entry strategy for Chicago. INTRD led three missions to the area and provided ITAP funding to give the seventeen participating companies the flexibility to shift investment towards new initiatives. Such funding was essential to the Department facilitated market entry and development activities in the Chicago area in 2008-09. By year end, INTRD had received feedback from a number of the participating companies indicating that new distributor partnerships were secured in the Chicago region.

In 2008-09, as a result of the Business Networks program, the Newfoundland and Labrador Builders International Corporation honed their manufacturing process and developed a stronger marketing arm focused on selling panelized housing systems in Western Europe and Iceland. Business Networks funding has led to the exploration and opening up of the Southeastern United States as a new export market focus for Newfoundland and Labrador exporters. The Fluent Manufacturing Consortium is a business network comprised of some of the Province's best known companies. It has a vision to be a consortium of independent companies striving to achieve world class operations through continuous improvement. As a result of workshops that took place with funding from the Business Networks program, the network has increased its membership base and plans to introduce more cutting edge training sessions on manufacturing.

The Department, in collaboration with the Department of Health and Community Services, played a lead role in the coordination, assessment and approval of the Provincial Government's \$16.8 million investment in the construction of the Newfoundland and Labrador Centre for Interdisciplinary Research in Human Genetics. The project recognizes the province's competitive advantage in genetics research due to its homogeneous and stable population and will support strong and growing health sciences research being conducted by Memorial University's Faculty of Medicine and other public and private organizations to support existing research teams and advance population health. A provincial centre of this caliber will significantly enhance the development of the life sciences sector in the province.

The Provincial Government has also taken ownership of its portion of the Trans-Gulf fibre optic network and invested \$15 million. This milestone provides the basic infrastructure required for Government's Broadband Initiative (GBI) project. The Department, along with its evaluation team, has expended considerable effort in its review of the responses to the Requests for Proposals for the GBI project issued in December 2007. When completed, the project will expand Government's advanced communications network into more than 200 communities. This extensive evaluation has resulted in a recommendation to the Provincial Government on implementation of the project, with approval of the initiative expected in the near future.

APPENDIX A: FINANCIAL PERFORMANCE

Line Item	Source of Expenditure	Original Estimate (\$)	Amended Estimate (\$)	Actual (\$) (Unaudited)
1.1.01	Minister's Office (current)	317,000	334,000	289,312
1.2.01	Executive Support (current)	951,500	1,031,600	868,099
1.2.02	Administrative Support (current) (Less Revenue)	714,900 --	745,500 --	556,252 (482)
1.2.03	Policy and Strategic Planning (current)	542,400	580,600	454,082
1.2.04	Strategic Initiatives (current)	1,005,700	1,015,100	721,358
1.2.05	Administrative Support (capital)	20,000	20,000	--
2.1.01	Export and Investment Promotion (current) (Less Revenue)	3,705,500 (500,000)	3,794,900 (500,000)	2,494,064 (233,883)
3.1.01	Business Analysis (current) (Less Revenue)	4,011,900 --	4,051,700 --	2,343,446 (107,121)
3.1.02	Investment Portfolio Management (current)	558,500	588,400	494,235
3.1.03	Canada/Newfoundland and Labrador Business Service Network (current)	423,200	440,000	382,709
3.1.04	Strategic Communications and Promotions (current)	1,253,400	1,297,600	896,998
3.1.05	Strategic Enterprise Development Fund (capital)	3,000,000	3,000,000	3,000,000
3.2.01	Strategic Industries Development (current) (Less Revenue)	1,377,100 --	1,449,000 --	1,188,274 (1,800)
4.1.01	Regional Economic Development Services (current)	2,908,800	2,966,400	2,357,494
4.2.01	Business and Economic Development Services (current)	4,682,300	4,984,200	4,703,934
4.3.01	Comprehensive Economic Development (current)	9,600,000	9,600,000	4,440,954
5.1.01	Advanced Technologies and Industrial Research (current)	8,449,400	8,507,800	2,640,546
5.1.02	Commercialization Initiatives (capital)	5,314,200	5,314,200	1,836,881
5.1.03	Trans-Gulf Initiative (capital)	5,000,000	5,000,000	5,000,000
55.1.04	Ocean Technology Initiatives (capital)	1,000,000	1,000,000	--
	Department Total	54,335,800	55,221,000	34,325,352

Expenditure and revenue figures included in this document are unaudited and based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year Ended 31 March 2009. Audited financial statements are a requirement at the government level and are made public through the Public Accounts process. Therefore the Department of Innovation Trade and Rural Development is not required to provide a separate audited financial statement

Appendix B: Programs and Services

Ambassador Program

Promotes the Province's achievements and success stories to local, national and international audiences.

Atlantic Canada International Business Development Agreement (IBDA)

Originally established in 1994, this is a pan-Atlantic, multi-lateral federal-provincial (four provinces) agreement designed to expand exports from Atlantic Canada by increasing the number of new exporters, diversifying the markets of current exporters, and increasing the value of exports from the region. The current four year agreement expires on March 31, 2010.

Business Networks Program (BNP)

Enables companies to work together to enhance their export potential and accomplish what an individual business may not do alone.

Business Retention and Expansion (BR&E)

Promotes job growth by helping SMEs and community leaders identify and address barriers facing existing local businesses.

Canada/NL Business Services Centre and Network (CNLBSC)

Provides business support services at more than thirty locations co-managed by INTRD and ACOA.

Commercialization Program (COMM)

Bridges an identified funding and investment gap between product research and product marketing.

Community Economic Development (CED) Information / Counseling and Capacity Building

Provides organizational development support for Regional Economic Development Boards and other community based economic development organizations. Provides a comprehensive education and training program to promote economic development through Capacity Building modules and economically-focused planning sessions for stakeholders with a clear link to economic development.

Co-operative Development

Advances the co-operative model to support business growth in rural communities throughout the province; Partners with Newfoundland and Labrador Federation of Co-operatives.

Craft Industry Development Program

The Craft Industry Development Program provides financial support for projects in the areas of professional skills development, design and product development, market development, cooperative projects and sector development initiatives.

Economic Diversification & Growth Enterprises (EDGE)

Provides incentives to encourage significant new business investment in the province.

Fish Plant Workers Employment Assistance Program

Provides new entrepreneurs and expanding small businesses with funding to employ fish plant workers negatively affected by the closure of a fish plant.

Fisheries Loan Guarantee Program

Supports the development of the independent fish harvesting industry.

Getting the Message Out (GMO)

Informs people about the province's economic diversity, entrepreneurial creativity, and global successes.

Innovation Enhancement Program (IEP)

Provides non-repayable contributions to public sector institutions, not-for-profit groups, community organizations and industry associations involved in activities that enhance innovation in Newfoundland and Labrador.

International Economic Cooperation Memoranda of Understanding (MOUs)

MOUs currently in place with international jurisdictions include: Republic of Ireland; State of Rhode Island and Providence Plantations, USA; Republic of Ireland (final discussions underway).

International Trade Assistance Program (ITAP)

ITAP assists Newfoundland and Labrador companies export products and services by providing financial assistance towards travel costs. Funding is available for Department-lead initiatives only.

Ireland Business Partnerships (IBP)

Identifies, fosters and promotes trade and partnership opportunities in business, education and culture between Newfoundland and Labrador and Ireland.

Regional Economic Development Boards (REDBs)

Facilitates and coordinates economic development in each of the province's 20 economic zones.

Regional/Sectoral Diversification Fund (RSDF)

Provides non-repayable contributions to eligible organizations for the development and implementation of economic initiatives that address regional and sectoral development.

Small and Medium-sized Enterprise Fund (SME)

Assists SMEs in growth sectors with start-up, modernization or expansion of a business venture.

Small Business and Market Development Program (BMDP)

Provides new entrepreneurs and expanding small businesses with funding to help acquire the necessary expertise to pursue new business ideas and new markets.

Small Business Support Services and Co-operative Development

Provides confidential ongoing business counseling and support to individuals planning to start or who currently manage a small business and those that have received direct financial assistance from the Department; advances the co-operative model to support business growth in rural communities throughout the province; Partners with Newfoundland and Labrador Federation of Co-operatives.

Strategic Partnership

The Strategic Partnership Initiative was launched in 2002 to foster a more collaborative approach among business, labour and government in addressing key strategic issues facing the provincial economy.

Strategic Sector Development

Focuses on the development and implementation of industry strategies to take advantage of new and expanding business opportunities.

Supplier Development Initiative (SDI)

Assists Newfoundland and Labrador firms in capitalizing on supply opportunities within the public and private sectors.

Trade and Export Development Information / Counseling

Helps provincial businesses enter new markets, find new export business partners, and research national and international market opportunities.

Trade Policy Office

Protects Newfoundland and Labrador's interests in interprovincial trade agreements; ensures that this province's activities are consistent with existing international and interprovincial trade agreements; manages trade disputes.

Appendix C: Acronyms

A

ACOA-Atlantic Canada Opportunities Agency
ACTS-Atlantic Craft Trade Show

B

BIC-Business Investment Corporation
BMD-Small Business and Market Development Program
BNP-Business Networks Program
BR&E-Business Retention and Expansion
BTG-Bridging the Gap

C

CBSC-Canada/Newfoundland and Labrador Business Service Center
CCB-Community Capacity Building Program
CED-Community Economic Development
CIPS-Canadian Information Processing Society
CME-Canadian Manufacturers and Exporters
CAN-College of the North Atlantic
CNLBSC-Canada/NL Business Services Centre and Network
COMM-Commercialization Program
CRDS-Comprehensive Regional Diversification Strategy

D

DFAIT-Department of Foreign Affairs and International Trade

E

EDGE-Economic Diversification & Growth Enterprises
EDOs-Economic Development Officers

F

FINALY-Futures in Newfoundland and Labrador's Youth

G

GMO-Getting the Message Out

H

HRLE-Human Resources, Labour and Employment

I

IAS-Industrial Adjustment Services
ICT-Information, Communication and Technology
IBDA-Atlantic Canada International Business Development Agreement
IBP-Ireland Business Partnerships
IEP-Innovation Enhancement Program
IRIF-Industrial Research and Innovation Fund
ITAP-International Trade Assistance Program

J

JANL-Junior Achievement Newfoundland and Labrador

L

LMA-Labour Market Agreement

M

MATE ROV-Marine Advance Technology Education Center and Newfoundland and Labrador Remotely Operated Vehicles
MOUs-Memoranda of Understanding

N

NATI-Newfoundland and Labrador Association of Technology Industries
NLIIFL-Newfoundland and Labrador Immigrant Investor Fund Limited
NLREDA-Newfoundland and Labrador Regional Economic Development Association
NOEL/MSL-Newfoundland Ocean Enterprise Limited/ Marystown Shipyard Limited
NSP-Northern Strategic Plan

O

OTE-Ocean Technology Expo

P

PCTS-Pre-commercially Thinned Stands
PRS-Poverty Reduction Strategy
PRS-CCB-Poverty Reduction Strategy and Community Building Program

R

RDC-Research and Development Corporation
REDBs-Regional Economic Development Boards
ROV- Newfoundland and Labrador Remotely Operated Vehicles
RSDF-Regional/Sectoral Diversification Fund

S

SDI-Supplier Development Initiative
SEUS-CP-South Eastern United States- Canadian Provinces Alliances
SIFE-Students in Free Enterprise
SME-Small and Medium-sized Enterprise
SPM-St. Pierre and Miquelon
SPM-CCB-St. Pierre and Miquelon and Community Capacity Building

T

TRC-Tourism, Culture and Recreation

U

URI-GSO-University of Rhode Island's Graduate School of Oceanography

W

WHSCC-Workplace Health, Safety and Compensation Commission

APPENDIX D: CONTACT INFORMATION

General Inquiries

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Corporate Office- St. John's

Reception.....729-7000
Minister's Office..... 729-4728

Corporate Office-Marystown

Reception.....279-0204

Labrador Region

Charlottetown.....949-0378
Forteau.....931-2908
Happy Valley-Goose Bay.....896-2400
Labrador City.....944-4046
Postville.....479-9731

Western Region

Corner Brook.....637-2980
Deer Lake.....635-2613
Port aux Basques.....695-9871/9872
Port Saunders.....861-3004/3096
St. Anthony.....454-3521/3508
Stephenville.....643-2600/1228

Central Region

Baie Verte.....532-4772
Gander.....256-1480
Grand Falls-Windsor.....292-4450/4451
St. Alban's.....538-3476/3796
Springdale.....673-3481

Eastern Region

Clareville.....466-4170
Marystown.....279-5533

Avalon Region

Carbonear.....596-4109/4116
Ferryland.....432-3019
Placentia.....227-1350
St. John's.....729-7017

Websites

For more information about the Department, its Strategic Plan and programs and services, visit:

www.gov.nl.ca/intrd

Other Department Sites

The Ambassador

www.theambassador.ca

Canada / Newfoundland and Labrador Business Service Centre

www.canadabusiness.gc.ca/nl

Capacity Building

www.cedresources.ca

Crafts of Character

www.craftsofcharacter.com

Getting the Message Out

www.gmo.nl.ca

Ireland Business Partnerships

www.ibp.nl.ca