

CanadaExpo



ASCO to invest in Montréal

Smooth takeoff from Farnborough

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International Trade Minister Pierre Pettigrew took advantage of his visit to the **Farnborough Air Show (FIAS)** in England to meet with Belgian company ASCO Industries — a future investor in the Canadian aerospace industry.



In front of the Canada Chalet in Farnborough (from left to right): Emile Boas, Administrator, ASCO Industries; Robert Bertrand, M.P. for Pontiac, Gatineau, Labelle; Christian Boas, CEO of ASCO; Minister Pettigrew; Roger Boas, President of ASCO; and Paul Desbiens, Counsellor (Commercial/Economic), Canadian Embassy in Brussels

FIAS was the ideal venue for Minister Pettigrew to promote Canada as an excellent place to do business. Canada's recent solid economic performance and sound fiscal management was highlighted by Minister Pettigrew who also praised the rapidly expanding Canadian aerospace industry.

*continued on page 11 —
Farnborough*

Opportunity for Canadian exporters

Trade mission to sub-Saharan Africa gets set

At the June summit in Kananaskis, Alberta, the G8 countries committed themselves to the Africa Action Plan in support of the New Partnership for Africa's Development (NEPAD). Under the Africa Action Plan, each G8

country will take steps to establish enhanced partnerships with African countries committed to implementing NEPAD.

continued on page 2 — Opportunity

Supplement
CANADIAN TRADE REVIEW
(see insert)

SUB-SAHARAN
AFRICA

Opportunity in Africa

— continued from page 1

At the Summit, Prime Minister Chrétien announced Canadian initiatives under the Africa Action Plan to ease access to Canadian markets for African exporters and to strengthen trade and investment links between Canada and African countries.

One of Canada's initiatives is a trade mission to sub-Saharan Africa (SSA). To fulfill this commitment, International Trade Minister Pierre Pettigrew is inviting Canadian com-

panies to participate in a **multi-sectoral trade and investment mission** he will lead to South Africa, Nigeria, and Senegal from **November 15 to 26, 2002**, to promote business relationships between Canadian companies and African partners.

African opportunity

In 2001, Canadian goods exports to sub-Saharan Africa were \$690 million and sales of services to the region in 2000 totalled approximately \$630 million. "Sub-Saharan Africa offers significant opportunities for Canadian companies in a number of sectors from communications equipment to food products," said Minister Pettigrew. "By matching our products, services, and capabilities to Africa's needs we can develop strong trade and investment partnerships with the sub-Saharan region."

South Africa

South Africa accounted for 27% of Canada's exports to SSA in 2001 and has been among the top markets in the world in recent years for Canadian products ranging from mining and instrumentation equipment to agricultural products.

Some of Canada's larger aerospace and defence players have had great success selling to and partnering with South African companies. The recently held Africa Aerospace and Defence Show had twice the number of delegations, bigger floor space and an additional day as compared to previous years. Canadian companies in this sector operating in South Africa

have also had notable success in selling to other countries in Africa.

The power sector is driven by the increasing need for electricity generation, especially to electrify communities that have previously not had access to electricity. This factor, coupled with a move away from a labour-intensive, structured economy, has given rise to electricity output programmes that will benefit all companies oriented towards low-cost energy supply, environmental awareness and supply reliability. South Africa is trying to move away from its reliance on coal-generated electricity.

South Africa's program to provide water and sanitation facilities and services to 12,000 to 15,000 underserved communities offers immediate opportunities for Canadian companies through partnerships with local private-sector partners.

The ICT sector in South Africa is undergoing a growth phase at present, both in terms of the introduction of new operators and new technologies. Networking has shown to be the principal area of growth in the market and Canadian companies with expertise in this area will find opportunities. This applies to suppliers of equipment as well as to service providers.

Nigeria

With its 110 million people, vast oil reserves, increasingly democratic polity, and its strengthening economy, Nigeria is taking its place as an engine of growth for West Africa. Canadian sales of communications equipment, special plastic products, machinery, pre-fab buildings, fish products and pharmaceuticals point to further growth opportunities for companies ready to explore this market.

Senegal

Senegal's political stability, improving economic management record and key role in the West African regional

continued on page 15 — Business

Seafood market in Taiwan

It is natural for people who live on an island to be fond of fish and seafood. In Taiwan, you can count on the tradition of Chinese cuisine to serve all sorts of sea products in original ways. And because Taiwan is a high-demand market, there are many exciting market opportunities for Canada — an important producer of fish and seafood.

Market Overview

Taiwan is a large importer of fish and seafood. In 2001, it imported more than \$400 million worth of sea products from many sources, including \$31.8 million from Canada. Last year, Canada ranked as Taiwan's 4th largest supplier of fish and seafood

behind Australia, Thailand and the United States.

Taiwan is also a large producer of fish and seafood. It operates one of the world's largest high sea fishing fleets which is based in the southern port of Kaohsiung and is where many Taiwanese distributors of frozen fish are based. Taiwan is a large exporter of frozen tuna and eel, mostly to Japan and the United States.

Main imports from Canada included fresh farmed Atlantic salmon, frozen Greenland halibut and smelt.

Canada also sold smaller quantities of cold water shrimp, live lobsters, frozen scallops and Pacific salmon.

In 2001, Canada imported \$14.8 million of fish and seafood from Taiwan, mainly frozen Tilapia, squid and prawn.

Taiwan also has a large aquaculture industry, producing about one-fifth of its fish and seafood output. The supply of fish-based feed may also represent interesting opportunities for Canadian suppliers.

Opportunities

Taiwan's recent accession to the WTO has brought a reduction of the tariff applicable on many seafood species, thus increasing market opportunities. An interesting aspect of the Taiwanese market is the popularity enjoyed by some under-utilised species. Canada has taken advantage of this openness to successfully market, among others, products such as arctic surf clam and geoduck.

While the Taiwanese still prefer live or fresh fish and seafood, the faster pace of modern life and the higher proportion of food shopping taking place in modern supermarkets, have resulted in an increased demand for frozen sea products. This pattern represents interesting market opportunities for suppliers located far away from Taiwan.

Taiwanese consumers are very demanding. Given their traditional preference for fresh fish and seafood, any frozen product must be of the highest quality in order to meet local standards. Local importers and distributors are constantly travelling the world and are keenly aware of the difference in quality and price for products available from various suppliers. Taiwanese importers will not hesitate to change suppliers if the quality decreases or the price increases.

For more information, contact Lynne Thomson, Trade Commissioner, Korea and Oceania Division, DFAIT, tel.: (613) 995-8744, fax: (613) 996-1248, e-mail: lynne.thomson@dfait-maeci.gc.ca or Angie So, Commercial Officer, Canadian Trade Office in Taipei, e-mail: angie.so@dfait-maeci.gc.ca ✪

New 2003 directory

Canada-Africa Business and International Trade

The **Canada-Africa Business and International Trade Directory** is a bilingual guide that offers Canadian companies and suppliers the opportunity to promote their products and services in Africa within the context of The New Partnership for Africa's Development (NEPAD).

The Directory will help users to quickly find information about your business, organization, products and services, including name and organization profile, postal address, telephone, e-mail, sectors, target regions or markets.

More than one hundred copies will be distributed in both English and French speaking African countries.

The registration is valid for one

full year and you also receive one free copy.

Activities by sectors include: business, manufacturing, food and agriculture, trade, professional services, construction, public and private enterprises or organizations, medical services, pharmaceuticals, banks and financial services, government services, NGOs and others.

Register now or reserve your advertising spot. Registration deadline: **October 31, 2002**. Publication date: **January 2003**.

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With more than 500 trade professionals in 140 cities around the world, the Canadian Trade Commissioner Service has helped thousands of companies succeed at doing business abroad.

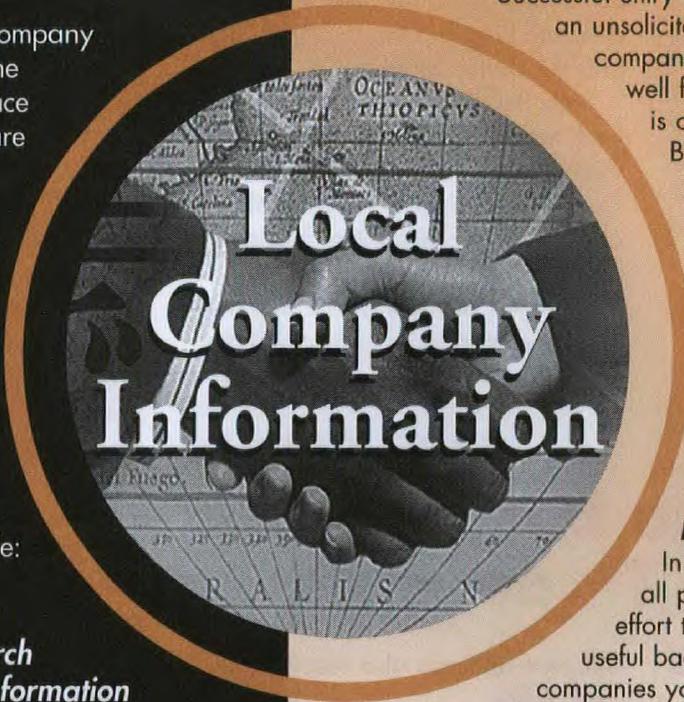
What about you?

Are you a Canadian company that is ready to enter the international marketplace for the first time? Or are you an experienced Canadian exporter seeking to crack new markets abroad? In either case, you are entitled to use, and keep on using, any and all of the following six core services offered free of charge at every one of our offices worldwide:

- Market Prospect
- Key Contacts Search
- Local Company Information
- Visit information
- Face-to-face Briefing
- Troubleshooting

When you contact the Trade Commissioner Service, you are tapping into a global network of professionals. You are also initiating an important partnership on which you can continue to rely as you build your business abroad.

What follows is the third in a series of descriptions of the core services of the Trade Commissioner Service — available to you, the Canadian trader. Access our services on-line at www.infoexport.gc.ca



Who is this foreign company? Ask for *Local Company Information*

When opportunity knocks in international trade, sometimes your first item of business must be to find out who exactly is doing the knocking.

Successful entry into a foreign market often results from an unsolicited export bid or trade lead. But if your company receives such an overture, you may well find that the subject company abroad is one you have never even heard of. Before making a commitment of any sort, you will naturally want to learn as much as possible about your prospective business partner.

Here, the Trade Commissioner Service can help you with a core service known as **Local Company Information**.

How can my company benefit from Local Company Information?

In delivering this service, our officers at all posts abroad make every reasonable effort to provide you with relevant and useful background information on any local companies you identify. The operative words here are "relevant" and "useful".

Our officers will try to give you more than just run-of-the-mill information that you could easily get elsewhere. They will delve into their local data sources and try to come up with the real lowdown on a company — the kind of market information that can help you make good business decisions. However, it is imperative that you conduct your own research first through domestic contacts before contacting the trade officer. In your initial correspondence, you should identify specifically what sort of information you seek and also provide an overview of the information you have already gathered.

What kinds of information can I expect from this service?

Local Company Information may include:

- purchasing and/or investment intentions
- affiliations
- competitive position/market presence

- core product(s)
- marketing strategies
- policies, priorities, plans
- identification of key decision-makers (executives, board of directors)

Can I get information on Canadian companies, too?

No, the Trade Commissioner Service will not divulge information about other Canadian companies in the market, just as it will not divulge information about yours once you are established there. All requests to trade commissioners are strictly confidential.

How much will Local Company Information cost me?

Normally, it's free of charge, like all the other core services. However, you will be responsible for any access fees related to certain

specialized databases. Trade commissioners at post will contact you to obtain your authorization before any costs are incurred.

Will Local Company Information include credit information?

No, the Trade Commissioner Service will not perform a credit check on any local company. However, if you do need credit information, post officers will gladly refer you to reputable credit reporting agencies or associations in the market. They will also let you know if there is a cost associated with the credit check. Alternatively, you may want to contact Export Development Canada which also offers such service at a cost.

Will I always get information on a company I identify?

Sometimes there is just not any information available. Post officers

Access our market studies and our network of professionals at

www.infoexport.gc.ca

will advise you in a timely fashion of any information they have uncovered or the lack thereof. Even that knowledge could be very useful to you in your decision-making.

What information is required of me?

You will need to give post officers the exact name of the local company and any relevant information that could be helpful in making inquiries. For example, were you approached by the company in question, or was the company recommended to you by a third party? You might also indicate whether the officers should be discreet in doing their research — notably, in a case where you have received an unsolicited export opportunity from the local company.

Are you ready to strike a deal with a new foreign business?
Find out first about Local Company Information.

HELPING YOU LEARN FROM EXPERIENCE. OURS.

THE CANADIAN TRADE COMMISSIONER SERVICE

- Market Prospect
- Key Contacts Search
- Local Company Information
- Visit Information
- Face-to-face Briefing
- Troubleshooting



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The U.S. Connection

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Listen and learn

Advice from San Francisco/Silicon Valley experts

Export USA (formerly NEBS) recently launched its Virtual Trade Mission to Silicon Valley and the San Francisco Bay Area. This Web site (www.export-usa-it.ca/) consists of a series of Web interviews that take you to the heart of this key market for Canadian IT exporters to the United States. Each interview is delivered by an experienced business leader from San Francisco/Silicon Valley and gives you an inside look into the critical strategies for getting into this highly competitive marketplace. After you have watched the videos, visit the Web sites of Export USA and the Canadian Trade Offices in San Francisco/Silicon Valley for more information about exporting to this region.



Chris Thompson

Lay of the land

How did San Francisco (Bay Area) and the Silicon Valley become the world leader in technology innovations and business? Watch an interview with Chris Thompson, Vice President of Marketing, Network Associates, to learn about the breakdown of this region. Learn about the unique culture

and business practices that exist in San Francisco/Silicon Valley, how it became a world leader, and why it can be an important market for your company.



Andrew Scoular

Market entry strategies

Why is it so difficult to penetrate the San Francisco/Silicon Valley market? This interview with Andrew Scoular of Technology

Marketing, uncovers the importance of clearly identifying your value proposition, competitive differentiation, and the difference between sales and marketing.



Bill O'Connor

How to get into the network

Why is networking so important in San Francisco/Silicon Valley? View this interview with Bill O'Connor, Founding

Partner, Muse Creative and Consulting, to learn about the significance of networking in this region specifically as it pertains to the hi-tech community, why it is so difficult for foreign firms to

penetrate these networks, and ways in which foreign firms can overcome these hurdles. Finally, learn of some great resources that you can access in order to help you become better networked in this market.

Trade Offices there to help

The San Francisco/Silicon Valley area is especially known for its business savvy and leadership in technology and innovation. Canada currently ranks as California's third-largest trading partner and offers enormous potential for Canadian hi-tech business.

The Canadian Trade Offices in San Francisco/Silicon Valley focus on trade & investment for technology-based industries and public affairs. Clients are Canadian high-tech firms that want to do business with San Francisco Bay Area/Silicon Valley firms and area firms interested in

continued on page 7 — Advice

Export USA Calendar

For information about:

- Trade missions to the U.S.
- Seminars on the U.S. Market

Visit the Export USA Calendar at: www.dfait-maeci.gc.ca/nebs/menu-en.asp

An export primer: The three Cs Confidence

The world of export trade is driven by the 'three Cs': credibility, confidence and contracts. Once you establish your credibility as an exporter, you have laid the foundation for building up the buyer's confidence in your capabilities. And that confidence can translate into some important and tangible benefits. This second installment in our series on the three Cs explains how.

If credibility is the key that opens the door to export opportunities, then buyer confidence is what determines your reception on the other side. The more confident a buyer becomes in you and in the relationship you are building, the more likely that buyer is to incorporate favourable terms into your contract.

As Canada's export contracting agency, the Canadian Commercial Corporation (CCC) has worked since 1946 to strengthen buyer confidence and realize the benefits that result. In those 56 years, CCC has signed more than \$30 billion in export contracts with buyers in over 100 countries.

Smooth sailing

Our first article in this series noted that one of the ways CCC bolsters the credibility of Canadian exporters is by standing behind export contracts, as prime contractor, and offering the buyer a government-backed guarantee

of contract performance. This can be a significant confidence-booster for buyers because it substantially reduces their perceived degree of risk of doing business with your company.

What does this mean to you as an exporter? It means you have a greater chance of incorporating into your contract some of the conditions you require to put in your best performance and to consider the transaction a business success. These might include waivers of performance bonds, the scheduling of advance payments to maintain your cash flow for the duration of the project. It might even be the factor determining whether or not your company will be awarded the contract.

Freedom to focus

Every foreign buyer has different requirements; some depending on the sector they're in, and some depending on the unique conditions of doing

Advice from San Francisco/Silicon Valley experts

— continued from page 6

investing in Canada or working with Canadian partners.

For more information, contact Jocelyn Guimond, ExportUSA Coordinator, United States Business Development Division, tel.: (613) 996-6192, e-mail: jocelyn.guimond

visit the Virtual Trade Mission to Silicon Valley and the San Francisco Bay Area Web site: www.export-usa-it.ca/ or the Canadian Trade Offices in San Francisco/Silicon Valley Web site: www.cdnttrade.com/

Put the power of Canada behind your export sales



The Canadian Commercial Corporation (CCC) is Canada's export contracting agency. CCC specializes in sales to foreign governments and provides special access to the U.S. defence and aerospace markets. Canadian exporters can gain greater access to government and other markets through CCC's contracting expertise and unique government-backed guarantee of contract performance.

CCC provides export contracting services that often result in the waiving of performance bonds, advanced payment arrangements and generally better project terms. CCC can provide access to commercial sources of pre-shipment export financing. When requested, CCC acts as prime contractor for appropriate government-to-government arrangements.

For more information, contact CCC, tel.: (613) 996-0034, toll-free in Canada: (1-800) 748-8191, fax: (613) 995-2121, Web site: www.ccc.ca

business in their particular region of the world. CCC has considerable experience in negotiating and contracting with a vast range of customers internationally. With a knowledgeable partner like CCC, businesses have the freedom to focus on what they do best: manufacturing the product and/or delivering the service.

In our next article, we'll look at the third and final 'C' — Contracts: what to do and what not to do and what might just surprise you about the back-and-forth process of hammering out a deal. Stay tuned!

For more information about how to put the power of Canada behind your export sales, contact CCC at 1-800-748-8191, or visit: www.ccc.ca

Developing markets to lead future export growth

by Stephen S. Poloz, Vice-President and Chief Economist, Export Development Canada

Developing economies almost always grow more quickly than mature economies. It therefore makes sense that Canadian companies would spend their marketing energy trying to capture even a small piece of those rapidly growing markets.

Yet Canada's trade continues to be highly focused on the United States. Fully 83% of our export sales are to the U.S. An even higher percentage of our exports of goods are U.S.-bound, but this is offset a little by our exports of services, which are much more diversified around the world.

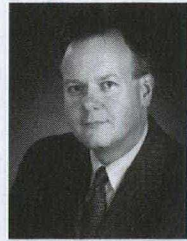
Our concentration on the U.S. is part natural, given that they are right next door; part cultural, due to shared language and a similar business context; part institutional, given our free trade relationship; and part cyclical, since the U.S. has been the leader of global economic growth in recent years, while many developing markets have been faltering.

Emerging markets

Indeed, with developing markets stumbling from one crisis to another since 1997, it is hardly surprising that they buy only about 6% of Canada's total exports — about \$27 billion in 2001, versus over \$400 billion sold to the developed world. Dealing in those markets is perceived to be risky by Canadian exporting companies, who asked EDC to facilitate \$11 billion of their

developing market transactions in 2001, a figure representing one quarter of EDC's total business volume.

Events of the past year have not been kind to emerging markets. Many carry a high debt load, and need a strong world economy to remain afloat, so all have suffered through the global slowdown. Presently, the level of turmoil is greatest in South America, notably Argentina, Venezuela and Brazil.



Stephen S. Poloz,
Vice-President and
Chief Economist,
EDC

But most forecasters are expecting 2003 to see a return to steady growth in the world, with the U.S. playing more the role of follower than leader. This would see growth in Asia, Eastern Europe and, with a longer lag, Latin America move above the global average — a situation that should cause the share of Canada's trade with developing countries to rise.

Canadian exports

Canada's export performance in the last few months has shown a gradual improvement, although at this rate it will take most of 2002 to recover back to the peak level of exports seen in early 2001. For January-June, compared to the same period last year, Canada's exports are still down by 8.5%. Our weakest markets this year include South America, the Middle East, China, Japan and the major European countries.

Our U.S. sales are running at the average, but our stronger markets include Mexico, Central America,

the newly industrialised economies of Hong Kong, Singapore, South Korea, Taiwan and, especially, Eastern Europe. As the world economy heals over the next year, we can expect positive overall growth to return, and developing markets are likely to be among the leaders.

Positive signs

In the longer term, Canada's trade with developing markets is likely to be boosted by four key changes in the global marketplace.

- First, China's accession to the WTO will lead to a steady opening of that market at the consumer level, while promoting continued strong demand for foreign capital goods.
- Second, increased efforts by eastern European countries to align their economies with core Europe will spur foreign investment and growing demand for Canadian capital goods.
- Third, the Free Trade Area of the Americas will foster a significant increase in north-south trade beginning in about two years' time.
- And fourth, efforts to bring Africa back into the global economy through debt relief and targeted trade liberalisation should be the catalyst to increased export sales there.

The bottom line? Canadian exporting companies will always see the U.S. economy as their core market. But growing their business over time will require that they put an increasing share of their marketing effort into the faster-growing developing economies. Although they will always constitute a relatively small proportion of Canada's overall international business, their above-average growth should provide a good source of fuel for Canada's economy. 🌟

Canadian Trade Review

A Quarterly Review of Canada's Trade Performance

Second Quarter 2002

This trade and investment quarterly review reports on Canada's economic growth in the second quarter of 2002, and highlights our trade and investment performance in key sectors and markets.

Continued Economic Growth Fuels Strong Employment Expansion in the Second Quarter

The Canadian economy continued to outpace the U.S. economy and other G7 countries during the second quarter. Canada's real gross domestic product (GDP) increased by a robust 4.3% (on an annualized basis¹) in the second quarter of 2002, whereas U.S. GDP expanded by a more modest 1.1% over the quarter.

Increased business investment, strong consumer spending and the rebuilding of inventory were the main contributors to Canadian economic growth over the quarter. The economic expansion fuelled increased imports, while export growth was hampered by the slow recovery in the United States and elsewhere. Consequently, Canadian exports grew more slowly than imports.

In the first quarter, manufacturing reversed five quarters of decline in this sector, and, in the second quarter, manufacturing has registered continued growth, led by the construction and automotive sectors.

Job creation has continued, with a net increase of 134,000 jobs, and has helped to reduce the average in the unemployment rate to 7.5% from the 7.8% registered last quarter.

¹ To make quarterly data comparable to annual data, the quarterly figures for trade in goods and services are adjusted for seasonality and are expressed at annual rates by raising them four times, i.e. seasonally adjusted annual rates - s.a.a.r. All figures, with the exception of investment figures, are expressed on a s.a.a.r basis, unless otherwise noted.

Table 1: Canada's Economic and Trade Indicators

Percent Change at Annual Rates Second Quarter 2002 over First Quarter 2002	
Real GDP (<i>annualized</i>)	4.3
Employment (<i>quarterly increase, level</i>)	134,000
Rate of Unemployment (<i>quarterly average</i>)	7.5
Consumer Price Index (<i>second quarter 2002 over second quarter 2001</i>)	
All Items	1.3
Core (<i>excludes food and energy</i>)	2.2
Canadian \$ in U.S. funds (<i>quarterly average, level</i>)	0.6432
Exports of Goods and Services (<i>annualized, current dollars</i>)	9.1
Imports of Goods and Services (<i>annualized, current dollars</i>)	12.4

Source: Statistics Canada

The Consumer Price Index (CPI) for all items increased by 1.3% in the second quarter compared to the price level recorded in the same quarter a year earlier, but was slightly down from a 1.5% increase in the previous quarter of this year. The four-quarter increase in the CPI for core items (excluding food and energy) was 2.2%, up from the 2.0% recorded for the previous quarter. Thus, inflation—the rate of change in the CPI—remained comfortably within the Bank of Canada's target range of 1% to 3%. The Canadian dollar appreciated vis-à-vis the U.S. dollar over the second quarter—from US\$0.6271 to US\$0.6432.

Prepared by the Trade and Economic Analysis Division (EET)



Trade and Investment Highlights

Imports Expand Faster than Exports in the Second Quarter

Exports of Canadian goods and services increased by 9.1% in the second quarter, with merchandise exports expanding by 9.6% (See Figure 1 for levels.). However, imports of goods and services increased faster, at 12.4%, with imports of services rising by 12.9%.

As is evident from Figure 2, shipments of energy, autos and industrial goods experienced strong growth, while exports of consumer goods, machinery and agricultural goods declined. Imports of energy, forestry product, and autos experienced notable increases, while agricultural goods was the only sector to experience a quarterly decline in imports.

Merchandise exports expanded to all markets, with the exception of the European Union (EU), where shipments to the United Kingdom experienced a substantial decline. Imports also increased from all major markets. Merchandise imports from the EU registered particularly strong growth, despite a small drop in imports from the United Kingdom. As a result of imports expanding more rapidly than exports, the trade balance deteriorated in the second quarter. Regionally, an improvement in the trade balance with the United States was more than fully offset by declining trade balances with other major markets, in particular with the EU.

Services Trade Deficit Worsens

In the second quarter, overall services exports increased by 5.8%—led by commercial and transport services—while travel services declined. This was, however, offset by a 12.9% increase in services imports—similarly led by commercial and transport services—that widened the services trade deficit by \$282 million to \$7.5 billion. For details by type of services, see Figure 3.

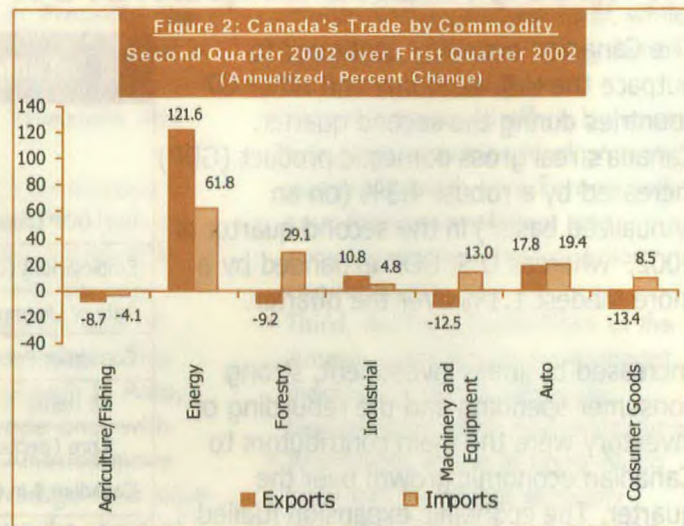
Both Inward and Outward Foreign Direct Investment Decline

The second quarter of 2002 saw a drop in inward Foreign Direct Investment (FDI) to just over half the level recorded in the same quarter in 2001—\$7.9 billion versus \$15.2 billion. The drop in FDI was particularly pronounced in the energy and minerals sector. FDI from the United States and the United Kingdom registered steep declines, whereas FDI from Japan and the EU countries (other than the United Kingdom) registered increases.

Outward Canadian Direct Investment Abroad (CDIA) also registered a substantial decline—to \$8.3 billion in the second quarter of 2002 from \$21.2 billion in the same quarter in 2001. The wood and paper sector was the only sector to register any substantial increase. CDIA to the EU increased, while CDIA to the United States and Other OECD countries recorded considerable contractions.



Source: Statistics Canada



Source: Statistics Canada



Source: Statistics Canada

Canada Adds to Its Official International Reserves

Canada added \$1.5 billion to its official reserves of assets in the first quarter of 2002, compared to a small \$135-million reduction recorded in the same quarter in 2001.

SERVICES SNAPSHOT

Services GDP and Employment

The past decades have seen a broad structural shift toward services in the Canadian economy. The measured contribution of services to Canada's GDP increased to 65.3% in 1997 (the latest year for which this type of data is available) from 55% in 1961, while the corresponding figure for manufacturing fell to 18.9% from 24.1% over the same period. Agriculture, forestry, mining, and other resources-related sectors, which played a significant role in the Canadian economy throughout our history, also experienced similar declines in their relative importance.

The structural shift toward a services-based economy looks even more pronounced, if one looks at the changing employment pattern over time—the share of services in total Canadian employment rose significantly to 74.8% in 2000 from 54.6% in 1961. During much of the 20th Century, manufacturing was the largest employer of all major industrial groups, but its leading position had been surpassed by business services (which include computer, accounting, legal, advertising, architectural and engineering services) by the late 1960s. Further, since 1990, retail and wholesale trade combined have employed more workers than manufacturing.

The transformation of the Canadian economy from a resource- and manufacturing-based economy into a

services-based one has meant many changes in the Canadian labour market. One distinguishing feature of the current structural shift is the importance of knowledge and education for success. Services are, on balance, more knowledge-intensive than other sectors; therefore, they employ proportionately more well-educated workers than other industries. Workers with post-secondary training accounted for 19.7% of total services employment in 1998, compared to an 8.7% share for manufacturing, a 7.1% share for agriculture and a 5.2% share for construction.

The gains in educational attainment have translated into better earnings or higher standards of living for some groups of people, particularly for those in the knowledge-intensive services sectors. Financial, legal, advertising, health care, computer software and engineering services are among the top-paid industries. On average, a full-time worker with some graduate training earns almost two and half times more than a high school graduate or a dropout.

Trade and Investment in Services

The expansion of Canada's international trade and investment in services is an integral part of the broad-based adjustment toward a knowledge-based services economy that is currently under way in Canada. To provide a comprehensive picture of Canada's international transactions in services, the

following overview uses statistics on all four modes of services trade as set out in the General Agreement for Trade in Services (GATS): cross-border trade, consumption abroad, commercial presence and movement of natural persons. This overview establishes that Canada's services trade is already more significant than commonly thought.

Canada's cross-border exports of services totalled \$56.6 billion in 2001 (Consumption by foreigners in Canada amounted to \$16.7 billion, while cross-border exports and services suppliers in foreign countries were responsible for the remaining \$39.9 billion.). At the same time, Canada imported \$65 billion of services (Consumption abroad totalled \$18 billion, while payments for cross-border imports and for foreign services suppliers were \$47 billion.) (See Table 1.).

Over the past decade, Canada's cross-border exports and imports of services have risen at a steady pace. As a share of GDP, Canada's services exports rose to 5.2% in 2001, from 3.4% in 1989-1992 and 4.4% in 1993-1996. Services imports have also expanded faster than GDP; however, the expansion has been more moderate—from 4.9% in 1989-1992 to 5.8% in 1993-1996 and easing to 6.0% in 2001.

The United States remains Canada's principal trading partner in services. Services exports to the United States accounted for 59.2% of Canada's total services exports in 2001 (compared to 85% for goods), up modestly from

Table 1: Canada's Cross-border Trade and Commercial Presence in Services, 1990-2001

	Exports (million)		Annual Growth (%)	Imports (million)		Annual Growth (%)	Balances (million)	
	1990	2001		1990	2001		1990	2001
Total Cross-border Trade	22,381	56,612	8.8	33,018	64,994	6.4	-10,637	-8,382
Travel	7,398	16,682	7.7	12,757	17,998	3.2	-5,359	-1,316
Health-related	68	96	3.2	278	352	2.2	-210	-256
Education-related	769	1,128	3.5	339	818	8.3	430	310
Transportation	4,920	10,523	7.2	6,746	14,209	7.0	-1,826	-3,686
Commercial Services	9,061	27,963	10.8	12,554	32,002	8.9	-3,493	-4,039
Government Services	1,003	1,444	3.4	962	785	-1.8	41	659
Affiliate Sales*	N/A	68,039	N/A	106,311	170,656	4.4		

Source: Statistics Canada, *Canada's International Trade in Services*, Catalogue no. 67-203-XPB, 2002, Colleen Cardillo, *Foreign Affiliate Trade Statistics - 1999 How Goods and Services are Delivered in International Markets*, Statistics Canada Working Paper 11F0027 No. 004, and special data requests from Statistics Canada.

Note: * Affiliate Sales (exports) refer to sales made abroad by foreign affiliates of Canadian firms; the latest available data for this category were collected in 1999. Affiliate sales (imports) refer to sales made by Canadian affiliates of foreign-owned firms in Canada; the latest available data for this category were collected in 1997.

Table 2: Canada's Trade in Commercial Services, 1990-2001

	Exports (\$million)		Annual	Imports (million)		Annual
	1990	2001	Growth (%)	1990	2001	Growth (%)
Commercial Services Total	9,061	27,963	10.8	12,554	32,002	8.9
Communications	1,220	1,870	4.0	1,210	1,977	4.6
Construction	52	299	17.2	35	144	13.7
Insurance	1,957	3,067	4.2	2,238	4,462	6.5
Financial Services	490	2,349	15.3	733	2,568	12.1
Computer and Information	546	2,231	13.7	344	1,367	13.4
Royalty and Licence Fees	173	2,318	26.6	1,941	5,380	9.7
Non-financial Commissions	306	659	7.2	341	589	5.1
Equipment Rentals	197	267	2.8	308	689	7.6
Management	849	3,177	12.7	1,419	4,803	11.7
Advertising	124	303	8.5	211	450	7.1
Research and Development	700	3,234	14.9	483	1,395	10.1
Architectural and Engineering	549	2,589	15.1	439	1,818	13.8
Miscellaneous Business	1,392	3,488	8.7	2,018	4,027	6.5
Audio-visual	348	1,929	16.8	709	2,159	10.7
Personal	157	183	1.4	123	175	3.3

Source: Statistics Canada, *Canada's International Trade in Services*, Catalogue no. 67-203-XPB, 2002

56.1% in 1990; however, the share of U.S. imports in Canada's total services imports dropped to 61.8% from 63.4% over the same period. The share of EU imports declined both as a source and as a destination of Canada's services trade over the 1990-2001 period. On the other hand, the relative importance of other countries in Canada's services trade has increased over the same period.

The commercial services sector has established by far the largest share and the fastest growth in Canada's services trade. In 2001, they accounted for 49.4% of exports of services and 49.2% of imports. Commercial services include many knowledge-intensive sectors. As shown in Table 2, the fastest growth has been recorded in knowledge-intensive commercial services, particularly in royalties and licence fees, audio-visual, financial services, research and development, architectural and engineering, as well as computer and information services.

Nevertheless, during the 1990s, the pace of growth of Canada's cross-border trade in services has lagged behind merchandise trade. Accordingly, the share of services in Canada's goods and services trade fell to 12.0% in 2001 for exports, and to 15.6% for imports, from the recent peaks of 13.6%, and 19.8%, respectively, in 1991.

What has just been described is, however, an incomplete picture of services trade. Due to their very nature (The provision of many services requires that the service provider is proximate to the consumer for practical and regulatory reasons.), many services are delivered through affiliates set up in foreign countries, so that the services can be sold directly to foreign customers; thus, cross-border activity is not required. In 1999, Canada's cross-border exports in services totalled \$53 billion, while sales by foreign affiliates of Canadian services firms amounted to \$124 billion, more than twice the amount of cross-border services exports. With respect to services imports, in 1997, Canadians purchased \$170.7 billion worth of services directly from affiliates of foreign firms established in Canada, more than three times the amount of cross-border services imports (\$52.6 billion) in the same year. This demonstrates that commercial presence is actually, by far, the preferred mode for services trade. Thus, the usual measures of cross-border trade in services from the balance-of-payments' sources vastly underestimates the scope and depth of Canada's services transactions with foreign countries. Further, the dominance of commercial presence in delivery of services abroad underscores the importance of attracting direct investment to develop Canada's

knowledge-based services economy. It also suggests that, unlike tariffs in goods trade, the centrepieces of services trade policy (and certainly the focus in the currently ongoing World Trade Organization services negotiations) are the right to establish foreign affiliates abroad and the assurance of fair treatment to foreign affiliates to enable their smooth operation in foreign countries.

Conclusion

Despite numerous regulatory trade barriers in services in many parts of the world, Canada's services trade has reached a more significant level than commonly thought. Services that are involved in the production and distribution of knowledge-intensive products, in particular, have registered rapid growth in both cross-border trade and affiliate sales.

Trade economists have always argued that, although trade is not expected to have a permanent impact on the level of employment over the longer term—ultimately, it is macroeconomics rather than trade policy that is responsible for maintaining full employment—it will likely have a strong influence on the structure of output and employment. Increased trade in knowledge-intensive services has had, and will continue to have, a significant impact on the structure of the Canadian economy, resulting in faster growth of output and employment in these services sectors, which will help to create many high-paid and high-quality jobs in Canada.

In the coming decades, Canada faces a challenge to maintain and improve its standard of living in an increasingly competitive global environment. Developing Canada's specialization in knowledge-based services and creating many high-paid, high-quality jobs in services is a valid approach to achieve this challenge. Liberalizing services trade and investment is clearly an important policy instrument to achieve this end and is a key objective of negotiations now under way in Geneva, as well as in various regional initiatives involving Canada.

From the ground up Waterloo company digs Japan



When it comes to succeeding as an exporter, John Vogan can't say enough about having a good local partner to expand his business. President of **EnviroMetal Technologies Inc. (ETI)** out of Waterloo, Ontario, John Vogan and his team of six employees signed a jointly exclusive license with Japanese companies, Kurita Water Industries Inc. (KWI), and the Dowa Mining Company Ltd. (DOWA), for the use of ETI's permeable reactive barrier (PRB) technology for the remediation of organic contaminants in groundwater. With ten years of experience and high demand for its technology, ETI is firmly grounded and export-ready.

KWI and Dowa can now provide a unique service to their clients throughout Japan. It is predicted that the potential Japanese environmental market will be in the 13 trillion yen (US\$100 billion) range as Japan progresses towards legislation for the preservation of soil and groundwater.

Unique technology

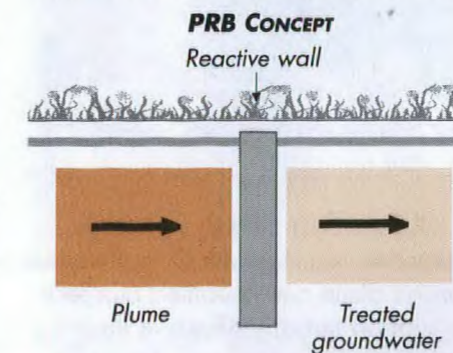
Developed by the University of Waterloo, ETI has the exclusive commercialization rights to this patented process. The EnviroMetal Process destroys dissolved volatile organic compounds (VOCs) in groundwater, including common chlorinated solvents such as tetrachloroethene, trichloroethene, dichloroethenes, vinyl chloride and trichloroethane.

ETI's process uses granular iron placed below-ground such that it intercepts the contaminated groundwater path of a plume. As the plume passes through the granular iron PRB — under natural flow conditions — the VOCs are degraded to non-toxic end products such as ethene, ethane, methane and chloride ions.

World-wide presence

Exports represent close to 100% of ETI's business — most go to the United States — and includes installations across Europe and Australia as well.

ETI's clients include major U.S. government agencies such as the Departments of Defence and Energy, and large industrial clients such as General Electric, Rockwell and E. I. du Pont de Nemours and Company, which have recognized ETI's technology as offering the most cost-effective long-term alternative for the remediation of chlorinated and recalcitrant compounds.



Local contacts crucial

ETI credits a large part of its success in Japan to the Japanese External Trade Organization (JETRO), an organization that offers wide-ranging support for businesses exporting to Japan. JETRO creates export opportunities by providing advice on developing products for the Japanese market and facilitating direct contact between foreign and Japanese companies. JETRO supports export campaigns conducted by devel-

oped countries through organizing trade exhibitions, holding seminars on exporting to Japan and conducting advertising and promotional activities.

After having been interviewed by JETRO staff in Waterloo in November 1999, ETI's technology was selected to be featured at the **New Environmental Exhibition (NEXPO 2000)** in Tokyo. There were over 300 visitors to ETI's booth and over 50 companies expressed serious interest in its technology.

"We could not have done it without JETRO," says Vogan. "They were very helpful. The key for us was to find people who know the market in Japan, people who are connected to local partners. Our agreement with Kurita was a direct result of the work of JETRO. Nurturing these personal relationships was the key to our success in Japan," says Vogan.

Support for ETI also came from the Government of Canada. Explains Vogan, "The Info/Export Web site was a very good resource — especially the sections on IP protection and negotiations in Japan. We also made use of the market support provided by the Canadian Embassy in Tokyo and the Consulate in Osaka."

Things to come

The future does indeed look bright for ETI, which is currently pursuing other national licensing arrangements with firms in Europe and the UK, and other Asian markets. "We feel having a local presence will facilitate the implementation of our technology worldwide," says Vogan. ETI's partnership strategy has been a huge help for this small company — so much so that this strategy will serve as its model for future expansion.

For more information, contact John Vogan, President, ETI, tel.: (519) 746-2204, fax: (519) 746-2209, e-mail: jvogan@eti.ca Web site: www.eti.ca/

Flying high in London

Canadian aerospace success

Canada's impressive aerospace capabilities were showcased for the world's most influential industry leaders at **Farnborough International Air Show (FIAS) 2002**, held in London, England this past July. FIAS is a major event for the aerospace sector, alternating yearly with the **Paris Air Show** as the global marketing event for this industry.

In recognition of the importance of this show for the aerospace and defence industry, Canada pulled out all the stops to showcase our world-class technology and to highlight the many companies that make up the third largest aerospace industry in the world, behind the United States and the European Union.

Aiming high

The goal at FIAS was to position Canada as an industry leader in one of the most high-tech, high-value industries in the economy.

Increasing Canadian aerospace opportunities for global partnerships in research and development, manufacturing, training, and the supply of world-class systems, components and specialised services was central to Canada's presence at FIAS.

Canadian presence

Canada's campaign at FIAS was supported by the visit of three federal Ministers (David Collenette, Minister of Transport; Allan Rock, Minister of Industry; and Pierre Pettigrew, Minister of International Trade), three Members of Parliament (Georges Farrah and Robert Bertrand from Quebec, and Wayne Easter from P.E.I.) and five

provincial Ministers (Jim Flaherty, Attorney General and David Turnbull, Associate Minister of Enterprise, Opportunity and Innovation from Ontario; Pauline Marois, Deputy Premier and Minister of State for the Economy and Finance, and Lucie Papineau, Minister for Industry and Trade from Quebec; and from Newfoundland, Justice Minister and Attorney General, Kelvin Parsons).



Aerial shot of planes at Farnborough 2002

All Canadian officials undertook proactive meetings with Canadian and foreign clients and investment prospects to support industry efforts in their international endeavours. Ministers Collenette, Rock and Pettigrew had full programs both on and off-site and engaged in a multitude of meetings with Canadian and foreign clients as well as with a number of prospective investors.

In addition to the strong government presence, our corporate presence at the show was also significant. Despite the downturn in this sector of the economy, corporations came out in big numbers.

The more than 60 participating Canadian companies — a record number — were either with the Canadian pavilion directly (35), on their own, or were part of their foreign headquarters' stands. Overall, more than 1,200 companies from 35 countries exhibited at the show which attracted close to 150,000 visitors.

EUROPE

Results

The global economic downturn and the lingering effects of the attacks of September 11 have greatly affected the global aviation and aerospace industries. Nonetheless, Canada's presence at FIAS 2002 was stronger than ever.

While there were fewer sales announcements this year than in previous years, Bombardier did sell three CRJ200s, two CRJ700s (with options for two more CRJ200s) and a Learjet 40. Bombardier also launched the six to seven passenger Learjet 40 for service entry in 2004 and an eight passenger Learjet 45 XR for service entry in mid-2003.

World aerospace leader

Canada's success in aerospace owes much to three underlying factors: a highly skilled and motivated workforce; a strong economic background; and a firm commitment to research and development investment.

Over the last decade, aerospace industry sales in Canada doubled, reaching in excess of \$23 billion in 2001 (over 75% of which was exported), and creating 40,000 new jobs. In 2001, Canadian aerospace firms employed approximately 85,000 Canadians in high-quality, above-average paying jobs. Canadian companies are global market leaders in regional aircraft, business jets, commercial helicopters, small gas

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World Education Market Top marks in Portugal

A group of 20 Canadian education and training technology companies and institutions participated in the Canada Pavilion at the **World Education Market (WEM)**, held in Lisbon, Portugal from May 21-24, 2002.

WEM attracted more than 2,000 participants from 70 countries, including senior executives and government officials, international agencies, school systems, training and content providers, publishers, television and video producers, satellite, telecommunications and cable companies and the computer software and hardware industries.

The Department of Foreign Affairs and International Trade (DFAIT) coordinated an interdepartmental working group with Industry Canada and Canadian Heritage to organise the Canada Pavilion at WEM.

The 20 exhibitors were an excellent mix of universities and colleges, national education associations and private sector companies. These exhibitors represented a wide range of on-line educational products and services

including e-learning solutions, innovative on-line curriculum, multimedia, learning content management systems and teacher training directed at clients in the educational, corporate and government sectors.



The Canada Pavilion at WEM in Lisbon, Portugal

Robert Vanderloo, Canada's former Ambassador to Portugal, hosted two networking receptions to facilitate contacts between the Canadian exhibitors and Portuguese universities and IT companies.

Canada Pavilion effective

The Canada Pavilion at WEM accomplished what it set out to achieve: brand Canada as a leading supplier of world-class education and training by providing a highly visible, unified Canadian presence. The Pavilion

provided considerable opportunities for Canadian exhibitors to network with potential foreign buyers/partners, and served to build a solid "Education Team Canada" spirit by enabling Canadian firms and institutions to liaise among themselves and form new alliances and potential trading partnerships.

WEM also generated interest among exhibitors in working with the federal government to ensure a strong Canadian presence at future education and training trade shows and other events.

Positive results

Many exhibitors reported that they are currently following up on potential contracts, export licensing and distribution agreements, and direct sales as a result of their participation in the Pavilion. As

continued on page 15 — Portugal

Farnborough

— continued from page 1

ASCO says it is delighted by the very warm reception it has received so far from all levels of government in Canada, along with the valuable information and support from the Trade Section at the Canadian Embassy in Brussels. ASCO is enthusiastic about opening a Canadian production site, which would create opportunities for expansion into North American and international markets.

With an 85% share of the world market in metal aerospace components for specialized applications, ASCO estimates that it will invest some \$50 million in the Montréal area, creating approximately 100 jobs. Bombardier is already a major client.

For more information on this project, contact Paul Desbiens, Counsellor (Commercial/Economic), Canadian Embassy in Brussels, tel.: (011-32-2) 741-0622, fax: (011-32-2) 741-0606, e-mail: paul.desbiens@dfait-maeci.gc.ca

Canadian aerospace success

— continued from page 10

turbine engines, flight simulation, landing gear, and space applications.

Future of aerospace

Farnborough International proved to be an excellent venue to position Canada as a world-leading provider of aerospace solutions and is a perfect example of the power of a Virtual Trade Team Canada working collaboratively towards a common goal.

Farnborough International 2004 will be held from **July 19 to 25, 2004**, in London.

For more information, contact Sylvia Cesaratto, First Secretary, Canadian High Commission, London, tel.: (011-44-20) 7258-6600, e-mail: sylvia.cesaratto@dfait-maeci.gc.ca Web site: www.farnborough.com

Trade Shows in China

If you are interested in doing business in China, the following is a list of trade shows where Canada will have a booth (the first part of the list was published in the previous issue). For more information, contact DFAIT's China Division, tel.: (613) 996-0905, or e-mail: pcm@dfait-maeci.gc.ca

AGRICULTURE

BEIJING — March 4-6, 2003 — **Food & Hotel Beijing China 2003**, tel.: (011-8621) 6209-5209, fax: (011-8621) 6209-5210, e-mail: fhc@chinamontnet.com Web site: www.chinamontnet.com or www.fhcchina.com

HONG KONG — May 6-9, 2003 — **10th Asian International Exhibition of Hospitality Equipment, Supplies & Technology, Food & Drink (HOFEX)**, contact Kitty Ko, Commercial Officer, Canadian Consulate General in Hong Kong, e-mail:

kitty.ko@dfait-maeci.gc.ca Web site: www.hofex.com

BUILDING PRODUCTS



SHANGHAI — February 25-28, 2003 — **5th International Forestry & Woodworking Machinery and Supplies Exhibition**, Web site: www.montnet.com/ and click on "Woodworking and Forestry", then "WoodMac China 2003".

INFORMATION TECHNOLOGY

HONG KONG — February 20-23, 2003 — **Hong Kong Information Infrastructure Expo 2003**, contact Brian Wong, Commercial

Officer, Canadian Consulate General in Hong Kong, e-mail: brian.wong@dfait-maeci.gc.ca Web site: www.tdctrade.com To register, contact the Hong Kong Trade Development Council, fax: (011-852) 2824-0249, e-mail: hktcdc@tdc.org.hk

CHENGDU — March 27-29, 2003 — **China International Software Conference & Software Cooperative Opportunities** (One-on-One Meetings), tel.: (011-86-28) 8335-2386; (011-86-28) 8339-6965, fax: (011-86-28) 8335-2386, (011-86-28) 8332-6884, Web site: www.ccpit-sichuan.org/English_version/index/index.htm

YUNNAN — March 2003 — **InfoCom China II**, contact: Peter Liao, Senior Commercial Officer, Canadian Consulate, Chongqing, tel.: (011-86-23) 6373-8007 ext. 3351, fax: (011-86-23) 6373-8026, e-mail: peter.liao@dfait-maeci.gc.ca *

review and approve various government subsidized training programs — as well as by the schools that will be sending the teachers who will be participating. CQEC allocated \$40,000 from its own budget to supplement this training program.

For more information, contact Peter Liao, Senior Commercial Officer, Canadian Consulate in Chongqing, tel.: (011-86-23) 6373-8007, fax: (011-86-23) 6373-8026, e-mail: peter.liao@dfait-maeci.gc.ca *

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Teachers teaching teachers

British Columbia welcomes Chinese educators

On July 4, 2002, Chongqing's Bao Xuding, Mayor of the world's largest city (32 million), witnessed the signing of an English teacher training agreement between the Chongqing Education Commission (CQEC) and the University College of the Cariboo (UCC), valued at \$290,000.

Thirty-nine English teachers selected from the city's 35 key primary and high schools will join 40 primary and high school teachers from Beijing, Hebei and Hainan for intensive study in the mountains of BC's interior.

China is determined to upgrade the qualifications of its primary and high school English teachers. This training opportunity, financed by the

Chinese Government's Western Development Strategy (WDS), is regarded as fundamental to future economic success of the Western provinces. UCC will deliver this six-month training program this fall at its Kamloops campus.

This training program is co-funded by China's State Foreign Experts Administration — a Chinese government agency with the authority to

Asian Development Bank

Business opportunities seminars in Canada

WINNIPEG, REGINA, EDMONTON, VANCOUVER — October 31-November 13, 2002 — The Asian Development Bank (AsDB) will be conducting a series of seminars across Canada. Don't miss this chance to learn about how to successfully track and bid for AsDB-funded business opportunities in the Asia Pacific region.

In each city there will be a two-day session. The first morning will allow you to learn about the Bank's evolving role, and find out how and where to obtain key information in order to pursue specific opportunities. In the afternoon, there will be two parallel workshops, one dedicated to describing all aspects associated with the recruitment of consultants,

such as registration, expressions of interest, short listing procedures, the submission of competitive proposals, the Bank's new Quality and Cost Selection Method, etc; the other focusing on those aspects associated with the supply of goods or works, such as procurement methods and procedures, how to submit a competitive bid, bid evaluation, etc. The afternoon session will also touch upon redress procedures.

The second day will be devoted to individual appointments with an AsDB official so that you can discuss specific issues of concern.

For more information on these seminars, contact the International Trade Centre IFI Trade Commissioners:

WINNIPEG: October 31-November 1, Charles Hatzipanayis, tel.: (204) 983-6033, e-mail: hatzipanayis.charles@ic.gc.ca

REGINA: November 4-5, Mona Taylor, tel.: (306) 780-6124, e-mail: taylor.mona@ic.gc.ca

EDMONTON: November 7-8, Barry Schlinker, tel.: (403) 292-4509, e-mail: schlinker.barry@ic.gc.ca or Shane Jaffer, tel.: (403) 297-6592, e-mail: shane.jaffer@gov.ab.ca

VANCOUVER: November 12-13, Derek Zeisman, tel.: (604) 666-1406, e-mail: zeisman.derek@ic.gc.ca *

IFI net is your Internet gateway to procurement business funded by international financial institutions (IFIs) and UN agencies.
www.infoexport.gc.ca/ifinet/menu-e.asp

Bi-national trade and transportation conference

TRADE CORRIDORS PARTNERSHIP

NIAGARA-ON-THE-LAKE — October 27-29, 2002 — This year's theme of **Trade Corridors Partnership's** annual **Bi-national Trade and Transportation Conference** will be "Beyond Borders". The event, which is being sponsored by the Canadian Consulate General in Buffalo, attracts senior level players from Canada and the U.S.

For more information, contact Cassandra Bayley, Director, tel.: (519) 263-5050 or 1-888-527-3434, fax: (519) 263-2936, e-mail: cass@bayleygroup.com Web site: www.bayleygroup.com *

Dominican investors coming to Canada

MONTRÉAL and TORONTO — October 15-18, 2002 — The Dominican-Canadian Chamber of Commerce will be hosting a Trade and Investment Mission to Canada. With the support of organizations such as the Trade Facilitation Office of Canada and the Embassies of Canada and the Dominican Republic, representatives from organizations in the Dominican Republic who are seeking markets for export or investors will be travelling to Toronto and Montréal for a 4-day program focused on the agri-business and tourism sectors.

For more information on participating in this program, contact Debra Walker, Dominican-Canadian

Chamber of Commerce in Santo Domingo, tel.: 1-809-383-2763, e-mail: ccdc@codetel.net.do Web site: www.camaradominico-canadiense.com/english/home.htm

For information regarding meeting with exporters from the Dominican Republic, contact Philip Kelly, Trade Facilitation Office of Canada in Ottawa, tel.: (613) 233-3925 or contact Renso Herrera Franco, Minister Counsellor, Embassy of the Dominican Republic in Canada, tel.: (613) 569-9893, ext. 228, fax: (613) 569-8673, e-mail: ministercounsellor@drembassy.org Web site: www.drembassy.org *

IMDEX ASIA 2003

International Maritime Defence Exhibition & Conference

SINGAPORE — May 6-9, 2003 — Canadian companies will display their products and/or services at **IMDEX ASIA 2003** under one umbrella as they pursue business opportunities in the Asia-Pacific region. The Canadian High Commission in Singapore will invite the key decision-makers and buyers, both in government

and the private sector, to visit the Canadian Pavilion.

With a rapidly expanding market, current forecasts indicate that over US\$120 billion will be spent by governments in the region over the next 20 years on new-build warships — both underwater and surface representing 31% of global new-build

VTM opens gateway to southern U.S. and beyond

Automotive mission moving into high gear

MIAMI, FLORIDA — November 12-19, 2002 — The International Trade Centre (ITC) in Toronto is organizing a **trade mission to Miami** to further develop and solidify relationships that were made through a Virtual Trade Mission (VTM) in May. Future plans also include a VTM with Tampa Bay, Florida to open a gateway to Mexico.

A gateway to automotive trade opportunities from Ontario to the Southern United States, Latin America and Caribbean was unlocked virtually on May 2, 2002, with only the use of video conferencing equipment, e-mail and the Internet. That's when the International Trade Centre (ITC) in Toronto, with the Automotive Industries Association of Canada (AIA) and the Ontario Association of Trading Houses (OATH), successfully opened this gateway by participating in a VTM to Miami with the United States Department of Commerce and the Miami Free Trade Zone organization.

As with any traditional trade mission, participants in VTM Miami were able to learn about the regional, national and hemispheric market conditions and opportunities in the Automotive After-Market Sector; identify business opportunities between the U.S., Canada, Latin America and Caribbean; and were matched with suitable automotive after-market manufacturers with distributors on both sides of the border without having to leave their home country.

Unlike a traditional trade mission, companies reaped the benefits without incurring any costs for the VTM. Sponsored fully by the ITC in Toronto, the event also included presentations on the after-market auto industry by representatives from AIA, OATH, Miami Free Trade Zone and local businesses in Miami.

In Canada, virtual trade missions have been used for over four years. In Florida, this is a new concept to developing trade opportunities. To promote the use of virtual trade

construction expenditures. This figure does not take into account the planned modernization programs in the region, the purchase of naval helicopters, maritime patrol aircraft and unmanned aerial vehicles during this period, nor the all important training programs that are a vital element of today's modern navy.

For more information or to register as a participant in the Canadian Pavilion, contact Robert Grison, Canadian Export Development Inc. (CEDI), tel.: **(613) 825-9916**, fax: **(613) 825-7108**, e-mail: **cced@sympatico.ca** ✦

missions to local businesses, government representatives and political leaders in the Florida area, VTM Miami was conducted with a large audience in attendance.

Leading up to the virtual trade mission, the ITC and the U.S. Department of Commerce matched companies in Ontario with companies in Florida based on their potential to establish long-term business relationships.

Canadian participants such as Stewart Novak of Interspan Inc. considered the event to be a success based on Interspan's successful match with Martino Tire which has resulted in contract negotiations. "We have established a good contact with Martino Tire, and hope to have a deal consummated within a few months," says Novak.

For more information, contact Alan Ballak, Trade Commissioner, Americas Section, International Trade Centre - Toronto, tel.: **(416) 952-4771**, e-mail: **ballak.alan@ic.gc.ca** ✦



Construct Canada 2002

Canada's largest annual construction show

TORONTO — December 4-6, 2002 — International trade and business opportunities for Canadian construction services, building products and technologies will be a major focus of the **14th annual Construct Canada 2002**, held at the Metro Toronto Convention Centre.

Construct Canada is held concurrently with **HomeBuilder & Renovator Expo** and **PM Expo**. With over 19,000 attendees and 950 exhibits, this is Canada's largest trade show for architectural products, building construction systems and housing technologies.

International Business Program As part of **Construct Canada 2002**, Team Canada Inc. partners have organized the International Business Program, a unique opportunity for Canadian companies to unlock new global markets.

On December 4, there will be a presentation on helping Canadian firms do business internationally, and one on the construction and housing

markets in the United States. Also, take part in a networking luncheon and an international networking session in the afternoon. Many trade commissioners will be accompanied by a delegation of foreign buyers from markets around the world who have an interest in a wide range of construction-related industries. At the session, you will be able to make personal connections and meet one-on-one with these visitors.

December 5 will be a day devoted to touring the 950 exhibits at the Show, as well as seeing the Canada Mortgage and Housing Corporation (CMHC) innovative technology showcase and the hands-on demonstrations on the exhibit floor. International visitors will also be able to focus on those exhibitors who have indicated a strong interest in exporting to specific global markets.

On December 6, there will be site tours of residential projects organized by CMHC International. Sit in on a presentation at the Ontario Building

Products Export Association (OBPEA) Annual Meeting and learn about how companies can take advantage of the OBPEA to assist them with their export activities.

An International Business Centre will also be open at the Show all week to facilitate ongoing personal contact between Canadian firms and trade commissioners or international visitors to discuss potential business and trade opportunities.

For more information or to register for the International Business Program, contact Evelyn Silverstone, York Communications, tel.: **(416) 512-1215, ext. 229**, e-mail: **evelyn@yorkcom.to** or visit the Construct Canada Web site: **www.constructcanada.com** ✦

Portugal

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for sales leads, 40% said they had 1 to 5 leads, 20% said 6 to 10, 10% had 11 to 15, and 5% had 16 to 20 leads.

After WEM 2001 in Vancouver, several companies reported successful outcomes. One of the exhibitors won a major contract with a Canadian organization as a result of a contact made at WEM. One exhibitor partnered with a larger Canadian company they met at WEM in order to develop an on-line suite of training courses which has just recently been put on the market. Another company has secured a contract worth in excess of \$150,000 with a Canadian company and is following up on other leads.

The interdepartmental working group is scheduled to co-ordinate a Canada Pavilion at **WEM 2003** which will also be held in **Lisbon, Portugal in May 2003**. **For more information**, contact Rosalind Viveash, Education Marketing Strategist, DFAIT, tel.: **(613) 992-6289**, fax: **(613) 995-3238**, e-mail: **rosalind.viveash@dfait-maeci.gc.ca** ✦

Business in Africa — continued from page 2

economy — home to over 200 million people in 15 countries — offers particular advantages to exporters. Its substantial imports from competing countries indicate opportunities for Canadian suppliers of communications equipment, aircraft parts, railway equipment, specialized electrical components, refrigeration equipment and pharmaceuticals.

Whether Canadian companies wish to supply the goods and services wanted by African customers, or seek to invest in partnerships with African companies to serve the African or

off-shore markets, this mission offers Canadian companies a cost-effective way to explore partnerships in African countries.

For more information on the mission and the opportunities available to Canadian companies in Nigeria, Senegal and South Africa, visit the Canada Trade Mission to sub-Saharan Africa Web site: **www.tcm-mec.gc.ca** or contact the Team Canada division, tel.: **(613) 944-2520**, e-mail: **team-equipecanada@msn.com** ✦

Upcoming trade shows

AEROSPACE AND DEFENCE

LONDON, U. K. — September 9-12, 2003 — **Defense Systems & Equipment International (DSEi)**. For more information, contact Robyn Hori, Defence Industries, Aerospace & Automotive Branch, Industry Canada, tel.: (613) 946-6730, fax: (613) 998-6703, e-mail: hori.robyn@ic.gc.ca Web site: www.dsei.co.uk

BUILDING PRODUCTS

HANNOVER, GERMANY — January 13-18, 2003 — Join **BAU 2003**, Europe's leading building materials trade fair. For more information, contact Wolfgang Schefczyk, Commercial Officer, Canadian Consulate in Hamburg, tel.: (011-49-40) 46-00-27-0, e-mail: wolfgang.schefczyk@consulates-canada.de

COLOGNE, GERMANY — May 23-27, 2003 — **Interzum 2003** is the world's largest show for suppliers to the furniture industry. For more information, contact Wolfgang Schefczyk, Commercial Officer, Canadian Consulate in Hamburg, tel.: (011-49-40) 46-00-27-0, fax: (011-49-40) 46-00-27-20, e-mail: wolfgang.schefczyk@consulates-canada.de Web site: www.interzum.de

CULTURAL INDUSTRIES

CANNES, FRANCE — January 19-23, 2003 — Be a part of **MIDEM International Music Market 2002**. For more information, contact Sylvie Morissette, Arts and Cultural

Industries, DFAIT, tel.: (613) 996-1144, e-mail: sylvie.morissette@dfait-maeci.gc.ca

INDUSTRIAL EQUIPMENT

TEHRAN, IRAN — January 21-25, 2003 — Attend the Casting, Metallurgy, Foundry & Forging trade fair (**CMF 2003**). For more information, contact Majid Bagherzadeh, Commercial Officer, Canadian Embassy, Tehran, tel.: (011-98-21) 873-2623/6, fax: (011-98-21) 875-7057, e-mail: majid.bagherzadeh@dfait-maeci.gc.ca or the event organizers, e-mail: harborz@harborz.com Web site: www.harborz.com/cm2003

SPORTING GOODS

GRENOBLE, FRANCE — January 19-21, 2003 — Canadian winter sport equipment and clothing companies are invited to participate in **SIG 2003**, the winter sports equipment and clothing trade fair. For more information, contact Gisèle Aubut, Commercial Officer, Canadian Embassy in Paris, tel.: (011-33-1) 44-43-23-82, fax: (011-33-1) 44-43-29-98, e-mail: gisele.aubut@dfait-maeci.gc.ca Web site: www.sig-grenoble.com ★

CeBIT correction!

The correct dates for **CeBIT** are **March 12-19, 2003**, and not March 19-23, 2003, as previously published.

WIRELESS MISSION TO ASIA-PACIFIC

THAILAND, PHILIPPINES, MALAYSIA — February 17-25, 2003 — Join the Trade Team Canada Inc. **Wireless Trade Mission**. This mission is intended to open doors to this emerging market and to show how well Canadian capabilities in this sector mesh with the region's growing needs.

The projected ICT spending for Asia Pacific is expected to grow to US\$239 billion this year and spending on ICT services is expected to grow by 21% over 5 years from 2000-2005. This growth presents excellent opportunities for Canadian firms in the wireless sector.

You will have the opportunity to learn about business practices in Thailand, Malaysia and the Philippines, connect with local government decision makers and business leaders in the region, and present your products and services to potential clients. In addition, match-making sessions will let you network with Canadian businesses active in the region, and you can build or strengthen local business partnerships and participate in technology seminars.

Be sure to register as soon as possible — the deadline is **November 1, 2002**. For more information, contact Michael Cleary, Business Development Officer, Industry Canada, tel.: (613) 991-4903, e-mail: cleary.michael@ic.gc.ca Web site: <http://ttcinfotech.ic.gc.ca> under *What's New/Wireless/Asia-Pacific*. ★

DFAIT's Enquiries Service provides counselling, publications, and referral services. Trade-related information can be obtained by calling (613) 996-9709; by calling the Enquiries Service at (613) 944-9000; by faxing (613) 944-9360; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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