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## **Standing Committee on International Trade**

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**EVIDENCE**

**Tuesday, February 19, 2019**

—  
**Chair**

**The Honourable Mark Eyking**



## Standing Committee on International Trade

Tuesday, February 19, 2019

• (1530)

[English]

**The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)):** Good afternoon, everyone, and welcome back from a week in your riding.

Today, we're going to continue with our study of the Government of Canada's support for the international trade of small and medium-sized businesses.

Ms. Ramsey.

**Ms. Tracey Ramsey (Essex, NDP):** Mr. Chair, I'd like to move my motion. I gave notice of my motion to the committee dated Monday, February 18, 2019,

I move that the committee invite officials from Export Development Canada to appear before the committee and answer questions regarding the 19 loans from Export Development Canada to SNC-Lavalin or its customers since 2002, including any financial support provided after the news of an RCMP investigation into alleged corruption at the company.

**The Chair:** You're just giving us notice, because it requires 48 hours according to the clerk.

**Ms. Tracey Ramsey:** Yes, it has. It came in. Yes, it was submitted.

**The Clerk of the Committee (Ms. Christine Lafrance):** Yes, it was submitted.

**Ms. Tracey Ramsey:** It didn't come on Friday?

**The Clerk:** It came on Friday, but on Friday it needed to be in before four o'clock.

**Ms. Tracey Ramsey:** So it didn't reach that deadline?

**The Clerk:** No, it was at 4:30, sorry.

**Ms. Tracey Ramsey:** Okay.

**The Chair:** We're back to our agenda on our study of small and medium-sized businesses.

We're fortunate to have some witnesses with us today, and a couple by video conference.

Some of you may have been in front of the committee before. We try to keep your presentations to around five minutes, if possible. If it goes over a little bit, that's fine. Then we have a dialogue with the MPs.

I usually try to begin with the folks who are on video conference in case we have any technical glitches. I see we have our two witnesses.

From Futurpreneur Canada, we have Ms. Karen Young.

From the Windsor-Essex Regional Chamber of Commerce, we have Mr. Rakesh Naidu.

From la Chambre de commerce et d'industrie de Dolbeau-Mistassini, we have Ms. Audrey Jobin.

Ms. Jobin, do you want to go first?

[Translation]

**Ms. Audrey Jobin (Chief Executive Officer, Chambre de commerce et d'industrie de Dolbeau-Mistassini):** Good afternoon.

Is there a specific question I have to answer?

[English]

**The Chair:** Do you have a presentation for us?

[Translation]

**Ms. Audrey Jobin:** Do I have to talk about any subject in particular?

[English]

**The Chair:** We'll move to the Windsor-Essex Regional Chamber of Commerce.

• (1535)

**Mr. Sukh Dhaliwal (Surrey—Newton, Lib.):** Mr. Chair, maybe you should be clear to Ms. Jobin that if she wants to make a presentation for five minutes, she has the time to speak.

**The Chair:** Yes, I asked her, but I don't think she has one.

**Mr. Sukh Dhaliwal:** Maybe you would want to clarify, just in case there was a miscommunication.

**The Chair:** Ms. Jobin.

[Translation]

**Ms. Audrey Jobin:** No one has told me exactly how the meeting is supposed to proceed.

[English]

**Mr. Richard Hébert (Lac-Saint-Jean, Lib.):** Mr. Chair, maybe she needs to get some questions first. She doesn't have a presentation.

**The Chair:** What I suggest is that we hear the other three presentations and if she wants to follow up or add something before we get into questions, we can go that way.

We're going to go to the Windsor-Essex Regional Chamber of Commerce, Mr. Naidu.

**Mr. Rakesh Naidu (President and Chief Executive Officer, Windsor-Essex Regional Chamber of Commerce):** Thank you, Mr. Chair, and thank you, committee members. It's a pleasure to join you through video conference. Thanks for the opportunity to present.

Today, I'm presenting on behalf of the Windsor-Essex region, from a perspective related to federal government support for the international trade activities of small and medium-sized enterprises. The comments I will be making reflect what we are hearing from our key sectors in the Windsor-Essex region, based on our interaction with small and medium-sized businesses in our community.

Windsor-Essex, as most of you know, is located in the heart of the richest consumer market in the world. More than half of the North American population lives within driving distance of the Windsor-Essex region. The 10th-largest market in the U.S., which is metropolitan Detroit, is less than a mile away. The Windsor-Detroit border is the busiest border crossing point between Canada and the U.S. It handles approximately one-third of all trade crossing the border, which is as much as about half a billion dollars in trade every day. This unique geographical location places us at the very heart of trade agreements, specifically the USMCA, impacting the two key sectors of manufacturing and agribusiness.

Windsor-Essex boasts an industry profile of more than 1,000 manufacturers, which are all part of an integrated global value chain. Of these 1,000, almost 90% are export-oriented. Windsor-Essex has a significant auto cluster, including OEMs. We have FCA and Ford, and many large tier one suppliers, both domestic and foreign. Three of the five largest mould-making companies in North America are based in Windsor-Essex. The mould, tool and die manufacturing cluster employs more than 7,400 people in the Windsor-Essex area. This cluster represents more than one-third of Canadian MTDM employment, which was estimated to be about 20,000 in 2016. You can understand that we are a very strong manufacturing location, which largely consists of small and medium-sized businesses, most of them into exports.

There are more than 2,900 acres of greenhouses in Ontario, and approximately 2,300, or 80%, are in the Windsor-Essex area. Ontario agri exports to the U.S. in 2016 totalled \$683 million, and 78% of Ontario's greenhouse producers exported to the United States. This sector is growing exponentially, with expansion plans under way for the next five years. As I speak, there are about 400 acres of greenhouses being built in the Windsor-Essex area. This contributes significantly to the exports of fresh produce from the Windsor-Essex area into the U.S. market and elsewhere.

The following items address where we see the federal government assisting SMEs with support for global competitiveness, innovation, a more business-friendly environment and greater access to new markets.

The first point I would like to make is on competitive advantage. We applaud the federal government for the new equipment accelerated depreciation rules for manufacturers as presented in the recent fall economic statement. This helps our companies access more resources to reinvest capital into business, thus driving

economic activity. This was a significant move towards levelling the playing field with neighbouring competing jurisdictions.

Further support for a more business-friendly tax regime would certainly ensure our competitiveness. Manufacturers are seeking a gradual reduction in the federal and provincial general corporate tax rates, to offset recent U.S. tax changes, which reduce our roughly 14% to 15% advantage from one year ago. Corporate tax reform should focus on assisting SMEs and manufacturers, with a more favourable tax rate that would allow them the resources to scale up and perform more strongly domestically. This will better position them to expand internationally, through increasing their capacity. All businesses would benefit from an efficient and expedient program application and approval processing time that operates at the speed of business and its various industry sectors.

The second point is on support for innovation. SMEs would benefit from programs structured for easy access, with lower thresholds, more inclusive categories and less restrictive parameters. Most programs are structured for a large company that has the resources to participate. Small companies are often disqualified from the application process, due to limited thresholds. An example of this is the recent change to the SIF, resulting in missed opportunities for R and D innovation. Furthermore, there needs to be balance between the focus on job creation versus capital investment, when developing criteria for support programs.

• (1540)

The third point is on support for exporting. Access to markets is critical for our manufacturing and agricultural sectors and central to our trade. Our automotive parts manufacturing sector exports approximately 80% of what it produces, thus the domestic market is not a significant market for the industry, which relies heavily on NAFTA—now USMCA—regions of U.S. and Mexico.

Although CETA is providing some opportunity for accessing new markets, support for reaching well-developed markets outside of the regions and diminishing existing commercial values there would assist in the expansion of many of our manufacturing companies. The establishment of long-term and structured programming to support new market development would align with sector growth and strategic investment for the agribusiness sector in both existing and emerging markets. Market expansion is often hindered by non-tariff barriers and would benefit from the help of government in navigating these processes, recognizing that the sales and business development cycle is often long.

SMEs suggests that they would benefit from extra training that is accessed either locally or regionally. SMEs across all sectors are often new to exporting and lack the experience in market intelligence and in the cultural, legal and business norms needed to be successful in reaching, and doing business in, global markets.

In summary, SMEs look for opportunities to strengthen their export foundations and increase their capacity to be export-capable to gain access to markets, all in preparation for taking advantage of the foreign trade links.

Thank you.

**The Chair:** Thank you, sir.

Did you say you represent 1,000 small manufacturers?

**Mr. Rakesh Naidu:** That's correct. These are all in the manufacturing sector, and 90% of them are export-oriented. Roughly 900 of these are exporting largely to the U.S., and to other countries as well.

**The Chair:** It's pretty impressive. What's the average number of employees in those companies?

**Mr. Rakesh Naidu:** It's a good question. I would say roughly between 50 to 80.

**The Chair:** Okay. Thank you.

Now we're going to move over to Futurpreneur Canada.

We have Ms. Young. Welcome.

**Ms. Karen Greve Young (Chief Executive Officer, Futurpreneur Canada):** Thank you very much.

[*Translation*]

Good afternoon, everyone.

Futurpreneur is Canada's only national not-for-profit organization that provides comprehensive support to small business owners who are beginning their journey, particularly for those business owners aged 18 to 39.

Our unique comprehensive proven model provides entrepreneurs with pre-launch tools and resources, with the financing they need to launch their business and with mentoring to drive their entrepreneurial success once they have launched.

Since 1996, Futurpreneur Canada has supported over 12,000 entrepreneurs across our country, yielding more than 10,000 businesses and 50,000 jobs.

These young entrepreneurs really create businesses across Canada's not only geography, but also economy. We work in a wide array of sectors including retail, agriculture, health care and technology in communities of all sizes from Sydney, Nova Scotia, to Port Alberni, B.C., including young entrepreneurs supported by Futurpreneur in every one of the committee members' ridings.

We do this work with the steadfast support of the Government of Canada, provincial governments, BDC, corporate partners and over 200 community partners across the country.

Many of the Canadian entrepreneurs supported by Futurpreneur have achieved international market success, like Joanna Griffiths of Knix. Her Knix clothing line has reinvented women's intimates for real life. It was founded in 2013, and today Knix exports to over 85 countries in every region of the world including Europe, Africa, South America, the Middle East and Asia, with plans to continue her growth.

Another great example is Nicole Verkindt. She is the founder and CEO of Offset Market Exchange, OMX. OMX is a procurement platform that provides economic impact analysis for companies working in complex global supply chains including domestic and international defence, aerospace, oil and gas, mining, automotive and

construction industries. Not only does OMX export globally, but its platform supports global market opportunities for other Canadian companies.

As a third example, Futurpreneur also helps aspiring young business owners buy existing businesses as part of their succession planning and grow them to be export-ready. Barbara McLean-Stollery has increased revenue at Calgary-based executive airways grooming service by more than 1,500% since buying it from her former employer 10 years ago upon his retirement. Barbara was part of the Futurpreneur Canada-led Canadian delegation at the 2016 G20 Young Entrepreneurs' Alliance summit in Beijing where she made connections that led to her company successfully operating in China today.

Based upon our experience supporting entrepreneurs like Joanna, Nicole and Barbara, we have three recommendations to share with the committee to ensure that young entrepreneurs meet their export potential and fuel Canada's economy.

Our first recommendation is to increase awareness of trade agreements and services with youth-focused communities.

The Government of Canada has worked hard on trade agreements that offer important opportunities for Canadian small businesses, but we often hear from young entrepreneurs who are unaware of the opportunities inherent in these agreements. We also note a lack of awareness of the important services available through the trade commissioner service among young entrepreneurs.

Compelling, easily digestible electronic tools and guides, particularly featuring young entrepreneurs who have successfully exported, and available on media that are relevant to Canadians under 40 years old would help ensure that young Canadian entrepreneurs are aware of and equipped for global opportunities.

Our second recommendation is to address persistent regulatory barriers in export markets. We often hear of challenges that young export-ready entrepreneurs face in understanding and adapting to the regulations such as health and safety that are different in export markets versus Canada.

We encourage the government to continue—because we know the efforts are under way—to work towards greater regulatory co-operation with our trading partners to realize the full potential of our trade agreements. Where barriers persist, it would be helpful for the government to provide entrepreneurs with accessible resources explaining the regulatory differences in different markets, and to support entrepreneurs as they navigate and overcome these challenges.

• (1545)

Finally, our third recommendation is to facilitate international opportunities for young entrepreneurs. Futurpreneur Canada is a founding member of the G20 Young Entrepreneurs' Alliance. We partner with Global Affairs Canada to help young Canadian entrepreneurs advance their business opportunities in G20 countries at the annual G20 YEA summit through B2B networks and connections.

Building on the G20 YEA, we see merit in continuing to ensure that young entrepreneurs are included in Canada's many trade missions focused on established businesses. We also encourage the government to consider stand-alone, youth-focused trade missions to key markets, beyond the annual G20 YEA summit.

In conclusion, with our extensive networks and expertise, Futurpreneur Canada can be a key partner for the government to inform and support young entrepreneurs who are building the export businesses of tomorrow. We recommend that Canada increase awareness of trade agreements and services with youth-focused communications; address persistent regulatory barriers in export markets; and finally, facilitate international opportunities for young entrepreneurs.

Thank you for the opportunity to share with the committee our insights from Futurpreneur's two-decade track record of supporting young entrepreneurs in Canada and globally.

Thank you.

[English]

**The Chair:** Thank you, Ms. Young.

We're going to go to Startup Canada, with Mr. Rémillard.

The floor is yours, sir.

**Mr. Richard Rémillard (Interim Chief Executive Officer, Startup Canada):** Thank you very much, Mr. Chairman.

Let me begin by introducing myself and presenting the regrets of our co-founder, Victoria Lennox. She would have loved to have been here but, unfortunately, is very ill. She has asked me to step in, in her place.

I'm the interim CEO of Startup Canada. I jumped off the board a month ago to make sure the trains run on time and to look for a permanent successor. If anybody knows somebody who would qualify, tell them to call me, please.

With that ad, I'll move on.

We are part of the entrepreneurial ecosystem in Canada. We work pretty closely with my friend Karen here. We have one mandate, which is to grow the entrepreneurship culture in Canada—period, full stop.

We have three outstanding assets that we bring to the party. Number one is our people, who are top-notch producers of digital programming and the like. Number two is that we have a string of start-up communities—like a string of pearls—which are local grassroots organizations embedded in their ecosystems everywhere from Vancouver and Whitehorse to Halifax, and coming soon to St. John's, Newfoundland. Number three—and it's been only six and a half years since the organization got going, started by Victoria Lennox—we have an amazing digital presence that has won awards several times for podcasts, webcasts and Twitter chats.

Our job is really simple. It is to raise awareness—as my friend Karen has said—of how important it is for Canadian SMEs to export, to raise awareness of the tools and resources that are available, and to address the perceived risks and costs of going outside Canada's borders.

Let me say a word about what is turning into one of our flagship events. The Canadian export challenge was begun in 2018—about 10 or 11 months ago—in partnership with EDC and UPS. We delivered a day of programming and what you could consider to be professional development with these partners and several others in the course of one day in seven or eight cities across the country. We ran a pitch contest. The winner, from among the exporters and potential exporters, was lauded and won a prize.

We are proposing, and are in the midst of, doing the same thing, but growing it bigger, more, better, in the same general format and in more cities. We've taken the trade commissioner service as a major partner and their help has been invaluable to us in making this happen. It will be running across the country in the May to June period. You'll find details—much more than I can go into right now—on our website, [startupcan.ca](http://startupcan.ca), as of this coming Thursday afternoon.

Some observations have come from our experience in running the Canadian export challenge. We hope to get at least 1,500 people in conference rooms across the country as we roll this out with our partners, and up to 15,000 or 17,000 online. We think this has been quite successful. Something like 98% of the attendees last year said they were better prepared to export having followed the program. Of those in-person attendees, 75% would meet the EDC export readiness test. That's not inconsiderable, and 47% were female entrepreneurs and business owners.

Ideally, we would like to work together with our partners at TCS, Global Affairs, EDC and the private sector—like UPS and others too numerous to mention—to do this twice a year to minimize that gap between how difficult, expensive and frustrating SMEs perceive exporting to be and how it really is. That is going to take a sustained effort.

● (1550)

I was in a meeting with the Canadian Intellectual Property Office, CIPO, last week; they're in this as well. Their data seem to indicate that people who have crystallized intellectual property are four times more likely to export. That's why they will be part of the program this year.

I'll say a brief word, if I may. I can't emphasize how much Victoria would have loved to be here, if her health had permitted it. She has been travelling again in partnership with our friends at Global Affairs, to Israel recently and to the Baltic nations and Finland. There are a couple of takeaways that she asked me to pass on to you.

Number one is that all-women delegations work.

It's funny to hear that from a male, but pretend that I am Victoria—much better looking and much younger.

Opportunities for collaboration, she found, were much more extensive than in previous foreign trade delegations, when there was a mix of male and female. That's her observation.

Secondly—and this comes from the tour of the Baltics and Finland—it would be really interesting to work with government officials on an ecosystem innovation checklist for use by the trade commissioner service. That doesn't exist right now. We'd like to facilitate digital round tables with global trade commissioner service innovation systems and their Canadian counterparts.

Those are the highlights.

I have one final thing, because my time is running out. You have been very generous.

I invite everybody in this room to join us on March 20 at the Sir John A. Macdonald Building. We're celebrating International Women's Month, and there's a reception from 5 p.m. to 8 p.m. hosted by the all-party entrepreneur caucus.

Thank you very much. I will be happy to take any of your questions.

• (1555)

**The Chair:** Thank you, sir.

We hope for a speedy recovery for your colleague, Ms. Lennox.

**Mr. Richard Rémillard:** Thank you. I'll pass that on.

**The Chair:** In a month or so, we'll have this report done and will give you and her a copy of our findings.

Before we go into dialogue, Madam Jobin from the Chambre de commerce, can you explain your organization a little bit and how many companies you represent in the region?

[Translation]

**Ms. Audrey Jobin:** I represent the Chambre de commerce et d'industrie de Dolbeau-Mistassini.

Our city has about 15,000 residents and is situated in an RCM with a population of 25,000. We have more small businesses than medium and large ones. Very few of those small businesses export abroad and they have few, if any, levers with which to develop international markets. Only the region's major companies, like Résolu and Rio Tinto, for example, can, and have the means to do so.

Much as my colleague from the Chamber of Commerce was saying earlier, market development must be easier and small businesses must be provided with resources tailored to their own needs. They must also be given the tools they need for their initiatives, as can be done for medium and large companies.

Thank you.

[English]

**The Chair:** We're going to go to dialogue with the MPs.

We're going to start off with the Conservatives on the first round.

Mr. Carrie, you have the floor for five minutes.

**Mr. Colin Carrie (Oshawa, CPC):** Thank you very much, Mr. Chair.

I want to thank the witnesses for being here for our study of the Government of Canada's support for the international trade of small and medium-sized businesses.

It's kind of a coincidence, but last week I had a round table in Oshawa and I invited businesses. We had representatives from EDC and Global Affairs to get the message out, because we all know Oshawa got some really bad news recently and the people on the ground want to see what they can do to create jobs.

It was amazing that a lot of the businesses really had no idea. We have these trade agreements, but they don't know what to do. They expressed frustration, because some of them, especially the manufacturers, are being approached by Americans regularly to move their plants to the U.S.

I think, Mr. Naidu, you were talking about the competitiveness issue. That's what I heard at this round table. Especially with the new NAFTA, there was a failure to have the steel and aluminum tariffs removed. Just a couple of weeks ago, we heard about the Buy American exemption and how now Canada has lost it. Mexico has retained it. There's a big concern about access to U.S. contracts. The CME is calling for a reciprocity type of action, and we really haven't heard too much about what we can do about this.

I was going to ask Mr. Naidu and maybe Audrey Jobin what they think the government should do in particular about this Buy American exemption that we just lost, and how that is going to affect the ability of small and medium-sized businesses to export.

• (1600)

**Mr. Rakesh Naidu:** That's a very important point. As I mentioned, we are a region that exists primarily because we export a significant amount of what we produce, be it fresh produce or what we manufacture, which is exported mostly to the U.S. Almost 85% to 90% of what we make and produce here is exported out.

It's extremely important for us to be competitive. In the past, we've done pretty well for a few reasons. One is our corporate tax advantage vis-à-vis the U.S. That was key, and that was very important to helping us to continue to be competitive.

Also, in Ontario, our wages used to be lower than they are today. That was another competitive advantage that we had, which is no longer there. The dollar exchange most of the time used to work in our favour, but you can't really rely on that. It fluctuates and, going forward, we really can't be sure where it will stand.

Then, as you pointed out, this whole Buy American thing, the initiative in the U.S., is really putting our manufacturers at a disadvantage. All of those put together are creating this perfect storm for our small and medium-sized businesses.

We really think that we need to work on all fronts. We want to make sure that we are competitive when it comes to corporate taxes. The minimum wage is nothing that the federal government can really do anything about, but that's something that is common for small and medium-sized businesses.

We also need to see what we can do to help companies navigate through the Buy American initiative there. Our companies export significantly. We do also import quite a bit. We don't have any preferential treatment when it comes to importing products from across the border or from elsewhere. Our companies are at a disadvantage right now, because while we import, our region, which consists of a lot of export companies, imports a lot of products that go into the finished products that get exported.

We do import. There's no preferential treatment. We don't have any barriers. We don't have any Buy Canadian initiative right now that affects the U.S. while we have the constraints and the restrictions on selling into the U.S. market. That definitely hampers us. It hinders our ability to compete in something that we definitely want the government to take a good look at to see what can be done.

**Mr. Colin Carrie:** Do you have any ideas? The people around the table where I was with this Buy American provision—I believe there are only fiftysomething days before we lose that exemption—were shocked that, with a renegotiation of NAFTA, our current government didn't ensure that we would maintain this Buy American exemption.

Just to let you know, if you're not aware of it, Mexico has retained theirs. So now one of our trading partners, Mexico, has an advantage over us. The government seems to be silent. I was wondering if you could give the government some advice because in the days—

**The Chair:** I'm sorry, Mr. Carrie, but you're way over your time. Maybe one of your colleagues can follow up on your question to the witnesses.

We're going to go over to the Liberals.

Madam Ludwig, you have five minutes, please.

**Ms. Karen Ludwig (New Brunswick Southwest, Lib.):** Thank you all for your testimonies today.

This is a really important study for us to be focusing on. We've heard consistently over the last three years that small to medium-sized businesses are really challenged in accessing export services. A lot of it is essentially on the awareness side, which many of you have mentioned here today.

This is kind of the perfect dating relationship.

Startup Canada and Futurpreneur Canada, when you were listening to the members appearing from the chambers of commerce—and likewise when the chambers of commerce were listening to the two other sets of testimony—do you see where there are opportunities for you to all work together, in terms of the expertise that you've all mentioned here today?

**Ms. Karen Greve Young:** The good news is that we do work together currently.

Both Startup Canada, as you heard from Richard, and Futurpreneur are in communities across the country. We have physical boots

on the ground in 16 different communities across the country. We work in communities of all sizes and partner closely with chambers.

As a recent example, I was on the podium at the Ontario Chamber of Commerce, speaking about the importance of helping people in skilled trades get into meaningful, lasting employment.

We are members and participants in chambers across the country. The young entrepreneurs we support ultimately go on to become members of these chambers of various sizes. How involved they will be depends on what sector they are in.

To pick up on the last question, one theme that we see for our entrepreneurs all over, particularly the younger entrepreneurs, is that they're not restricting their focus to the U.S.

• (1605)

**Ms. Karen Ludwig:** Right.

**Ms. Karen Greve Young:** CETA is at least as important to them as the new NAFTA. With those who are exporting, maybe half of what they are exporting goes to the U.S., and the rest is to the rest of the world.

**Ms. Karen Ludwig:** Ms. Young, if I could just jump on that piece of how you are reaching out to your members, you talked about the relevant media for people under 40.

I'm obviously not under 40.

**Ms. Karen Greve Young:** Neither am I.

**Ms. Karen Ludwig:** Could you share with us some examples of relevant media for people under 40?

**Ms. Karen Greve Young:** Sure.

It's about video. It's about being on Instagram. They're not on Twitter; you're on Twitter. I'm on Twitter talking to you and to other more seasoned professionals, but the young people are on places where they can interact by video and images, where it's all about the stories.

They need to see themselves in these stories. We've found through our experience—we test what we do—that is particularly true of women entrepreneurs and immigrant entrepreneurs—generally speaking, non-white entrepreneurs.

It's true that they are more likely to respond when they see someone who resonates with them; it feels like it's for them. That's why I think the story is important. Those who are in manufacturing will hear stories about manufacturing and the impact of NAFTA, and that will hit close to home. Those for whom those same lessons are relevant but who don't see themselves in the mainstream narrative don't think it's relevant to them.

That's a lot of what we see.

**Ms. Karen Ludwig:** That's a really important lesson.



In my teaching days, I used to use the line, and still use it now: “You cannot be what you cannot see.”

**Ms. Karen Greve Young:** Exactly.

**Ms. Karen Ludwig:** So the modelling aspect and the mentoring that some of you have mentioned here today are critically important.

I'd like to hear from the chambers of commerce on this. We've heard from women who talk about the challenges of accessing debt financing, access to mentoring. Women tend to operate businesses that typically—not all the time, but typically—can be quite small. The networking opportunities are low.

Mr. Naidu, how do you work within your membership to help expand on networking, mentoring and capital financing?

**The Chair:** Mr. Naidu, a short answer, please.

**Mr. Rakesh Naidu:** You've pointed out that this is really an issue here. I would say it's not necessarily only for women. This goes for pretty much every young entrepreneur, all those who are coming in through the system. We have a group of women entrepreneurs who are affiliated with the chamber of commerce. They are providing the mentorship, those who have been successful. There are Athena Award winners who have formed an alliance with the chamber of commerce to use their experience to help start-up companies and advise them on what to do.

I should say that accessing funds—whether it's women entrepreneurs, start-up companies or small businesses—is definitely a challenge. The previous question was about whether we see an opportunity for Startup Canada or Futurpreneur Canada and the chamber to work together. Yes, we do.

However, for young companies that are starting up and those that are in the initial stages, it is very challenging to find funding opportunities, and it's even more challenging to be funded and access programs through EDC or BDC because the threshold for accessing programs is very high. Plus, they require a minimum of three years of financial statements, a certain amount of profitability, and a certain amount of investment and equity that becomes very challenging for small businesses.

**The Chair:** Thank you.

We're going to go to the NDP now. Ms. Ramsey, you have the floor.

• (1610)

**Ms. Tracey Ramsey:** Good afternoon, everyone. Thank you so much for being here.

It's good to hear from a diversity of voices talking about young entrepreneurs, women and local chambers.

I want to address my first question to Mr. Naidu. It's nice to see you, Rakesh, from our wonderful, vibrant chamber down in Windsor—Essex. I know how successful we have been and will be under your new presidency.

I want to talk about the communication, because I think the heart of what we're talking about here is the way we communicate with our members—the way our members are wishing to be communicated with, both when times are good and they're looking for opportunities and when times are difficult.

For us, in Windsor—Essex and southwestern Ontario, the steel and aluminum tariffs have hit us quite devastatingly. We know now that a 232 decision has been submitted to the President of the United States around the auto tariffs. We don't know what the decision will be yet, but we know it could bring very widespread devastation.

It really is about the communication on both of those levels. I hear that a lot of groups—and we've heard from other witnesses about SMEs—are doing wonderful things in their own silos. It's good that you're working together and we hear of a partnership, but I really want to hear from you of a way that we could streamline this so that we have a program available across the country to everyone who is looking for this information and simply can't find it.

I'm asking you, what should this export training look like, and how should it be financed and delivered?

**Mr. Rakesh Naidu:** Tracey, you know in the region there are a lot of small businesses and many of them are keen to export to U.S. markets, so there's always an area of interest for us to find opportunities to export through programs and through any other assistance we can leverage.

Having said that, I'll give an example. There's a company in our region that manufactures a very well-known brand of sauces used in many different products. It's a company that has great brand value and they intended to have this exported to countries in the Middle East as well as Europe, especially after CETA came in. This is something that they really thought they would be able to do.

As they started doing that and learning about the opportunities, there were challenges in tapping into the programs. One is that the information on these programs is not readily available. I think one of the previous speakers mentioned the challenges of even understanding what kind of foreign trade agreements exist, how you leverage them, what the benefits of the free trade agreements are, what the rules and regulations are that need to be followed, and how to access the market over there. I think there is a big disconnect between the programs that exist today and the information that can be made easily accessible to small and medium-sized businesses.

Going back to this company, they have a significant challenge in exporting to the Middle East and Europe because they didn't have the capital to come up with the minimum order requirement needed to ship into the European market or the Middle East. So, access to capital was a big challenge, and then once they were ready—

**The Chair:** Excuse me, sir. If I may, maybe Madam Jobin would like to say a few words on this, too. If we can move over to her, I'd appreciate it.

Go ahead, please.

[*Translation*]

**Ms. Audrey Jobin:** As I was saying earlier, we do very little in the way of imports and exports.

Ours is a community of small businesses. Here, our realities are local, regional and provincial. Some of those small businesses have tried to break into European markets. However, the current labour shortage in our area means that our businesses have difficulty finding the time to develop other markets because they have to concentrate on dealing with the labour shortage.

More or less as I heard earlier, we lack available resources. No representative of Economic Development Canada comes to support our businesses by providing them with programs. We are often looking for those resources and tools. It would be good to be able to count on those tools and to have them more accessible.

• (1615)

[English]

**The Chair:** Thank you very much. That wraps up the time, Ms. Ramsey.

We're going to move over to Mr. Sheehan. You get the floor for five minutes.

**Mr. Terry Sheehan (Sault Ste. Marie, Lib.):** Thank you very much, Mr. Chair.

For my first question, I'm going to ask about some of the mentorship programs that were announced in the mini-budget. I'll go to Futurpreneur and Startup Canada. Back in the day, I used to manage an enterprise centre and the guy who worked for me, Nevin Buconjic, now is the head of future Canada.

In the fall economic statement, they announced \$13.5 million for a mentorship program to put some new entrepreneurs in touch with some seasoned people in the export business. It was noted by many that the Government of Canada really has not been putting a lot of money into exporting. It has been 15 years since we have seen a lot of money put into inbound-outbound trade missions, through FedNor and regional economic development agencies, while the chambers were always involved and groups like yours.

I'd like your comments and thoughts about the mentorship program that was announced, Richard, and then to Karen.

**Mr. Richard Rémillard:** Several comments come to mind, in which I hope capture, without being overly long, some of the prior questions by your colleagues. I think it's time for all hands on deck. The world's getting very dangerous. Barriers are going up. Bad things are starting to happen internationally. Without suggesting that there's no room for streamlining, each of us in the ecosystem of innovation occupies a little space. Ours is not particularly Futurpreneur's. I'm just thinking that we do micro grants and I think Karen does loans—

**Ms. Karen Greve Young:** Loans and other stuff.

**Mr. Richard Rémillard:** —at a higher level. Ours are really small and they're just grants.

There are other differences as well. As my presence attests, our membership goes beyond the 18 to 39 group—well beyond the 18 to 39 group—so there's room for many parties in this ecosystem to do their bit. The international world is so challenging these days that it demands a full-court press.

To answer your question as well, more precisely, what seems to resonate in our own experience is that our attendees at events, people who participate in podcasts, Thrive podcasts and webcasts—everything on social media—like to hear from other entrepreneurs. When I look at our Canadian export challenge, as it was last year in 2018 and as it will be in this May-June period, we start off the day with a panel of entrepreneurs saying, “here's how I exported”, “here is what my company was like”, “here are what the barriers were” and “here's what you have to watch out for”. That brings immediate credibility, with people saying, “Yes, indeed. That's nice.”

Then we move to presentations by the likes of UPS— Are you sending a package? How do you get it to New York? What do you need to do?—and EDC and the trade commissioner service. In my own humble view, there has to be a public-private mélange or partnership—I know that might be a loaded term—but a public-private enterprise to actually deliver successfully and get the message through to get awareness up from where it has been.

I'm not sure if that answers your question.

**Mr. Terry Sheehan:** Those are good comments.

Karen, perhaps we could hear from you, too.

**Ms. Karen Greve Young:** Absolutely.

We think of entrepreneurship and innovation as a team sport. It just is. We want to get every asset that we can get that's relevant to these entrepreneurs' small businesses to help them succeed.

In our case, our mentorship program has a network of 3,000 mentors across the country. They are experienced entrepreneurs, business leaders and business owners who can help entrepreneurs, particularly in their first couple of years. I think the program that you were referring to is more for those who have decided on and established exporting as their next priority, and they are learning from someone with that export experience.

• (1620)

**Mr. Terry Sheehan:** Yes.

**Ms. Karen Greve Young:** What's critical for us all is a sort of “team Canada” entrepreneurship that provides the right kind of mentoring and the right kinds of resources at the right stage.

The question came up about communications. Innovation Canada has a great website. It has the resources there. We need to help entrepreneurs find the parts of it that are relevant to them. That's where the compelling communications and the compelling guidance comes from: organizations like Startup Canada, which is all over the country and has a huge digital presence, and Futurpreneur, which is partnering with entrepreneurs as they're starting out by providing loan financing and mentorship. They are supported by our program, which is 40% women, by the way. In addition, we have the regional innovation network in Alberta and the regional innovation centres in Ontario. We've got this connection and that program is an important part of it. What's important is getting the whole puzzle together.

**The Chair:** Thank you very much.

That wraps up our first round, which is going well.

It looks like we're going to have time for a second round, which will give everybody a chance to have dialogue with our witnesses here.

We're going to start the second round off with the Liberal Party.

Mr. Hébert, you have the floor.

[Translation]

**Mr. Richard Hébert:** Thank you, Mr. Chair.

My thanks to all the witnesses for their testimony. It was very interesting.

My question goes to you, Ms. Jobin. Thank you for taking part in this exercise, which is not always clear, especially when you are really not used to it.

Just now, you mentioned the city of Dolbeau-Mistassini, with its 15,000 inhabitants in an RCM of 25,000. I know it well. You gave examples like the SADC, which is established in the area. You also emphasized that EDC does not have a real presence in Dolbeau-Mistassini and the immediate area.

Generally, in your view, what is the first barrier to get over when businesses where you live want to export their products outside the country?

**Ms. Audrey Jobin:** I do not really have experience as such with any particular company. However, I would think that finances are probably a barrier, not to mention the time that has to be spent. I do not know the specific export-assistance programs, of course, but, in terms of exports, I think that time, money and support are the factors that play a role for our businesses here.

**Mr. Richard Hébert:** You know that we have created a website called "Innovation.canada.ca" that can certainly help the small businesses in your chamber of commerce to export more.

My next question goes to Mr. Naidu.

I want to talk about the specific services provided by the Government of Canada and that are helping you to export or to make more intense efforts to export. Mr. Naidu, do you have specific examples of small businesses that have benefited from our government's assistance in your region?

[English]

**Mr. Rakesh Naidu:** We do have small companies from our region that have been successful but these are not actually small. These are probably medium-sized businesses. As I said, it's very challenging for the small businesses to access the services and the programs, primarily because of the threshold limits in most of the cases. I know that there are medium-sized businesses in the region that have taken advantage of the services and the programs.

[Translation]

**Mr. Richard Hébert:** My question goes to Ms. Jobin.

I was saying to you earlier that our department offers specific services. Do you believe that the businesses that are members of the chamber of commerce are aware of all those programs, such as BDC

and Export Development Canada? It seems to me that there is a lack of information.

Could you tell us whether the members of your chamber of commerce are aware of the services that our department provides?

**Ms. Audrey Jobin:** Not aware enough, I would say. The role of the chamber of commerce is to be a conveyor belt. I also think that it is our duty to provide our members with tools that they may be able to use, to establish contacts among organizations that already exist, and to hold activities that enable them to take advantage of the services your government offers, in various forms, through various departments.

It is our role to inform them. Their role then will be to take the steps required.

• (1625)

**Mr. Richard Hébert:** Thank you.

[English]

**The Chair:** We're going to go to the Conservatives now for five minutes.

Mr. Allison, go ahead.

**Mr. Dean Allison (Niagara West, CPC):** Thank you, Mr. Chair.

To our witnesses, thank you for being here. I love hearing from chambers, and I am certainly a big fan of Startup Canada and Futurpreneur. Thank you for the work you do.

I'm just going to ask one question, and I'll let both of you answer it. In terms of what you offer, in terms of services—Karen, you mentioned it before—you offer money, mentoring and so on. I don't know if it was \$5,000 or up to \$50,000. It's not that you offered it. It's what you had access to through various programs, either BDC or whatever it was.

Second, in terms of mentoring, we've had the Greater Vancouver Board of Trade and the Toronto Region Board of Trade in here talking about the trade accelerator program, TAP, which is good.

You talked about mentoring. Richard, you guys also do some mentoring as well. Talk to me about the things that you do to help connect the dots for entrepreneurs. You had a little bit of time in your opening remarks. Maybe just talk a bit more about how you facilitate those relationships that are key for helping your start-ups. You have a couple of different things going on. You're trying to get the businesses to actually be successful and stand on their own two feet. Export is not always the first thing you think about, but obviously it is part of the opportunity for small businesses, as they move forward.

Karen, why don't you go first, and then Richard.

Richard, say hi to Victoria for me. We're sad she's not here today, but tell her Dean Allison said hi.

**Mr. Richard Rémillard:** I will pass on your kind regards.

**Ms. Karen Greve Young:** I do think we're sort of complimentary cousins in this ecosystem.

Futurpreneur provides up to \$15,000 of collateral-free loan financing. We're the only organization in Canada that is authorized to adjudicate on BDC's behalf. If an entrepreneur qualifies for up to \$15,000 from us, they automatically qualify for up to \$30,000 from BDC. It's an envelope of up to \$45,000 with a low-ish interest rate, but it's collateral-free, character-based lending.

We also partner with Community Futures organizations across the country for entrepreneurs who are looking for more.

On the financing side, it's non-diluted financing, which is important for these entrepreneurs. It's non-collateralized, so it is available to entrepreneurs who are younger, who are early, or who, for whatever reason, don't have the assets to borrow against. Often, in that critical first step, we're the only financing. In Knix's case, it's a \$35-million company, and the only financing has come from us. In some cases, we help a company make their first payroll before their series A.

From a mentoring perspective, we have this network of mentors. We use them in a very specific way. We pair a mentor one on one with an entrepreneur to help them in their first two years, specifically on all of the pitfalls that they might come to. When businesses fail, it's often at that two-year mark. It's at that early stage. It's more of a general business mentoring, and then we can pair them with other resources.

We do have more advanced programs, like a growth accelerator that invites entrepreneurs from across the country who are at that growth stage. There are others who do that on a larger scale. I think of us as the junior hockey or high-school basketball stage of the journey. We help people launch and have a successful launch.

**Mr. Dean Allison:** Thanks.

**Mr. Richard Rémillard:** We have a very small program of micro grants that are disbursed out of two networks. One is a maximum of \$2,500; the other is \$5,000. It's a very small proportion of what we do.

I come back to my earlier comments about our big assets. Number one is that we have these start-up communities in around 50 locales across the country. They're active doing their own thing, and they interact with other parts of the ecosystem, for example, the chambers. I can't tell you which city interacted with which chamber, but they're often embedded in accelerator incubators such as the ones out west in Edmonton and Calgary. They are entrepreneur-volunteer driven. We think that gives them a certain credibility in the ecosystem and with our target group, which is entrepreneurs and people who would like to be entrepreneurs and want to see what that journey might look like.

Secondly, and I think importantly, we do have quite a robust digital suite of programs in which we introduce entrepreneurs who are known to be successful to the wider public, people such as Randy Cass from Nest Wealth, which is a robo-adviser, a new fintech in the space...the challenges that presents in Canada's financial system. Another example is Anthony Lacavera, who was been on the board of Startup Canada before and is a serial entrepreneur with a huge string of successes.

• (1630)

**The Chair:** Thank you, sir.

We're going to have to wrap it up. It was a good question and a good dialogue, but Mr. Allison has gone way over his time.

We're going to the Liberals.

Mr. Fonseca, you have five minutes.

**Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.):** Thank you, Mr. Chair.

I'm going to keep going where Mr. Allison was going with his questions regarding loans and grants.

Karen, where do you see most of those loans going? Would they be for all parts of the business, payroll or equipment? Are they looking at building their sales force? Where are those loans being used?

**Ms. Karen Greve Young:** It really depends on the business and the sector it's in. They're all within the first year, right? That loan is coming within a year of the company's launch or within a year of the company having launched, so it's for any of those early needs. It really depends on whether it's a more main street business. If it's a restaurant, it's likely going toward lease payments. If it's a software company, it's likely going to payroll.

I should note also that some groups for cultural or other reasons are averse to loan financing, so we have introduced some smaller grant programs. For example, our thrivenorth program in northern B. C. is for northern rural and indigenous entrepreneurs. They have the option for the \$15,000 loan. They also have the option for up to \$1,500 in grant financing, which can make all the difference in a smaller community.

**Mr. Peter Fonseca:** Richard, would it be the same with the grants?

**Mr. Richard Rémillard:** Again, they're micro grants and they're quite small. They're very limited in number. What we usually do is arrange a partnership deal with a major private sector partner that will provide the capital for that. We've done that with people in the financial sector. Another one is coming up for this year.

**Mr. Peter Fonseca:** Thanks.

Karen, you mentioned that with many of your members, the percentage of their exports within North America versus outside North America would be fifty-fifty. In terms of CETA, were members primed to get them ready for when that agreement was launched so they could capitalize on it?

**Ms. Karen Greve Young:** Some of them were.

I should clarify that Futurpreneur Canada doesn't have firm data on that. I say it based on my past experience with MaRS.

**Mr. Peter Fonseca:** Okay.

**Ms. Karen Greve Young:** I think some of them were, in fact, primed. A great example from Quebec is a company called Wilder Harrier, which is a non-meat pet food company that started exporting to Europe pretty much as soon as CETA was signed, particularly to France. We've tried to help them get access to that information. Realistically, the companies that are accessing it now are the companies that know how to look for it. I think our opportunity is to make more of that information more accessible to companies that have export opportunities and don't realize they should be looking to CETA and the others. They don't realize that those could be opportunities for them.

• (1635)

**Mr. Peter Fonseca:** Take us through that, to the trade commissioner service in France. How did they open up that distribution, the marketing and sales chain?

**Ms. Karen Greve Young:** I don't know the specifics, I will admit. We support roughly 1,000 entrepreneurs getting new financing every year. I have met the Wilder Harrier team, and I know that Europe has become an important new market for them, but I'm not actually sure how the mechanics works.

I'd be happy to set up a conversation with them.

**Mr. Peter Fonseca:** Richard, through the podcast/webcast, is that where you take people through case studies? Is that how it would work?

**Mr. Richard Rémillard:** That's exactly right. It's mentorship on the one side, digital; and it's professional development on the other side, learning what you need to learn in order to succeed. And that's the whole focus of it.

**Mr. Peter Fonseca:** Okay, thank you.

**The Chair:** We're going to go to the Conservatives.

Mr. Hoback, you have five minutes, please.

**Mr. Randy Hoback (Prince Albert, CPC):** Thank you, Chair.

I want to thank all the witnesses for being here this afternoon. It's great to see you all.

It's nice to see you mention the trade commissioner service. Whenever I travel, I always try to stop in at our local embassy or trade commission and sit down and talk to them and just get a lay of the land and what's going on in those markets. I know in Japan, for example, they do a great job.

I'm curious. We have a lot of different groups doing the same thing it seems to me now. We have your two groups here. I was just in Vancouver talking to the Greater Vancouver Board of Trade. They do something very similar, and they all do good work...STEP in Saskatchewan.

But it's confusing if you're an entrepreneur. Where do you go? Who should you see? Is there any way we can streamline this and get more efficient? Is there anything we can do there?

**Mr. Richard Rémillard:** First, on principle, there are always things that can be done to streamline and make more efficient one's operations—period, full stop.

Second is I think we have to be sensitive to the different audiences that we're targeting. We have an audience, as I may have mentioned

earlier, that goes beyond folks in the 18-to-39 category. Even though we're technologically proficient, a lot of our entrepreneurs and those who sign up to events, who log on to Thrive podcast, are not necessarily tech focused. It's really quite broad—

**Mr. Randy Hoback:** You're saying basically because of the sectors or the people you represent, it creates the meaningful—

**Mr. Richard Rémillard:** That's right. You have to throw the spaghetti at the wall and hope to hit different parts of the wall with your spaghetti.

**Mr. Randy Hoback:** Karen, what do you think?

**Ms. Karen Greve Young:** Yes, I would like to add that the really good news is that we talk to each other. I've been in this space for about eight years in Canada, before that in the bay area in California and in the U.K.

Eight years ago, all the different players were not really effectively talking to each other. It felt much more competitive than collaborative. Now we know that, again, this is a team sport. We all need to play our roles, and we really do complement each other. If you were looking for someone to get the word out to tens of thousands of Canadian entrepreneurs, you're going to call Startup Canada. If you're looking for someone to reach out to those companies that are at that launch stage, looking for particular resources in every community across Canada, they're going to talk to us.

We're similar to Startup Canada. We're more mainstream and tech. Then there are organizations that are specifically tech. There are organizations that are specifically AI within tech.

I think it feels more confusing from the outside. I think for entrepreneurs it feels confusing when they first get in. I think we're doing a better and better job of helping entrepreneurs to reach other resources. We try.

**Mr. Randy Hoback:** So you're not scared to refer to each other and say, hey, this is—

**Ms. Karen Greve Young:** We're not only not scared to; none of us can service everyone who comes in our door. We have two and a half applications for every entrepreneur we finance or mentor. Those who we can't support, we'll refer to others.

**Mr. Randy Hoback:** I'm going to change direction here a little bit and go to our member of the chamber of commerce because I want to take advantage of the scenario. One thing the previous Conservative government did was trade agreements. It opened up market access for a lot of Canadian companies. One thing we're seeing happening in the U.S. now is they're not doing trade agreements. In fact, they're not getting market access. They don't have the market access that we have here in Canada. We're hearing the bigger companies in the U.S. now saying that they can't export out of the U.S., so they're shutting down. They're rationalizing...to the U.S. market. They say, "Okay, we have to locate a facility somewhere else."

What are we doing through our trade commissioners, through the federal government, to actually attract those companies? We say, “Do you know what? If you come up to Windsor or if you come into Quebec, you can actually have a very competitive platform. You can go to Europe, you can go to Japan, Asia, into Central and South America. You still have the NAFTA route...USMCA sitting there in the background. It's still okay. And you're in the same continent, you're in the same district time zones.”

Are you doing any of those types of promotions because we always hear about how the—

● (1640)

**The Chair:** Mr. Hoback, sorry, you have half a minute left.

**Mr. Randy Hoback:** Just let me finish, Mr. Chair.

You always hear about the U.S. coming up here and grabbing our companies, but what are we doing to go down there and grab their companies?

**The Chair:** You're going to have to give very short answers.

**Mr. Randy Hoback:** You have lots of time, Chair.

**The Chair:** Go ahead, Mr. Naidu.

**Mr. Rakesh Naidu:** That's a great question, and I think it's something that we're doing all the time, highlighting which American companies we need to go after. We have a very strong relationship across the border with the Detroit Regional Chamber of Commerce and with the Detroit Economic Growth Corporation, DEGC. Through them, we are reaching out to companies that they find are better suited to be on the Canadian side. We have a foreign trade zone in Windsor-Essex, so we leverage that.

We also identify to them that, if they're on this side of the border, they can serve not just the Canadian market but also the European market through CETA and through other programs. We are always leveraging our locational advantage and also the various free trade agreements we have that the American companies can take advantage of.

**The Chair:** That wraps up the time for Mr. Hoback. We're quite far over.

We're going to move over to the NDP now.

Ms. Ramsey, you have three minutes. Go ahead.

**Ms. Tracey Ramsey:** I'll try to be quick.

The crux of this study, really, is that SMEs are not typically at the table, when we're bargaining trade agreements, to put forward all of their things they require out of a trade agreement. We recognize that the majority of opportunity that exists in trade agreements is for SMEs, because the big players know how to do this. They have the resources to do it. They're at the table when they're negotiating, and they're making sure they're getting the best out of it.

We've heard, unfortunately, from the CFIB that a lot of small businesses, when trading within the first two years, drop off that trading because of all the barriers that exist or just the complication. How should we be communicating, after signing trade agreements, to SMEs?

Maybe I'll turn it over to Mr. Naidu.

**Mr. Rakesh Naidu:** On these, one can never communicate enough. I find that many times, when somebody's looking at new markets, it is very overwhelming. The country is new, the rules are different and the culture is different. It becomes very overwhelming for small businesses to really venture into that.

The more we can provide in terms of information and support, the easier we can make it for them to understand what the market requirements are. We can help them connect with somebody who has already done it, has penetrated the market and there are some success stories. Pair them with those people, share some good case studies and help them understand and simplify the rules and regulations. All of that will go a long way in terms of demystifying a new market or making it easier for them to really look into it closely and say, “Yes, we can do it. It's not as difficult as it seems.”

Communication is very, very important, and of course, matching them with people who have succeeded, but so are interactive sessions where we can get some people who have done it to offer support to them and have trade commissioners come and talk about how they can help in terms of tapping the new market.

**Ms. Karen Greve Young:** On that point, I'm going to go a little bit earlier. I think, as important as it is to communicate effectively to the small and mid-sized businesses, especially the small enterprises and the newer enterprises, it's equally important to have their perspective as the negotiations are happening and to not assume that we know it.

I'll give an example that is not related to a trade agreement, and I'm embarrassed that I can't remember what this benefit is. There is a program to help small companies export—I wish I could remember what it is; I can follow up with the committee—but it explicitly only benefits companies that don't have any export revenue in that market. One Internet sale in that market excludes them from participating.

If someone from an SME had been at the table when that was thought up.... That's why I think we all really appreciate your taking our insights. We represent these companies even though we aren't these companies. I think having that perspective during that development phase is vital, because otherwise we risk making assumptions about needs as opposed to reflecting the needs accurately.

● (1645)

**The Chair:** Thank you, Ms. Ramsey.

We've got time for one more MP.

Mr. Dhaliwal, you have the floor for five minutes.

**Mr. Sukh Dhaliwal:** Thank you.

Thank you to the presenters for the work that you and your organizations are doing in your respective communities, particularly Ms. Karen Young. Thank you for helping over 10,000 businesses and particularly young people aged 18 to 39.

I'm very pleased to share with you that you fellows helped over 20 SMEs in Surrey as well. In communities like Surrey, where there are a lot of issues with young people—gangs and crime situations—parents want something like this where young people can be inspired to do better in their future lives.

You have covered a lot, but is there anything you haven't covered to see what proactive approach can be taken to increase the numbers of people that you help and will be able to help?

**Ms. Karen Greve Young:** I was in nearby Vancouver late last week.

I think the important thing is to think as creatively as the entrepreneurs do about what they might need and what a new company might look like. As an example, we launched a side hustle program a couple of years ago. There are some communities where an entrepreneur doesn't feel ready to launch right away. They don't feel comfortable quitting their day job, or they have home requirements that don't let them go full time into their start-up life. We try to have nimble opportunities to meet entrepreneurs where they are. That's an example.

To be honest, the more we can help these young entrepreneurs understand what these opportunities are, see entrepreneurship as a viable pathway, see the experiences of others who have succeeded, the more we can help them in getting a little ahead to understand what it looks like next. What is the next barrier they're going to face? Succession planning is a huge area right now where we recognize that some entrepreneurs don't start a business because they had a great idea. They just want to be a business owner. We're getting into that space.

We have our offerings. We're expanding in these areas. As the government thinks about the way it wants to support small business owners as they grow into medium and large-sized business owners, thinking creatively about what business ownership can be for different age groups is an important factor.

**Mr. Sukh Dhaliwal:** Thank you, both you and Mr. Rémillard. My riding of Surrey—particularly the city of Surrey—has a very diverse South Asian population. We have a diaspora.

How can we help them do business internationally and be prosperous?

**Ms. Karen Greve Young:** They benefit from the diaspora to some extent. What we see a lot of is that community not only becomes very supportive within their community, but they are able to leverage their international diaspora. A great number of the entrepreneurs we support are food businesses, for instance, and a lot will be food related to the ethnicity of the entrepreneur who founded that company. I think, seeing that as a benefit as opposed to a barrier, we need to make sure that those entrepreneurs see themselves in our offering.

We are working very hard. One of my focus areas in particular is to make sure that all the entrepreneurs who could benefit from our program see themselves in our program and don't feel excluded on the basis of barriers they face in other places.

I don't know if that helps.

**Mr. Sukh Dhaliwal:** Mr. Rémillard.

**Mr. Richard Rémillard:** Thirty-six per cent of the attendees at our Canadian export challenge in 2018 were newcomers to Canada, immigrants. Even though I thought that was not a bad statistic, I hope we're more successful than we were last year in attracting an even greater percentage this year.

If I can just come back to the question that Ms. Ramsey asked: what will you do differently? One thing that struck me as not being in the discussion so far is when you look at the barriers that small and medium-sized enterprise managers and owners are facing, there is a distinct lack of awareness of the opportunities out there, created by trade agreements or the services provided by the truly excellent trade commissioner service.

But there are also two other factors that I don't think we have a good handle on yet from a messaging communications perspective.

Number one is: what's this going to cost me?

I have in my own mind a study that someone might do showing the cost of exporting from P.E.I. to B.C. versus the cost of exporting from P.E.I. to Maine. I don't know what that number is. I might be terribly surprised. I suspect that might be a smaller number for many goods and services. Get me some numbers, as Richard says.

Number two is risk. The perceived risk of selling your good or your service to New York City or to Seattle, Washington—how does that compare with Belarus? Or China? Or some other exceptionally difficult places? Then, that begs the question: what is being done by the Government of Canada and other partners to mitigate that risk and to put it down to a measurable level that you can export, with comfort? An EDC guarantee? Fine, maybe. That's just one possible way to look at it.

● (1650)

**The Chair:** Thank you. Mr. Dhaliwal, your time is up.

That ends our dialogue with the MPs. That wraps up this afternoon's session. I'd like to thank the witnesses for joining us. You not only represent thousands of companies, families and workers, but you're also a system. We appreciate the good work you're doing. Our study will be coming forward in the upcoming months. You're welcome to have a copy of it.

To anybody who is travelling, safe travels.

We're going to adjourn for a few minutes here to let the witnesses leave, and then we're going to go right back. We have some future business.

*[Proceedings continue in camera]*







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