

'Bumper crop' at Alimentaria 2004

This year, more than 144,000 international buyers visited **Alimentaria 2004**. This spectacular increase in foreign buyers makes this event the second largest in Europe. The 15th edition of Alimentaria showcased nearly 4,000 companies, including over 1,000 international companies.

Close to 60 countries were represented, including 223 companies from Italy, 122 from Germany, 140 from France and 70 from Belgium. Other countries such as Serbia-Montenegro, South Africa and Sri Lanka also had national booths. There was also significant participation from Latin American countries, and more companies from Asia and the Maghreb. Even though many international agri-food shows have been struggling, exhibitors at Alimentaria have increased by 20%.

Canadian success

Based on their attendance at Alimentaria, Quebec's **Design & Réalisation** will be opening an office in Barcelona to distribute its chocolate fountain equipment, and **Les produits Zinda** is in negotiations for major sales in Spain, the United States and the Middle East and forecasts that Alimentaria will generate sales of \$300,000. Ontario's **Export Packers** sold five containers worth \$60,000, and Quebec's **Fruit d'Or** found a distributor in Spain and Andorra.

The Canadian Pavilion was managed by Agriculture and Agri-Food Canada and the Canadian Embassy in Madrid. With 19 companies attending, the Canadian participation was the largest ever at Alimentaria.

All companies were satisfied with their participation and many will attend in 2006. Generally, companies reported that the kind of customers they met at Alimentaria were different from those



Quebec's Design & Réalisation shows off its chocolate fountain equipment to chocolate-savvy Barcelonans.

at SIAL or Anuga. Had they not attended, it would have been impossible to make these new contacts because many foreign buyers do not go to trade shows in northern Europe. The Middle East, the Maghreb and southern Europe were the best-represented regions.

For more information, contact Marc Lionel Gagnon, Commercial Officer, Canadian Embassy in Madrid, tel.: (011-34-91) 423-3228, fax: (011-34-91) 423-3252, e-mail: marc.l.gagnon@dfait-maeci.gc.ca, Web site: www.canada-es.org. ✪

Germany to host world's largest medical exhibition

DÜSSELDORF, GERMANY — November 24-27, 2004 — Each year, Düsseldorf is host to **Medica**, the world's largest medical exhibition. Medica 2003 featured approximately 3,900 exhibitors from 65 countries and attracted 134,700 professional visitors. This was the largest number of visitors in the show's 35-year history. A second show, **CompaMED**, is held concurrently at the Düsseldorf fair grounds and features companies that provide raw materials for the medical devices industry.

Close to 60 Canadian companies exhibited at Medica 2003 in a wide range of product areas. Most Canadian companies were part of the Canada pavilions at the show, which resulted in a high level of satisfaction among show participants.

Medica provides a unique opportunity to access the German medical devices market, which is the third largest in the world and the biggest in Europe by far. Given the international nature of both exhibitors and visitors, it is also an excellent springboard to access the global market.

Planning is currently under way for participation in Medica 2004 and CompaMED (November 24-26).

For more information on these shows, or to find out more about the German market, contact Andrew Haswell, Vice-Consul and Trade Commissioner, or Monica DeVilliers, Commercial Assistant, Canadian Consulate in Düsseldorf, e-mail: ddorf@dfait-maeci.gc.ca, Web site: www.medica.de. ✪



Canadian Trade Review

A Quarterly Review of Canada's Trade Performance

Fourth Quarter 2003

This review reports on the resumption of Canada's economic growth in the fourth quarter of 2003, and highlights our trade and investment performance in key sectors and markets.

Falling Energy Prices Hamper Export Recovery in the Fourth Quarter

The Canadian economy ended last year on a positive note, as real gross domestic product (GDP) expanded by 3.8% (annualized)¹ in the fourth quarter—up from 1.3% the previous quarter. This performance helped to lift overall annual real GDP growth for 2003 to 1.7%. However, this growth was down from the 3.3% expansion registered in 2002. South of the border, preliminary estimates indicate that US GDP expanded by 4.1% in the fourth quarter and by 3.1% for all of 2003. Growth in Canada's other major markets in the fourth quarter varied: in the EU it was 1.6%, while in Asia both Japan and China registered very high growth rates of 6.4% and 9.9%, respectively (the latter comparing fourth quarter GDP with the same quarter a year earlier).

Spending by Canadian consumers remained flat in the final quarter of 2003—a result of a cooling down of the home construction boom and a drop in car and truck purchases. Most of the economic expansion was accounted for by inventory build-up in the retail and wholesale sectors (largely of cars and trucks) and in the agriculture sector (grain and live animal inventories). Output in manufacturing expanded by 2.0% in the fourth quarter—the first increase in five quarters. This reflected a number of positive factors, including a rebound from the electricity black-out in Ontario in the previous quarter, the reopening of international borders to some Canadian beef products, robust housing construction in both Canada and the US, and higher demand for motor vehicle parts from US assembly plants.

Export performance, however, was hampered by further strengthening of the Canadian dollar. Despite this impediment, real exports expanded by 3.2% in the quarter, although nominal exports registered a 0.2% decline.

Similarly, real imports expanded by 4.2% in the quarter, while nominal imports grew by 2.0%.

Falling exports, increased imports and a drop in investment income resulted in a \$4.8 billion decline in the current account balance in the fourth quarter.

¹ To make quarterly data comparable to annual data, the quarterly figures for trade in goods and services are adjusted for seasonality and are expressed at annual rates by raising them four times, i.e. seasonally adjusted annual rates - s.a.a.r. All figures, with the exception of investment figures, are expressed on an s.a.a.r. basis, unless otherwise noted.

Prepared by the Trade and Economic Analysis Division (EET)

Table 1: Canada's Economic and Trade Indicators

Percent Change at Annual Rates Fourth Quarter 2003 over Third Quarter 2003	
Real GDP (annualized)	3.8
Employment (quarterly increase, level)	172,600
Rate of Unemployment (quarterly average)	7.5
Consumer Price Index (fourth quarter 2003 over third quarter 2003)	
All Items	1.7
Core (excludes food and energy)	1.9
Canadian \$ in U.S. funds (average for quarter, level)	0.7599
Exports of Goods and Services (annualized, current dollars)	-0.2
Imports of Goods and Services (annualized, current dollars)	2.0

Source: Statistics Canada

Job creation in Canada continued at an accelerated pace. The net quarterly increase was 143,800, with some 83% as added full-time positions. With this development, the average unemployment rate for the quarter fell to 7.5% from 7.9% the previous quarter.

Inflation continued to decline over the quarter, falling to 1.7% from 2.1%. Core inflation, however, increased over the quarter—from 1.7% to 1.9%.

The Canadian dollar was up 4.9% vis-à-vis the American dollar in the fourth quarter—the quarterly average value of the "Loonie" was 75.99 US¢.