

## Canadian Embassy in France investment forum

**The Forum for French Investment in Canada** was established in January 1998 by the Investment Section of the Canadian Embassy in France. Every year, Canadian and French stakeholders involved in promoting French investment in Canada gather to track French investment flows to Canada, with a focus on small and medium-sized enterprises (SMEs). These stakeholders also exchange information to better coordinate promotional activities and provide services to French SMEs that will assist them in setting up in Canada.

Speakers at this year's Forum were Jacques Simoneau, Vice-President of the Fonds de solidarité FTZ, and René Parent, Europe Director of Investissement Québec in Paris. The theme of the Forum was "The Development of Venture Capital in Quebec."

The Forum was held in late September in Paris at the Banque de développement des PME (BDPME)—a large French institution that issues bank loans and guarantees. The occasion also marked the first anniversary of the signing of the memorandum of understanding (MOU) between the Canadian Embassy in France and the BDPME.

This year, the MOU gave rise to various promotional activities, forums and round tables in various regions of France (Limoges, Nantes, Paris, Lille and Evry) on the establishment of French companies in Canada. These meetings attracted over 250 participants and generated numerous investment prospects for French SMEs.

### Investment overview

In 2002, France ranked as Canada's second-largest foreign direct investor for the third year in a row (after the United States), and the top European

investor (ahead of the United Kingdom), with holdings amounting to over 9% of the stock of total foreign direct investment in Canada. Overall, French investment in Canada has grown nearly eightfold in 10 years to \$32.2 billion. The stock of Canadian direct investment in France is also significant, totalling almost \$4.5 billion in 2002, placing France seventh in the ranking of Canadian direct investment in Europe.

Several Canada-France transactions were carried out in 2003, the most significant being the acquisition of Pechiney by **Alcan**, valued at approximately \$6 billion.

**For more information**, contact the Canadian Embassy in France, tel.: **(011-33-1) 44-43-29-00**, fax: **(011-33) 44-43-29-98**, e-mail: **paris-td@dfait-maeci.gc.ca**, Web site: **www.dfait-maeci.gc.ca/paris**.\*

## Spanish frozen seafood show quite the catch

Fishing is a traditional occupation in the Spanish city of Vigo, which remains Europe's leading port of entry for fish and seafood. This year, Vigo hosted **Conxemar**, the world's second-largest frozen seafood products show. Some 380 exhibitors took part, with nearly one third coming from 29 countries. Some 16,500 Spanish specialists attended the show, as did approximately 40 experts from countries such as China, South Africa and Indonesia. Of course, Canadian fish and seafood exporters could not miss out on such a large-scale event; six companies participated in the Canadian stand.

In Spain, as in the rest of Europe, consumption of frozen fish and seafood is growing rapidly. In 2002, there was a 13% increase totalling

some \$650 million. The industry's main customers are the hotel and catering sectors.

### Canadian successes in Spain

Danny Dumaresque, owner of **Blanc Sablon Seafood**, opened an office in Madrid and set up a distribution network in Spain's stores and food services sector. He is currently looking into the possibility of introducing new Canadian products into the market such as mussels, snow crab and processed lobster.

**Clearwater**, represented by Aurélie Bennehard and Maria Bueno, is busy setting up a seafood distribution network and is currently negotiating with two large distributors. The company intends to launch a promotional campaign in Spain in 2004 targeting top-quality food services.

Richard Walsh, representing **Gold Seal**, sold over one million pounds of wild salmon at Conxemar. Eighty percent of the wild salmon exported to Europe goes to Spanish and Italian consumers.

Steve Coble of **Breakers Fish Company** sold approximately one quarter of a million pounds of salmon. His participation in Conxemar proved very profitable and new distribution contracts were signed.

Next year's Conxemar should no doubt yield even greater results for Canada's seafood exporters. **For more information**, contact Marc Lionel Gagnon, Commercial Officer, Canadian Embassy in Spain, tel: **(011-34-91) 423-3228**, fax: **(011-34-91) 423-3252**, e-mail: **marc.l.gagnon@dfait-maeci.gc.ca**; Web site: **www.canada-es.org**.\*

## U.S. housing market — continued from page 1

system, with all the separate parts working together as a whole. Lange-Con designs and manufactures entire houses from its headquarters in Kelowna, B.C.

Lange-Con's sales are almost exclusively to the U.S., with Washington state as its biggest market. The company has hired local sales representatives in the Washington, California and Oregon markets—a move that has been a key factor in its success.

To accommodate differences between the U.S. and Canadian housing markets, Lange-Con has elected to manufacture its panels free of insulation and wiring. This is helpful to the company's U.S. clients when it comes time for building inspection.

### Border challenges

The border can be a significant challenge for Canadian companies—particularly those in lumber and wood-related industries. Softwood lumber tariffs of 27% on all raw lumber entering the U.S. have taken their toll on exporters over the past few years. Imposed as a countervailing duty by the U.S. government in 2001, these tariffs force up the price of Canadian goods in relation to their U.S. counterparts.

To deal with this situation, Lange-Con rethought its strategy. While countervailing duties on softwood lumber apply to all raw lumber being exported, value-added goods like manufactured products are exempt from such duties. By manufacturing the wood panels in Canada and shipping the finished product, Lange-Con has managed to avoid these tariffs, thereby lowering the cost of its product for U.S. builders and home buyers and increasing the company's flexibility in its key export market.

Despite the recent economic slowdown in the U.S., the housing market remains relatively strong.

Immigration influxes and low interest rates have combined to strengthen the market for housing starts, while the growing popularity of do-it-yourself projects has fuelled a strong economy in the remodelling and



renovation sector. New housing starts are expected to remain constant and renovations are on the rise.

The demand for housing products such as cabinets, doors and windows has grown, as well as the market for mouldings and engineered wood products. Because Lange-Con sells not only the external panels but also the interior finishings, it has found

a niche in the market for add-ons and renovations.

Opportunities for prefabricated and panellized housing have grown substantially as well—an area in which Lange-Con has capitalized successfully. In 1997, Lange-Con completed a total of 15 houses in the Washington area. Since then, the company has increased its sales nearly sixfold, shipping one or two homes from its factory each day.

Lange-Con's experience suggests that, with the right blend of creativity, thorough planning and sound management, the outlook for Canadian companies is much brighter than it initially appears. There are challenges in the U.S. market, like any, that have to be met, but success is possible for companies that are willing to accept these challenges as they venture into new markets.

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## Mission to Central America

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On the program at **Central America Circuit 2004** is: a customized agenda of matchmaking meetings with local contacts in each country; networking events; seminars featuring Canadian products, services and technologies; expert advice on doing business locally; a visit to Panama's Colón Free Zone, the largest in the Western Hemisphere; and representation in the Canadian pavilion at EXPOCOMER.

With a combined population of 30 million people, Central America represents an import market of \$1.3 billion and growing. Through privileged relationships such as the new free trade agreement with Costa Rica, the "Most Favoured Nation" relationship with Panama, and a free

trade agreement in the works with El Salvador, Guatemala, Honduras and Nicaragua, Canada's trade relationship with Central America is set to take off in the next 5 to 10 years.

This mission is being organized by the Department of Foreign Affairs and International Trade (DFAIT), in partnership with Agriculture and Agri-Food Canada, the Ministry of Regional Economic Development of Quebec, Export Development Canada and Industry Canada. **For more information**, contact Carlos Rojas-Arbulú, Trade Commissioner, DFAIT, tel.: **(613) 996-6129**, e-mail: **carlos.rojas-arbulu@dfait-maeci.gc.ca**, Web site: **www.infoexport.gc.ca/pa**.\*