

Levelling the playing field

## Fighting corruption with fair trade

Corruption, which imposes a heavy burden on fair trading in international business, has become a "commodity" in global trade and distorts the terms of that trade. It is simply a "hidden tax" on trade, as the Carter Center and PricewaterhouseCoopers reported in a joint study. Canadian exporters have long complained about being disadvantaged overseas by unscrupulous rivals from competing countries who use bribery as a marketing tool. The good news is that the playing field is slowly being levelled.

### Taking on corruption internationally...

In 1999, an Organisation for Economic Cooperation and Development (OECD) convention prohibiting the bribery of foreign public officials came into force. This convention now binds all 30 OECD countries along with five non-OECD nations (Argentina, Brazil, Chile, Bulgaria and Slovenia) which voluntarily agreed to be equally bound. Canada's ratification of that convention came through a brand new statute—the *Corruption of Foreign Public Officials Act*—which makes such corruption a criminal offence in Canada. That Canadian ratification also took the number of ratifying countries over the stipulated hurdle, and thus brought the convention into effect. Since then, the convention has been ratified and implemented by virtually all the remaining countries.

In 2000, Canada ratified its earlier signature of the Organization of American States (OAS) Inter-American Convention Against Corruption, a powerful treaty which requires 28 countries in the Americas to create, maintain

and strengthen vigorous standards of anti-corruption and public integrity. A follow-up mechanism to evaluate the implementation of the convention has also been established.

The OECD and OAS conventions are significant steps in the international anti-corruption movement. The UN is well advanced in developing a world-wide anti-corruption convention—quite an extraordinary step in its 60-year history. More stringent measures can be expected in future, reflecting the growing international intolerance of the corruption plague.

### ...and at home

While Canadian exporters should cheer that the international trade playing field is being levelled, they also have important roles to play in that levelling process. Before one can demand others to be compliant with the new conventions, one must be compliant oneself. Canadian exporters will need to be more vigilant of the actions of their employees (especially their agents) in the pursuit

of international business. A criminal conviction under the new Canadian law would be a calamity of unthinkable proportions for any company's future; even a prosecution or allegation would impose a heavy toll on the corporate reputation of the exporter.

A second—but equally important—role for Canadian exporters is to bring complaints of corruption practised by competitors from OECD or OAS countries to Canadian authorities so that diplomatic intervention can be considered. While direct sanctions may not necessarily result, the "noise" generated by such complaints will be a deterrent to bribe-givers as well as bribe-takers.

Also, internal management due diligence measures by exporters—like the training of employees and agents as well as enforcement—are essential. Such measures will not be lost on third parties, the other players in the marketplace. Awareness and acceptance of the changing international anti-corruption regime will be enhanced and that is key to levelling the playing field. ✪

*Contributed by P. K. Pal, Corporate Governance Counsellor to the law firm, Flavell Kubrick LLP, in Ottawa, and a Board Director of the Canadian chapter of Transparency International.*

## Canadian lobster — continued from page 5

The all-Canadian lobster festival ran from May 12 to June 15, 2003, at nine of the Frères Blanc's Parisian establishments (Charlot, Le Petit Zinc, Le Procope, Brasserie Lorraine, Fermette Marbeuf, L'Appart, L'Alsace, Le Grand Café and Au Pied de Cochon). More than 700 tonnes of fresh Canadian lobster are sent to France each year. Last year, these nine first-class restaurants went through more than 10 tonnes during Canadian lobster month—a sign that such high profile events continue to be a wonderful way to promote Canada's high-quality products.

The partners joining forces with the Frères Blanc were Air Canada, Air Canada Vacations, Agriculture and Agri-Food Canada (AAFC), the Canadian Tourism Commission, the Fairmont Hotel chain and the Canadian Embassy in Paris.

**For more information**, contact Lucie Tremblay, Trade Commissioner, Canadian Embassy in Paris, tel.: (011-33) 1-44-43-23-70, fax: (011-33) 1-44-43-29-98, e-mail: [lucie.tremblay@dfait-maeci.gc.ca](mailto:lucie.tremblay@dfait-maeci.gc.ca), Web site: [www.amb-canada.fr/](http://www.amb-canada.fr/). ✪

## Saudi HealthCare 2003

**JEDDAH, SAUDI ARABIA** — September 28-October 2, 2003 — **Saudi HealthCare 2003** is Saudi Arabia's international medical, insurance, dental, pharmaceutical, scientific equipment and labware exhibition and symposium and will be held concurrently with **Saudi Hospital**, the country's premier international event for non-medical hospital infrastructure, supplies and furnishings. The Canadian Embassy in Riyadh, in partnership with the Association of Ontario Medical

Manufacturers and Ontario Exports Inc., is participating in this event.

**For more information**, contact Rasha Serry, Commercial Officer, Canadian Embassy in Riyadh, e-mail: [rasha.serry@dfait-maeci.gc.ca](mailto:rasha.serry@dfait-maeci.gc.ca). Financial assistance may be available through DFAIT's Program for Export Market Development (PEMD) for some of the participation cost.

**For more information** on PEMD, go to [www.infoexport.gc.ca/pemd/menu-e.asp](http://www.infoexport.gc.ca/pemd/menu-e.asp). ✪

### Invitation to ANUGA 2003

## World's biggest agri-food show

**COLOGNE, GERMANY** — October 11-15, 2003 — Canadian firms looking to explore opportunities in the agri-food sector should consider participating in the Canadian pavilion at **ANUGA 2003**. In 2001, over 188,000 buyers from 147 countries visited ANUGA.

Agriculture and Agri-Food Canada will organize and manage the Canadian presence at ANUGA 2003. Exhibitors will benefit from a package of high-quality services featuring telecommunications facilities, meeting rooms, market information and intelligence and on-site trade promotion support.

**For more information**, and to join the Canadian pavilion, contact Brian Bonner, International Affairs Officer, Agriculture and Agri-Food Canada, tel.: (613) 759-7642, fax: (613) 759-7506, e-mail: [bonnerb@agr.gc.ca](mailto:bonnerb@agr.gc.ca), registration Web site: <http://ats.agr.ca/events/e3419.htm> or [www.anuga.com](http://www.anuga.com). ✪

## Kazakhstan oil and gas

**ALMATY, KAZAKHSTAN** — October 7-10, 2003 — Inspired by last year's success, the Canadian Embassy in Almaty is planning for a larger Canadian stand at **KIOGE 2003**, the Kazakhstan International Oil and Gas Exposition.

Kazakhstan's oil and gas sector presents significant opportunities for Canadian companies involved in oil extraction, processing, transportation and storage. Due to the specifics of the oil-bearing formations in Kazakhstan (high depth, pressure, sulphur content), Canadian companies with drilling and processing technologies would find

good business opportunities there. Good prospects also exist for Canadian companies producing oil and gas field equipment and machinery, such as drilling and wellhead equipment, Christmas trees, valves, pumps, fishing tools and compressors, as well as for those providing geophysical and engineering services. Space is limited on a first-come, first-served basis. Companies unable to attend can display their promotional material at the Canadian stand.

**For more information**, contact Michael Reshityk, Trade Commissioner, Eastern Europe Division, DFAIT, tel.:

## Healthy mission to Italy

**BOLOGNA, ITALY** — September 11-14, 2003 — For the second year, the Canadian Consulate General in Milan is organizing a mission of Canadian manufacturers of nutraceuticals, herbal remedies, food integrators and vitamins to **SANA**, the 15th international exhibition of natural products, nutrition, health and environment.

Canadian companies participating in the mission will be able to display their promotional material and products at the Canadian stand, and meet Italian and international exhibitors and visitors.

**For more information**, contact Sandra Marchesi, Business Development Officer, Canadian Consulate General in Milan, tel.: (011-39-02) 6758-3351, fax: (011-39-02) 6758-3900, e-mail: [sandra.marchesi@dfait-maeci.gc.ca](mailto:sandra.marchesi@dfait-maeci.gc.ca), Web site: [www.canada.it](http://www.canada.it) or [www.sana.it](http://www.sana.it). ✪

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For a market overview, see the unabridged version at [www.dfait-maeci.gc.ca/canadexport](http://www.dfait-maeci.gc.ca/canadexport) under "Trade Fairs and Missions."