

SUB-SAHARAN
AFRICA

Canada and Africa



With partnership comes opportunity

Africa is growing economically and looking outward, generating higher demand for imported products and services, joint ventures and investment. With products, services, and capabilities well matched to Africa's needs, combined with the capacity to work in both French and English, Canadian firms of all sizes are finding that Africa, especially sub-Saharan Africa, is a profitable market for a wide range of goods

and services and offers rewarding opportunities for investment.

The Africa Plan

At the Kananaskis Summit in Alberta in June, G8 leaders agreed on an Africa Action Plan in support of the implementation by African countries of the New Partnership for Africa's Development (NEPAD), conceived by Africa's leaders.

Prime Minister Jean Chrétien announced that Canada's contribution to the G8 Africa Action Plan would include increased access to Canadian markets for African exporters, action to strengthen trade and investment links between Canada and African countries, resources for good governance, conflict prevention, education, health, agricultural research and water management.

These announcements, including the \$100 million investment fund which is part of the \$500 million Canada Fund for Africa announced in the December 2001 federal Budget, represent a commitment of \$6 billion by the Government of Canada in new and existing resources over five years to Africa's development.

Market overview

Sub-Saharan Africa — all countries in Africa except the five bordering the Mediterranean — is brimming with opportunity. In 2001, Canada's goods exports to Africa were over \$1.5 billion, of which \$690 million went to sub-Saharan Africa — up 14% over the previous year — while Canadian imports totalled \$1 billion, one third of it crude oil. Sales of services make a major contribution to

Canadian exports; in 2000, service exports to sub-Saharan Africa totalled \$630 million. As a market for Canadian goods, sub-Saharan Africa ranked 19th in 2001, between Venezuela and India.

Canadian companies have carried out projects financed by institutions such as the World Bank and the African Development Bank, partnered profitably to supply services to consumers, and sold goods ranging from used clothing and malt to household burglar alarms and car shock absorbers.

Diverse markets

South Africa is Canada's top trading partner in sub-Saharan Africa. In 2001, the largest sectors from Canada — machinery and vehicles — accounted for almost 30% of total Canadian shipments to South Africa. Other growth sectors were: mining and construction equipment; special industry machinery; communications and electronics equipment; surveying; and food products. South Africa has a critical mass of banking and development institutions that provide financing for African-related projects and offers a bridgehead to other markets in sub-Saharan Africa.

Opportunities

There is a great deal of untapped opportunity. African imports of many competitive Canadian products are modest even though African countries often import significant amounts of similar products from Canada's competitors. The pattern of imports from other partners such as France and the U.S. suggests there could be substantial new opportunities for Canadian suppliers in products ranging from specialised petroleum prospecting equipment to pharmaceuticals.

In terms of investment, Canadian investors hold a minimum of 0.06% of the stock of their total investments abroad in the sub-Saharan Africa region. The new fund for African investment will help Canadians to

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Playing with the best Slam dunk for Nik Design Inc.

In 2002, the Naismith Memorial Basketball Hall of Fame in Springfield, Massachusetts underwent \$103 million worth of redevelopment to transform it into a world-class tourist attraction. **Nik Design Inc.**, out of Edmundston, New Brunswick, was an important player in the project.

Big score for Nik Design Inc.

The new 100,000 square foot facility features sporting good shops, restaurants, and a 35,000 square foot three-level museum complete with an 80-foot three-level sphere-shaped atrium hosting interactive displays, a 200 seat viewing theatre, and a full-size basketball court. Suspended from the sphere's 80-foot ceiling is the showstopper — an 18,000 pound state-of-the-art interactive scoreboard complete with running times, scores, and full multimedia capability, constructed in the shop of Nik Design Inc.

"It's a really exciting project," says Tim Shaw, President of Nik Design Inc., who oversaw the construction of the scoreboard. The scoreboard serves as the focal point of the museum, displaying video footage of basketball's greatest moments, biographical sketches of players and it provides lighting and sound for several theatrical productions which highlight various aspects of the game.

"The scoreboard is a crucial part of the museum. We couldn't entrust it to just anyone," explains Raphael Guadalupe, design director for Scenic Technologies Inc. of New York and Project Director for the museum portion of the project. "I was impressed from the beginning with Tim Shaw's ideas and his company's abilities. They've really come through."

Putting the pieces together

According to Shaw, it was a little bit

of luck and the Government of Canada that brought him and Guadalupe together last year. At that time, Shaw had recently returned from Boston as part of Atlantic Canada Opportunities Agency's (ACOA) Export Partnering Program trade mission. One of his pre-arranged meetings with a local scoreboard manufacturer's representative gave him a heads up about the project. He immediately got in touch with Guadalupe and soon was brought on as part of the development team.



Tim Shaw, President of Nik Design Inc., under the Naismith Memorial Basketball Hall of Fame scoreboard in Springfield, Massachusetts.

With a joint investment by the participating companies, the initial trip was coordinated by Industry Canada and the Canadian Consulate General in Boston. Prior to the trip, ACOA set up export training and University students from the University of Moncton conducted market research to identify potential customers in New England.

"Initially, I did not want to pursue some of the leads because they were competitors," explains Shaw. "As it turned out, by meeting the competition, we learned that we had a niche product and that they would be happy to sell our product where theirs would not fit. The contract with the Basketball Hall of Fame is a direct result of the referral by the Consulate and we are still doing business with the competition," says Shaw.

Experience at work

Shaw was involved with the fine-tuning of specification and design. His own team of 8 employees in Edmundston worked with specialists from **A-1 Techno Signs**, a local company with which he had partnered with several times in the past. A-1 constructed the box that houses the technology.

"Our previous experience in custom projects of this nature gave me the confidence that we had the know-how here to do the job," says Shaw.

Advice

"I recommend that exporters look to the Export Development Corporation and the Trade Commissioner Service." Says Shaw, "EDC was a big help in securing our line of credit and was crucial for insurance. Based on previous exporting experience in the U.S., I would also make sure that you take into account the exchange rate, especially over long-term projects."

Appropriately Canadian

"Canada is very much a part of this scoreboard," says Guadalupe. "I think Dr. Naismith would approve." Dr. James Naismith, the man credited with the invention of the game of basketball, was born in 1861 in Almonte, Ontario and created the game while studying in Springfield, Massachusetts.

With Nik Design Inc., the Canadian connection in basketball has once again come full circle.

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