



## Hong Kong: Is a business connection really worth it?

Despite the fact that Hong Kong remains Canada's 15th-largest trading partner, with exports from Canada reaching \$1.15 billion, questions still arise about the value of a Hong Kong connection. Is Hong Kong relevant to Canadian business?

The answer is yes. "Hong Kong does offer great opportunities for price- and technology-competitive Canadian firms," says David McNamara, Senior Trade Commissioner in Hong Kong. "It has a well-established financial and legal framework, and its full range of modern business services make it the easiest market to do business in Asia. In fact, Canadian firms have been successful in many sectors in Hong Kong," says McNamara.

### ICT

Hong Kong wants the latest, and has the money to pay for it. Some 100 Canadian firms are active in this sector. Industry Canada, in a survey conducted two years ago, ranked Hong Kong as Canada's fifth-largest market for information and communications technology products.

### Transportation

Canadian firms are particularly active in intelligent transportation and train

signalling. Hong Kong will spend some \$5 billion over the next decade expanding its railway and road networks, as well as building a bridge to Macao. This offers excellent potential to Canadian firms, the trade commissioner says.

### Food and fish products

Canada is also doing reasonably well in processed foods and supplies for the restaurant trade, but there is considerable room for improvement in this sector. Hopes are high for a resumption in the trade of Canadian beef before the end of summer.

### Environment

The city offers extensive opportunities in water and sewage treatment, solid waste management, desalination and air- and water-quality monitoring. Furthermore, many Hong Kong companies are actively involved in a full range of environmental projects in China and often seek technology partners.

In fact, Hong Kong is a great starting point for small and medium-sized enterprises (SMEs). It boasts the freest economy in the world and has a very low tax rate. The city is very business-friendly, and it is extremely easy to find a qualified partner or to set up a

company, the Canadian official adds. Most Canadian SMEs that have set up in Hong Kong have gone on to do business in China and other countries in the region.

For SMEs with innovative products and services that wish to explore business opportunities in China, Hong Kong companies are ideal partners. They can provide the needed finance, business know-how and connections in China. The recently established Closer Economic Partnership Arrangement, a free trade arrangement between Hong Kong and China similar to NAFTA, offers duty-free entry for Hong Kong products and much better access to services than the World Trade Organization provides.

### Risk versus reward

Some Canadian companies may do better by going directly to China, without using Hong Kong as a bridge or intermediary. It is a question of risk versus reward, McNamara says.

Dealing with a Hong Kong partner provides an instant array of established business contacts in China, know-how on doing business there, greater assurance of getting paid, and a faster entry to the Chinese market. On the other hand, there is a cost for this service. It is up to each Canadian enterprise to decide whether it is willing to tolerate the added risk of going into the Chinese market alone in order to save the costs of using a partner.

Don't overlook the possibility of a Hong Kong connection, says McNamara. "It is an excellent market in its own right, a great place to do business, particularly for SMEs, and an extremely viable option as a platform for entering the Chinese market.

**For more information**, contact David McNamara, Consul and Senior Trade Commissioner, Canadian Consulate General in Hong Kong, tel.: (011-852) 2847-7414, e-mail: david.mcnamara@international.gc.ca. ✪

## Food show to get a taste of Canada

**MIAMI, FLORIDA** — December 2-3, 2004 — Agriculture and Agri-Food Canada, in collaboration with International Trade Canada, invites Canadian exporters to participate in the **7th Americas Food and Beverage Show and Conference**. This year, under the "Taste of Canada Program", participants will have the opportunity to showcase their goods and services at the Canadian pavilion and meet with key buyers from Latin America and the Caribbean.

The program will offer a series of events aimed at networking with international buyers from the Latin American and Caribbean regions. In addition, commercial officers from several Canadian embassies throughout Latin America and the Caribbean will also be attending to introduce Canadian exporters to prospective buyers.

Miami is becoming a gateway to Latin America and the Caribbean. The city currently serves as the principal sales and distribution centre for agri-food and beverage products destined for the Latin American and Caribbean region. Last year, over 87% of Florida's total exports were to Latin America and the Caribbean.

Over 2,000 agri-food and beverage importers, exporters and distributors are based in Miami alone and are very interested in representing new products or serving as distributors. Miami is also the largest cruise port in the world. Cruise lines purchase, through their local buyers, food and beverages for more than 3 million passengers each year.

### Links continue to grow

Canada's trade linkages with Latin America and the Caribbean continue to grow. Canada has bilateral and

regional free trade agreements (FTAs) in force with Latin America via the Canada-Costa Rica FTA, the Canada-Chile FTA, and through NAFTA. The Government of Canada is currently negotiating an FTA with Guatemala, El Salvador, Honduras and Nicaragua (Canada-CA4 FTA), and is exploring potential trade and investment initiatives with other countries in the hemisphere.

Canada is also very active in promoting trade liberalization within the Americas at the level of the World Trade Organization, and plays a leading role in the construction of the Free Trade Area of the Americas. Through these initiatives, Canada's trade ties with Latin America and the Caribbean region are bound to increase over the next 5 to 10 years, as has been the case with NAFTA over the last decade.

This show is a perfect venue to expand an exporter's client base as it is attended by more buyers from the Latin American and Caribbean region than any other food show in the United States. Last year's show featured 402 exhibitors from 28 countries and 6,045 visitors from 75 countries, with 54% of buyers making purchasing decisions. The show generated more than \$180 million in direct sales and \$1.2 billion in anticipated sales in 12 months.

To be featured in the program, company profiles must be submitted by September 24, 2004, by 4:00 p.m., and booth space is reserved on a first-come, first-served basis. **For more information**, contact Melanie Spenard, Senior International Market Development Officer, Latin America, Agriculture and Agri-Food Canada, tel.: (613) 759-7739, fax: (613) 759-7506, e-mail: spenardm@agr.gc.ca. ✪

## Manufacturers and exporters get innovative

**MONTREAL** — November 17-18, 2004 — Over 4,000 visitors will attend **Innovation & Exports 2004**. This important event will inform and inspire manufacturers and exporters with the latest in productivity, export solutions and innovations. Exhibitors will feature the latest in productivity tools and services, pavilions and networking opportunities.

Exhibitors can also take part in the annual Conference of Canadian Manufacturers & Exporters, which will include interactive and informative morning plenaries, and listen to Canadian economists. Also, the Conference Board of Canada's seminar *International Forum on China: Developing Your China Strategy* will be held in conjunction with Innovation & Exports 2004. Some 500 guests, business leaders and award nominees will also attend a gala dinner that will feature the *2004 Canadian Innovation Awards*.

Develop new business opportunities at Innovation & Exports 2004. Meet the decision makers from across Canada and abroad. What better place is there to showcase expertise, products and services than to thousands of visitors and delegates specifically looking for solutions to increase productivity and new market development?

**For more information**, go to [www.innovationexportation.ca](http://www.innovationexportation.ca). ✪