Calgary company

— continued from page 1

emissions. Under an emissions trading scheme, the government sets an overall cap for emissions and then issues a limited number of permits to companies consistent with the desired level of emissions.

To meet reduction targets, companies may choose one of the following: reduce emissions from their own operations, purchase permits from another company that has an excess amount, or purchase credits from a domestic or international project (such as the Clean Development Mechanism, or CDM).

Emissions trading allows companies the flexibility to meet a reduction target cost-effectively. In general, emissions trading puts a price on pollution and allows the market to facilitate the best approach to meeting a prescribed target. This approach, as opposed to traditional command-and-control regulations, is more desirable from both an economic and environmental point of view.

Progress made

Since 1990, TransAlta has reduced the greenhouse gas intensity of its worldwide operations by more than 10% while increasing generation capacity by more than 85%. In addition to TransAlta, a number of Canadian companies have been working on developing CDM projects in developing countries. TransAlta's, however, is one of the first Canadian-led projects to have its methodology accepted by the United Nations. This is a crucial step towards the final approval and registration of the project.

The Government of Canada is anticipating that this milestone will encourage other Canadian firms to follow suit in taking advantage of the international market-based mechanisms. The deal is an example of how brokerage firms and large emitters can work together to participate in the Kyoto Mechanisms. CO2e.com, the brokerage firm for this project, has been instrumental in securing the deal between the Canadian and Chilean companies.

For more information, contact Louise Côté, Program Manager, Climate Change and Energy Division, Foreign Affairs Canada, e-mail: louise.cote@international.gc.ca, Web site: www.international.gc.ca/cdm-ji.

U.S. wireless event *— continued from page 1*

Expo (music, games and streaming video), the Tower Summit (wireless infrastructure) and an unwired home displaying the latest technologies in that industry segment. "All together, this event will present tremendous networking opportunities for the Canadian wireless community," adds Fera.

For more information on the Canadian pavilion, possible conference speaking opportunities, a Canada reception and matchmaking programs with companies in other national pavilions, contact Pat Fera, International Trade Canada, tel.: (613) 944-9475, e-mail: pat.fera@international.gc.ca, or Charlene Wheatley, International Trade Canada, tel.: (613) 944-8823, e-mail: charlene.wheatley@international.gc.ca.

Opportunities in Sri Lanka

SRI LANKA — As part of its Energy for Rural Economic Development Project, the Government of Sri Lanka is seeking proposals from consultants for the design and implementation of renewable energy electrification systems.

The project aims to: provide electricity access to 100,000 households through solar home systems and independent min-grids fed by micro hydros, wind and biomass generators; electrify 1,000 small and medium rural enterprises through renewable energy resources; and add 85 megawatts capacity through grid-connected renewable energy power plants.

The Development Finance Corporation of Ceylon (DFCC) will be managing the project on behalf of the Government of Sri Lanka, with the assistance of the World Bank and the Global Environment Facility. **The closing date for proposals is December 31, 2004.**

For more information, contact the DFCC, tel.: (011-94-11) 244-2442, fax: (011-94-11) 244-0376, e-mail: info@dfccbank.com, Web site: www.energyservices.lk, or Shyama Suraweera, Commercial Assistant, Canadian High Commission in Sri Lanka, fax: (011-94-1) 68-70-49, e-mail: shyama.suraweera@international.gc.ca, quoting case number 040219-00826.

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Russia's pharmaceutical market:

What is the prescription for success?

The Russian market for pharmaceuticals is expanding rapidly and offers good prospects for Canadian exporters of drugs, retail medical devices and food supplements. However, like with most successful exporters, a relationship with one of the country's major distribution companies is recommended.

Market overview

According to RMBC, a consulting and market research company specializing in the pharmaceutical market, the Russian market for pharmaceuticals was valued at $5.8 billion in 2003, 70% of which came from imported drugs.

The market grew 19% in 2003 and annual growth is expected to continue around at least 10% per year for the next five years, driven by rising incomes and consumer spending, increased government funding for drugs through a new health insurance system (government purchases currently account for only about 30% of the market), and increased efficiency in domestic distribution.

The top drugs by sales in Russia, aside from the usual pain killers, antibiotics and vitamins, include medicines for heart and blood conditions, diabetes and liver problems. Viagra, of course, is also one of the top sellers. Western European and U.S.-based multinationals such as Aventis, Novartis and Pfizer have the highest sales in Russia, although Eastern European companies which mainly produce generic medicines, such as Hungary's Gedeon Richter and Slovakia's KRKA, are also among the top ten.

Russia's domestic drug manufacturing sector—made up of about 350 companies—remains fragmented, under-capitalized and focused on the production of generics. The variable quality of Russian medicines is also a major issue for the industry, and the government plans to impose internationally accepted "good manufacturing practices" (GMP) by 2005 after encouraging adherence to them since 2000.

Navigating a complex market

According to Steven Goodinson, Trade Commissioner with the Canadian Embassy in Moscow, "Interested Canadian exporters can get contacts for some of the top five distributors, such as Apteka Holding (www.ahold.ru), Protek (www.protek.ru) and SIA International (www.siamed.ru), from the Commercial Section of the Canadian Embassy in Moscow. These companies are able to offer national distribution chains, modern warehousing facilities and assistance with administrative issues. They also carry an increasingly wide range of non-drug goods which can be sold to their pharmacy and hospital clients, such as cosmetics, food supplements and medical devices," he says.

Registering new products is the most time-consuming aspect of exporting drugs to Russia and can take up to two years, although other products such as food supplements take considerably less time. "The regulatory system is complex, non-transparent and does not conform to Western practices," says the trade commissioner. "So Canadian exporters are advised to seek the advice of a distributor to navigate this registration process, or to contract a specialized consultant."

Exporters are also advised to be prepared to invest time and money to develop and implement a marketing plan for the Russian market. "Distributors, with their focus on volumes and efficiency, will not usually do this, and although the market is growing, it is highly competitive," adds Goodinson.

For more information, contact Steven Goodinson, Canadian Embassy in Moscow, e-mail: steven.goodinson@international.gc.ca.