

Dubien, Deric -EAI

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Sent: February 12, 2001 8:18 PM
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Subject: CENTRAL AMERICA FTA

Good morning.

Please refer to the Jan 09 letter from the Hon. Pierre S. Pettigrew asking for comments on the proposed FTA with CA countries.

The opinions expressed are not necessarily those of my company (Greer Shipping Ltd) or the Canadian Council for the Americas , BC Chapter, where I am on the Bord of Directors.

For the past 10 years I have been very active in the Mexico/Central America trade. The first service between the eastcoast of Canada and Guatemala , Honduras (and overland to El Salvador) and Costa Rica was the result of a long study undertaken by me.

In order to convince a shipowner to commit vessels and containers, etc. I interviewed exporters and importers, manufacturers and trading companies, etc.

The service, now on a weekly basis , is doing well.

In the late 90's I moved to the westcoast and convinced an owner to start up a service down the coast as far as FCosta Rica.

My remarks here are addressing some of the problems encountered with the flow of traffic between Canada and Central America.

Southbound:

Although slowly changing, Canadians have a strange mentality when it comes to dealing with countries to the south.

We prefer the much easier way and sell our merchandise to companies in the USA who then in turn combine our products with theirs for sales in Central American countries or merely just pass the product along with a markup.

By dealing through a US based company Canadian exporters can conduct business in English, have a better control over the financial aspects, have a relatively simple transport to look after, etc.

The result is that in most cases the exports are shown on the B 13 forms (Customs exit declaration) as bound for the USA and thus reduce the actual volume / value of our exports to Central America.