

BRIGHTER DAYS FOR TRADE

Canadians find risks and rewards in African trade and investment.

Seeing the light isn't always easy. But it's getting much simpler, cleaner and safer for people in the most remote areas of Africa through the products of Canada's Glenergy Inc.

The small Pembroke, Ontario, company specializes in solar-powered lighting products, such as a reading lamp called the Edulight that is charged during the day to provide six hours of light each night. Glenergy president Glen MacGillivray says the lights have a long life, reduce eye strain, accidents and harmful environmental effects that can result from using candles and oil lamps, and are

"perfect for a place where there's a shortage of electricity and an abundance of sunshine." Africa would appear to fit the bill: Glenergy has shipped Edulights to Ghana, Kenya, Nigeria and South Africa, with plans to expand into more markets and other types of solar lighting in the coming months.

Glenergy's business with Africa is typical of the innovation and expertise that Canadians are bringing to the continent in the engineering, telecom and medical fields, among others. But technology is just one facet of Canada's trade with a market that presents both challenges and vast, unexplored potential.

Canada sold \$1.3 billion in goods such as cereals and machinery to African countries in 2003. In turn, we bought \$4.2 billion worth of goods, mostly commodities such as hydrocarbon fuels, fruit and cocoa. In the late 1990s, it was estimated that more than 50 percent of African mining ventures included Canadian participation, making Canada the largest non-African investor on the continent.

Despite burgeoning reforms and high returns on foreign investment, Africa remains economically marginalized. Home to some 13 percent of the world's people, the continent is involved in about 2 percent of global trade and 1 percent of investment.

"The problems of investing in Africa are myriad and well known," Ibrahim Gambari, the UN Under-Secretary-General and Special Adviser on Africa, told a recent conference in Montreal. The infrastructure essential for business is often less than desirable,

he said, while the legal framework, financial services, capital markets and public sector cooperation found in more developed regions of the world are not always there.

Glen MacGillivray agrees. "Doing business in Africa is never, ever easy," he says, with challenges ranging from cultural differences in managing relationships to requests for unconventional payments that "sometimes force you outside your comfort zone."

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Helping Canadian firms navigate the challenging but promising business climate in Africa is at the root of Canada's trade strategy with Africa, which links trade goals to longer-term foreign policy objectives aimed at helping Africans reduce poverty and become larger players in the global economy.

Canada's commitment to helping Canadians do business with Africa is a two-way street. Last year, for example, Canada eliminated tariffs and quotas on almost all imports from the 48 countries the UN calls "least developed countries" (LDCs), 34 of which are in Africa. This makes Canada's market access provisions among the most generous in the world.

The Canada Fund for Africa is also providing support for a series of initiatives designed to help Africa



Making machine parts in Ghana: attracting public and private investment is key for trade.