

## A risky business

## Exporting to the U.S.

The U.S. economy is undergoing a fragile recovery that could still be jeopardized by recent corporate scandals and a roller coaster stock market. Knowing your neighbour is the first step to taking advantage of exporting to the United States, while protecting your business from the heightened risks.

That means understanding the economic conditions in this lucrative market and how various Canadian organizations can help you sell to it. One such organization is Export Development Canada (EDC) which recently created an easy-to-use workbook for Canadian exporters entitled *Doing Business with the United States: A Guide for Canadian Exporters*.

## An uncertain climate

According to EDC's analysis, corporate America is still having difficulty recovering from last year's recession. Many large companies aggressively expanded their production during the heydays of the 1990s, then found themselves with excessive debt when the boom ended. Sales continue to be slow and profit margins thin—many U.S. firms will be forced to close or seek bankruptcy protection.

This uncertain climate is contributing to the loss of confidence we see in the stock market. It also limits the ability of U.S. companies to borrow money, making it even more difficult for them to survive. In 2001, more than half of the insurance claims to EDC were the result of U.S. companies filing for bankruptcy. The EDC guide tracks these claims and catalogues some of the largest public-company failures in the U.S. in 2002.

## Exports to increase

Despite this uncertainty, EDC's annual Global Export Forecast—released in

October—predicts that Canadian exports to the U.S. will increase by 1% this year, an improvement over last year's decrease of 3%. With economic growth in the U.S. projected to pick up in 2003, Canadian exporters may see their U.S. sales grow by as much as 8%.

Bankruptcies often aren't anticipated. That's why EDC's Accounts Receivable Insurance is such an important part of your exporting strategy. With it in place, you are protected for up to 90% of your contract's value if your U.S. or foreign buyer doesn't pay. Plus, EDC can help you get more working capital

from your bank and enable you to offer better repayment terms to your buyers.

You can find out more by getting your own copy of *Doing Business with the United States: A Guide for Canadian Exporters*. Simply visit [www.edc.ca/USguide](http://www.edc.ca/USguide) or call 1-866-260-4446. EDC's handy 13-page guide to the U.S. market is a must-read for any business exporting or thinking of selling into the United States.

For more information, contact EDC, tel.: 1-866-260-4446. \*

## Export USA Calendar

For information about:

- Trade missions to the U.S.
- Seminars on the U.S. market

Visit the Export USA Calendar at: [www.dfait-maeci.gc.ca/nebs/menu-en.asp](http://www.dfait-maeci.gc.ca/nebs/menu-en.asp)

## Exhibit at EXPO COMM 2003

MEXICO CITY, MEXICO — February 18-21, 2003 — EXPO COMM is Mexico's largest and longest-running telecommunications, wireless, networking and Internet technologies exhibit and conference. Last year, the show attracted over 28,000 corporate buyers and industry specialists with 300 exhibitors from 17 countries. The attendance survey showed that over 58% of visiting companies concluded buying decisions during the exhibition.

## Opportunities

The Mexican telecommunications market has grown four times faster than Mexico's economy as a whole during the last eight years; the size of the combined market for equipment and services is estimated to exceed US\$5 billion yearly over the next three years. Opportunities vary widely from the mobile communications field to the fixed-line sector.

## Participation

Canadian exporters are invited to exhibit with the Canadian pavilion

at EXPO COMM. The benefits of exhibiting with the Canadian pavilion include: turnkey service for the exhibitor; strategic advice from Canadian Embassy experts; the opportunity to promote your products and services at a Canadian seminar; attend a workshop on how to succeed in the Mexican market; benefit from Mexican company networking and introductions; and greater visibility for new exporting companies.

Exhibit space is reserved on a first-come, first-served basis. For more information, contact Gilles Tassé, Trade Commissioner, DFAIT, tel.: (613) 995-0460, e-mail: [gilles.tasse@dfait-maeci.gc.ca](mailto:gilles.tasse@dfait-maeci.gc.ca) or Marco Rodriguez, Commerce Officer, Canadian Embassy in Mexico, tel.: (011-52-5) 724-7900, e-mail: [marco.rodriguez@dfait-maeci.gc.ca](mailto:marco.rodriguez@dfait-maeci.gc.ca) Web site: [www.expocomm.com/latin/](http://www.expocomm.com/latin/) \*

(For the unabridged version, see [www.infoexport.gc.ca/canadexport](http://www.infoexport.gc.ca/canadexport) and click on "Trade Fairs and Missions".)

## New focus on IT in education in Hong Kong

In response to the Hong Kong Special Administrative Region's 1997 policy address, a five-year strategy was formulated to apply information technology (IT) to education. The strategy, initiated in 1998, has now entered into its final year of implementation. Now that IT infrastructure build-up in Hong Kong schools has been completed, the next step is to ensure the effective application of IT to learning, teaching and school management.

In line with Hong Kong educational priorities, Canada signed a Memorandum of Understanding in 2001 to participate in the development of the Hong Kong government education portal, 'Hong Kong Education City Limited' (HKECL).

The HKECL provides strategic infrastructure to support educational reforms, is a source of reference information, a showroom for learning resources, a community centre for education professionals, a cyber exhibition centre of education products and a facilitator of the education market.

Upcoming projects to be undertaken by the HKECL include: [www.readingland.net](http://www.readingland.net) to promote reading and provide an IT training room, children's books and an English campus; an education forum and workshops; and off-line projects and events.

Industry Canada and the Canadian Consulate General in Hong Kong organized two video conferences to introduce

Canadian education technologies to key officials of the HKECL. Ten companies specialized in ESL, content management systems, on-line courses and multimedia teaching content participated in the two sessions. Another session is planned in the coming months.

Canadian companies interested in the above content, project, business and co-branding opportunities should visit the HKECL Web site ([www.hkedcity.net](http://www.hkedcity.net)).

## For more information,

contact Norma Domenech, Business Development Officer, Industry Canada, tel.: (613) 946-9943, fax: (613) 946-2170, e-mail: [domenech.norma@ic.gc.ca](mailto:domenech.norma@ic.gc.ca) or Kitty Ko, Commercial Officer, Canadian Consulate General in Hong Kong, tel.: (011-852) 2847-7448, fax: (011-852) 2847-7441, e-mail: [kitty.ko@dfait-maeci.gc.ca](mailto:kitty.ko@dfait-maeci.gc.ca) Web site: [www.infoexport.gc.ca/hk](http://www.infoexport.gc.ca/hk) \*



## Tackling the Japanese IT security market

Japan's information technology (IT) security market has been growing steadily since the mid-1990s; the combined market size for security equipment and services is expected to increase at an annual rate of over 30%, reaching \$2.6 billion by 2005.

The IT security supply-side is growing in Canada, with companies already providing solutions in several areas including authentication and verification, biometrics, face and voice recognition, cryptography, Internet security solutions and smart cards, among many others. Canadian IT companies looking to tackle the

enormous potential of the Japanese market are invited to participate in the Canadian Security Solutions Showcase to be held in Tokyo, on February 25, 2003.

The showcase will allow Canadian IT security companies to give presentations on their products and services and have a booth at a networking reception at the Canadian Embassy in Tokyo.

Audience recruitment will be focused on Japanese firms that are involved in the representation of foreign IT products or those interested in working with Canadian security solutions developers or representing Canadian

products in the Japanese market. Audience recruitment will be undertaken by the Canadian Embassy in Tokyo together with Japanese IT associations. Targets are Japanese resellers, agents, retailers, distributors, joint developers, trading houses and representatives of large firms such as Hitachi, Fujitsu, and Toshiba.

The Department of Foreign Affairs and International Trade and Industry Canada are working closely with the Canadian Advanced Technologies Alliance to provide Canadian companies with this opportunity to promote their security solutions products.

For more information, contact Lyne-Marie Tremblay, Trade Commissioner, Japan Division, tel.: (613) 996-2460, e-mail: [lyne-marie.tremblay@dfait-maeci.gc.ca](mailto:lyne-marie.tremblay@dfait-maeci.gc.ca) Web site: [www.dfait-maeci.gc.ca/ni-ka](http://www.dfait-maeci.gc.ca/ni-ka) \*

