

Aboriginals urged to take control of their businesses

When it comes to economic self-sufficiency, Canada's Aboriginals have made good progress over the last 10 years. Aboriginal self-employment is up 30%, nine times the rate for non-Aboriginal Canadian businesses. In addition, more than 20% of these Aboriginals work in higher knowledge industries.

Brad Cline of Aboriginal Business Canada, a public-private sector partnership out of Industry Canada, says Aboriginal entrepreneurs are performing increasingly well. He points out that profits for these firms are up 11% since 1996 and that two-thirds of entrepreneurs anticipate future growth.

But some say Aboriginal businesses can do more to leverage their bottom lines.

Chief Clarence Louie, head of the Osoyoos Indian Band Development Corporation and a vocal proponent for Aboriginal economic development, says that bands must look to more than just health, education and social services. "I believe that you can never be healed or well until you have a job," he says.

Louie is behind the successful Nk'Mip Cellars of Osoyoos, British Columbia, North America's first Aboriginal-owned and operated winery, and a number of other successful businesses. Now the band leader is taking his message to Aboriginals around the world.

Louie was among a Canadian delegation of successful Aboriginal business leaders that were invited to speak at the First Nations Economic Conference held in Sydney, Australia, this past summer. The conference was designed to bring Aboriginals together from around the world who are engaged in developing the emerging Indigenous business landscape. Echoing Louie's push for putting economic development at the forefront was Joseph Elu,

chairman of Indigenous Business Australia. "Participating in the global economy is no longer an option for Indigenous Australians, it is a necessity," says Elu. While leaders agree with Elu, they acknowledge that challenges remain for the world's Aboriginal communities.

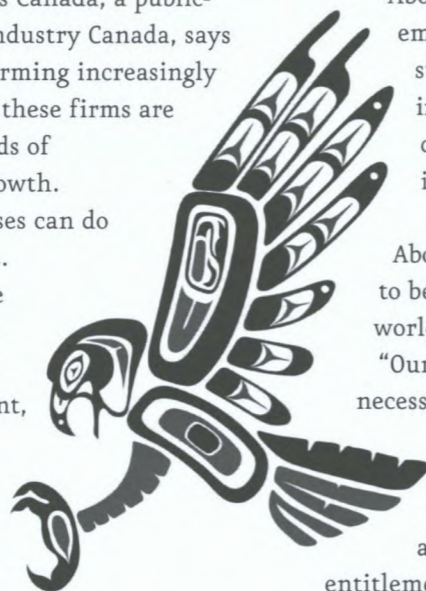
"Gaps still remain between Aboriginal and non-Aboriginal people in terms of income and employment and there is limited access to start-up capital," says Cline, who was also invited to speak at the conference. "In many cases, isolation from market opportunities is a challenge too."

In his presentation, Louie asked Aboriginals to take a look at what they can do to better prepare themselves for the business world and become self-supporting people.

"Our young people need to develop the necessary skills so they can earn their jobs in the future. We must take ownership of our problems." He cites drug and alcohol abuse, dropping out of school, absenteeism and punctuality, a sense of entitlement and the abandonment of their culture as some of the problems.

Elu says the conference was an ideal place for Aboriginal entrepreneurs to showcase their abilities, but more importantly to prove that they are capable of producing more than didgeridoos and bark paintings—something Canadian Aboriginal entrepreneurs have done by moving beyond arts and crafts into sectors like high-tech, education and social services.

For more information, contact Joanne Spanton, Industry Canada, email: spanton.joanne@ic.gc.ca, or Catriona Smith, Foreign Affairs and International Trade Canada, email: catriona.smith@international.gc.ca, websites: www.camsc.ca, http://ibaconference.com.au.



EDITORIAL TEAM

Michael Mancini, Yen Le,
Françoise Bergès

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EDC makes Nigeria a safer place to do business

Export Development Canada is bringing leading Nigerian bankers to Canada to introduce them to potential Canadian suppliers and investors as part of EDC's efforts to develop business in this largely unfamiliar emerging market.

As Sub-Saharan Africa's second-largest economy and a major oil exporter, Nigeria is quickly emerging as a promising market for Canadian exporters and investors. Democratic elections in 1999 marked a turning point in the country's history and the beginning of a period of hope and economic development.

Over the past few years, Nigeria has settled its multibillion-dollar debt, obtained a credit rating of BB minus and achieved consistent growth figures of more than 5%.

Lorne Cutler, a senior advisor with the Canadian agency, says "the country's most significant achievement has probably been to completely restructure and recapitalize its banking sector. The number of banks has dropped from 89 to 25 and the minimum capitalization has increased to about US\$190 million."

Nigeria's rising international investment profile is being driven by the market's untapped potential. Nigeria has Africa's largest population. It ranks 10th in terms of its share of world oil reserves and 7th for natural gas. But the picture isn't all rosy.

Reducing the risk

"In spite of the improvements and opportunities, Nigeria remains a challenging place to do business. From finding reliable buyers to protecting against the risk of non-payment, Canadian exporters need to be cautious," Cutler says.

To help Canadian companies capitalize on the opportunities in Nigeria, particularly with the private sector, EDC is providing Nigerian banks with short- and medium-term support. To this end, it has signed medium-term lines of credit and cooperation agreements with several leading Nigerian banks.

As one of the few sources of medium-term financing in Nigeria, the Canadian agency is in a strong position to work with Nigerian banks in directing their customers to Canadian suppliers, says Cutler. Moreover, if the transaction is being championed by one of EDC's Nigerian

banking partners, the risks for investors may be reduced. That is good news for Canadian businesses.

Banking opportunities

One of today's business realities is that Canadian companies know little about the opportunities in Nigeria and Nigerian banks know even less about Canadian capabilities. In order to close this gap, EDC



Nigeria has made improvements when it comes to corruption, but Canadian entrepreneurs still need to be cautious.

has organized a mission of leading Nigerian banks to Ottawa, Toronto, Calgary and Montreal in late November.

The purpose of the mission is to introduce Nigerian banks to leading Canadian companies so that they can learn more about Canadian capabilities first-hand. The seminars will also provide an opportunity for the Nigerians to present the procurement plans of their customers. EDC will use this opportunity to demonstrate how its financing and insurance products can bring buyers and sellers together.

The seminars will cover how EDC is working with Nigerian banks to support Canadian exporters, how Nigerian banks work with their customers, particularly with respect to influencing procurement decisions and outline the specific services that Canadian officials can provide to Canadian companies to help them understand specific Nigerian buyers.

For more information, contact EDC, email: Africa@edc.ca, or contact Rizwan Haider, EDC's Sub-Saharan Africa Regional Manager, tel.: (613) 598-3234, email: rhaider@edc.ca, or Lorne Cutler, EDC's Senior Advisor for the Africa, Europe and Middle East Group, tel.: (613) 598-2745, email: lcutler@edc.ca.

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