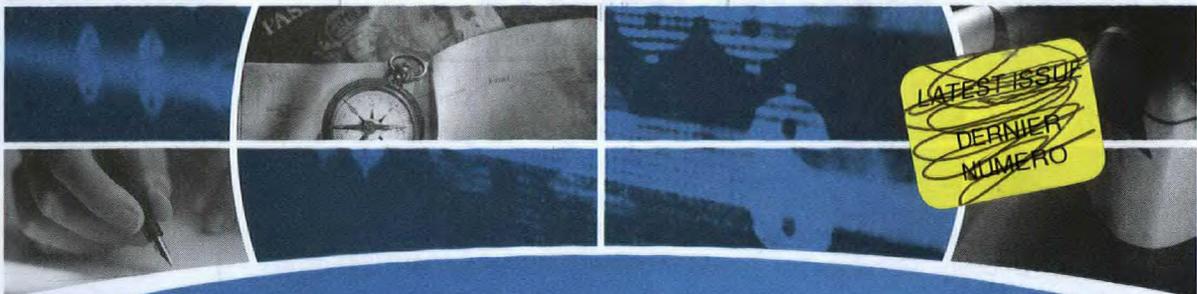


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## Get a head start on Olympic opportunities CCBC mission to China

### In this issue

- 2 Business opportunities
- 3 The Japanese housing market
- 4 The software market in New Zealand
- 6 U.S. Connection:
  - Tri-State opportunities
  - Last call for mission to New York
- 7 New CCC legislation comes into force
- 9 Beijing Olympic Action Plan on-line
- 10 The construction sector in Denmark
- 11 The construction sector in Kazakhstan
- 12 Report: Canada's trade priorities
- 13 EDC: Mexico poised for growth
- 14 Trade fairs and missions

**F**or Canadian firms heading to **Beijing** and **Qingdao** with the **Canada China Business**

**Council (CCBC)** this month, the 2008 Summer Olympic Games have already begun. The CCBC mission to these important trade centres, **May 24-June 1, 2002**, will team Canadian companies with a range of Olympic opportunities worth US\$14 billion — and advance Canada's business reputation throughout China.



Proposed 80,000 seat National Stadium for athletics and soccer finals in Beijing.

As a full WTO member, China needs help meeting its development targets in a wide range of industries, and now welcomes international business expertise and technologies.

*continued on page 9 — CCBC*

ACCC "teaches" the how-to art

## Getting IFI-funded work

When Rudy Sabas joined the **Association of Canadian Community Colleges (ACCC)** in 1992, he brought with him his considerable experience in dealing with international financial institutions (IFIs) such as the Asia Development Bank (AsDB). Under his tutelage, the ACCC subsequently got short-listed for three AsDB projects and, in a major coup,

won all three, including a US\$3.5-million institutional strengthening project in Bangladesh.

Created in 1972, the ACCC is the national membership organization representing colleges and institutes to government, business and industry, both in Canada and internationally.

*continued on page 8 — ACCC*

CanadaExpress

Vol. 20, No. 8  
May 1, 2002

**THE IFIs: PRIVATE-SECTOR  
INVESTMENT PARTNERS**  
Supplement (see insert)

## IBOC: Trade leads

### ETHIOPIA — Diesel Generator

**Units** — The government-owned Ethiopian Electric Power Corporation invites sealed bids from eligible bidders for the supply of diesel generator units (contract-E-CIF Djibouti). Goods to be procured include, but are not necessarily limited to, the following: 1) two 450-kW diesel generating units with all accessories; 2) 15-kV metal-clad switch board with all accessories; 3) remote control and protection relay panels; 4) low voltage power and control cables; 5) all required protection, control, measuring and metering equipment; 6) 24-V batteries with all accessories. Bidders must provide proof of (a) minimum

five years experience designing and manufacturing diesel generators; (b) ISO-9001 or ISO-9002 certification, or equivalent; (c) financial standing and banking references. Cost of bid documents (non-refundable): US\$50. Bid security: 2% of bid price. Closing date: **June 17, 2002**. For more information, contact the Manager, Procurement Division, Ethiopian Electric Power Corporation, Head Office, 2nd Floor, Room No.207, Degualle Square, Addis Ababa, Ethiopia, P.O. Box 1233, tel.: **(011-251-1) 56-00-27**, fax: **(011-251-1) 55-08-22**. Also contact Telahun Workeneh, Commercial Officer, Canadian Embassy, Addis Ababa, fax: **(011-251-1) 71-30-33**, e-mail: **telahun.workeneh@dfait-maeci.gc.ca** quoting case no. **020419-01774**. (Notice received from the Canadian Embassy in Addis Ababa.)

### SYRIA — Spare parts for Type 320 Locomotives

— Syrian Railways has an urgent requirement for spare parts for type 320 locomotives. Cost of bid documents: US\$50. Bid bond: US\$8,000. Performance bond: 10% of contract value. Closing date: **May 18, 2002**. For more information, contact Nidal Bitar, Commercial Officer, Canadian Embassy, Damascus, fax: **(011-963-11) 611-4000**, e-mail: **nidal.bitar@dfait-maeci.gc.ca** quoting case no. **020421-01784**. (Notice received from the Canadian Embassy in Damascus.)

### INDIA — Audio Frequency Track Circuit

— The Mumbai Railway Vikas Corporation Ltd. (MRVC) invites sealed bids for the design, supply, installation, testing and commissioning of a remote audio frequency track circuit system (IFB no. MRVC/S&T/AFTC/2002/1). Cost of bid documents (non-refundable, available until June



**IBOC**  
International Business Opportunities Centre

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As Team Canada Inc's Sourcing Centre, the International Business Opportunities Centre (IBOC) matches business opportunities from around the world with the business interests of Canadian exporters, particularly small and medium-sized enterprises. IBOC offers a value-added service to trade commissioners by directly contacting Canadian companies about foreign trade leads.

To pursue our international trade leads, check out our Web site at **www.iboc.gc.ca** (particularly our E-Leads® and Web-Leads®).

17, 2002): US\$200. Bid security: Rs2.5 million (or equivalent in freely convertible currency). Closing date: **June 18, 2002**. For more information, contact Vinod Kumar Agrawal, Dy CSTE/MRVC, Mumbai Railway Vikas Corporation Limited (MRVC), Churchgate Station Bldg., 2nd floor, Mumbai, India 400020, tel.: **(011-91-22) 201-4623**, fax: **(011-91-22) 209-6972**, e-mail: **cstemrvc@vsnl.net** Also contact Amitabh Arora, Commercial Officer, Canadian Consulate, Mumbai, fax: **(011-91-22) 287-5514**, e-mail: **amitabh.arora@dfait-maeci.gc.ca** quoting case no. **020311-01058**. (Notice received from the Canadian Consulate in Mumbai.)

IBOC opportunities: **www.iboc.gc.ca**

## Entering the Japanese housing market Windows of opportunity

**A**n estimated one million new homes are built every year in Japan — more than seven times the number built in Canada — generating annual sales of over \$200 billion. Despite a 4% overall dip in new housing starts in 2001, the number of two-by-four homes built in Japan actually increased, a welcome sign for Canadian suppliers of housing and building products.

### Market overview

Home building is popular in Japan, for reasons both economic and cultural. Although land is expensive, Japanese *zairai* (post and beam) houses can be erected quickly and inexpensively because they require only basic building materials (e.g. no insulation or basement). Unlike North American homes, these structures tend to depreciate. Given that the land is more valuable than the house itself, the Japanese often prefer to "demolish and re-build": A family home passed down to offspring is typically razed — and another raised in its place. This is why today the average age of the typical Japanese home is about 26 years — and why only 11% of used homes are on the market (compared with 75% in the U.S.).

With the downturn in the Japanese economy, however, this practice has become less feasible. The Japanese are now focused on building quality into their existing or new homes to add long-term value, while keeping costs as low as possible.

Certain areas, such as the Kansai region (which includes Osaka, Kyoto and Kobe), are experiencing a housing boom. Forecasts predict more than 200,000 housing starts during 2002 in this region alone.

The high-rise condo market is heating up as well: in 2001, some 16,000 high-rise condominiums were built. To meet growing demand among Japanese urban professionals, this number is expected to increase to about 23,000 in 2002.

### Cost-conscious consumers

Canada is Japan's most important supplier of prefabricated buildings, its second most important supplier of wooden windows, and third supplier of wooden doors. Overall, Canada cornered over one quarter of the 10,000-home import market. Opportunities continue to exist for Canadian companies targeting the high-end value-added building products market.

Canadian suppliers should be aware, however, that with the exception of this high-end segment, Japanese consumers have become increasingly price sensitive. They now insist on "super low cost" homes — but are not prepared to sacrifice quality. The average price per *tsubo* (3.3 m<sup>2</sup>) of an imported home has fallen 20% since 1992, with many companies now aiming to break through the 300,000-yen-per-*tsubo* price barrier. This market includes super low cost *zairai* homes and small (100 m<sup>2</sup>) two-by-four homes that are simple yet attractive. It may be difficult for Canadian companies to compete in this very low end segment.

### Built-in quality

In recent years, the emphasis in the construction market has shifted from quantity to quality, supported by Japanese public policy and industry initiatives that promote energy-efficient and "healthy" buildings.

The Ministry of Land, Infrastructure, and Transport (MLIT) has introduced

the Housing Quality Assurance Law (HQAL) which includes a mandatory ten-year warranty system plus a voluntary housing performance indication system for new housing. Moreover, MLIT plans to introduce a quality assessment system for used homes designed to boost the resale market by encouraging owners to maintain their houses in prime condition.

The emphasis on high-quality, healthy housing may increase the recognition of the long-term value of wood homes — and spur wood construction.

### Opportunities

To view opportunities with two of Japan's major importers, visit Emachu Plywood ([www.emachu.jp/top\\_e/index\\_e.html](http://www.emachu.jp/top_e/index_e.html)) and Maruhon ([www.maruhon.com/bizsummary.htm](http://www.maruhon.com/bizsummary.htm)).

To view detailed reports on the Japanese housing market, visit the Canadian Trade Commissioner Service Web site ([www.infoexport.gc.ca](http://www.infoexport.gc.ca)) and follow the links to "Building Products - Asia Pacific-Japan".

**For more information**, contact John Zimmerman, Trade Commissioner, Canadian Embassy, Tokyo, tel.: **(011-81-3) 5412-3267**, fax: **(011-81-3) 5412-6327**, e-mail: **john.zimmerman@dfait-maeci.gc.ca** or Joy R. Vicente, Trade Commissioner, Japan Division, DFAIT, tel.: **(613) 995-1678**, fax: **(613) 944-2397**, e-mail: **joy.vicente@dfait-maeci.gc.ca**

(For the unabridged version, see [www.infoexport.gc.ca/canadexport](http://www.infoexport.gc.ca/canadexport) and click on "A Yen for Japan".)



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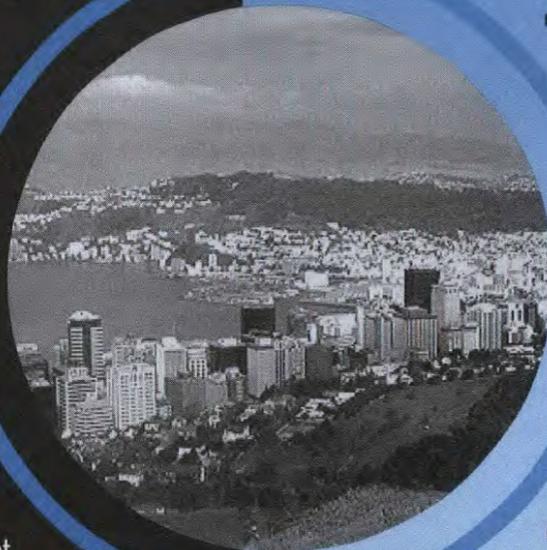
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# NEW ZEALAND The Software Market

With a team of 500 business professionals in 140 cities around the world, the **Trade Commissioner Service** has the market knowledge you need to succeed in your target market. Our Market Research Centre and our offices abroad have prepared over 600 market studies available for free on our Web site. These studies will help you identify foreign business opportunities and learn more about your target market.

This is an overview of the market. For a more in-depth study of this market and for other studies, visit our Web site. When you are prepared to do business abroad, you can use our Web site to get in touch with our offices around the world and request personalized services electronically.

[www.infoexport.gc.ca](http://www.infoexport.gc.ca)



The New Zealand software market is heating up. Valued at \$439 million in 2000, the market is expected to grow: Government and industry associations both predict that it will continue to experience higher than average growth, and become a leading sector in the New Zealand economy.

## Market Overview

New Zealand has approximately 1,100 software development companies. The market is characterized by small and medium-sized enterprises working in niche sectors. Most of the country's software companies specialize in creating software solutions for individual clients or to address specific situations. For example, New Zealand companies have developed geothermal data management systems, and art museum and library cataloguing systems. New Zealand companies are also strong developers of health-related software, particularly for dental offices, and complicated accounting software

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See insert for your Information and Communications Technologies Industries' contacts in the Asia Pacific region.



Over 600 market reports  
in 25 sectors available at:

[www.infoexport.gc.ca](http://www.infoexport.gc.ca)

for goods and services tax calculations and point-of-sale applications.

## Opportunities

There are niche market opportunities in New Zealand for custom designed software, particularly in business and education applications. The convergence of the software, telecommunications, entertainment, and publishing industries has also opened new avenues. Opportunities exist for Canadian companies with content or technical expertise to collaborate with New Zealand companies to develop interactive software in a variety of fields.

Areas of potential growth in the New Zealand market include software for data warehousing, telecommunications (particularly mobile), and electronic commerce business solutions.

Customers are seeking data warehousing options that will allow them ready access to data, as well as manipulation of data to generate additional revenue streams and improved customer service.

New Zealand companies seeking to expand typically look for joint ventures or strategic alliances with key partners in the target market. Canadian companies may find opportunities to both import and export software by working cooperatively with a New Zealand company in the same field.

## Market Access Issues

The New Zealand software market is dominated by international corporations, including Microsoft, Novell, IBM, Digital, Compaq, Unisys and Fujitsu. These companies have established research development offices in New Zealand or have strategic alliances with New Zealand companies. Products are typically sold through distributors. A number of Canadian companies have successfully entered the New Zealand market, including Geac, Corel, Hummingbird and Cognos. Hummingbird products are distributed in New Zealand by Soft Solutions and are used by Telecom and Air New Zealand. Cognos products are distributed by Commercial Data Processing, and their systems are used by many large New Zealand corporations and government ministries.

Key end-users for Canadian companies are small and medium-sized businesses seeking specialized software solutions. Important to success with these end-users is training and after-sales service, an office in New Zealand, or partnership with a New Zealand company.

No particular regulations govern the sale or distribution of software in New Zealand. Computer software enters the country duty free, however, a 12.5% goods and services tax (GST) applies.

## See Potential?

To learn more about this market, read *The Software Market in New Zealand*, prepared by the Market Research Centre of the Trade Commissioner Service. This report and hundreds of others are available on-line at [www.infoexport.gc.ca](http://www.infoexport.gc.ca)

Published by the Trade Commissioner Service Marketing Division (TCW)

# The U.S. Connection

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## New York, New Jersey and Connecticut Triple the opportunity in the Tri-State area

The Tri-State area, comprising the states of New York, New Jersey and Connecticut, has a population of more than 30 million — comparable to Canada's — but a GDP that is 48% greater. Nearly one-quarter of America's major businesses are headquartered there, along with many European and Asian multinationals. Annual trade with Canada is almost US\$50 billion, having almost tripled over the past 12 years.

The region affords many outlets, but the Canadian Consulate General in New York focuses primarily on the following sectors:

- Information technology;
- Consumer products (garments, furniture, giftware and toys);
- Food and beverages;
- Construction products and materials;
- Life sciences (primarily biotechnology and medicine, and the associated computerized file management);
- United Nations procurement.

### Priority sectors by state

**New York** — The information technology sector is in full bloom in "Silicon Alley", a term which refers to South

Manhattan and the greater metropolitan region of Newark (New Jersey) and Brooklyn. Opportunities in this sector lie primarily in data and network security, encryption technology, off-site information storage, e-learning, photonics, biotechnology, and telecommunications.

### Team Canada Atlantic Getting set for the Big Apple\*

Building on three years of successful Team Canada Atlantic Missions to New England and Atlanta, International Trade Minister Pierre Pettigrew and the four Atlantic Premiers are leading their first trade mission to **New York City, May 21-23, 2002**, to promote trade and investment opportunities.

Interested businesses can still join the mission as Associate participants and take part in all of the investment promotion activities of the New York mission. Matchmaking services are also available to them on a fee-for-service basis.

*continued on page 7 — New York City*

New York is also renowned for its multimedia industry and as an international fashion capital and trend-setter.

**New Jersey** — New Jersey has a large population of scientists, who have focused the market on products with high-technology content: chemicals, pharmaceuticals, biotechnology and telecommunications.

**Connecticut** — Connecticut has always been known for its manufacturing industry, but financial services and insurance (especially risk capital) are becoming a significant part of the state's economic infrastructure. Health services, high technology, information technologies, telecommunications and tourism are important as well.

### Consumer products

**Furniture** — This market has exhibited steady growth over the past ten years, accompanied by growing American acceptance of foreign products. A great demand for crafts and custom-made products exists, with leather furniture, modular furniture and wooden office furniture growing in popularity.

**Giftware** — Strong competition exists in this highly fragmented sector, *continued on page 15 — The Tri-State*

Check the Business Section of the Canada-U.S. Relations Web site at [www.can-am.gc.ca](http://www.can-am.gc.ca) ... for valuable information on doing business in and with the United States.

## New CCC legislation comes into force

International Trade Minister Pierre Pettigrew announced on April 19, 2002, that the new amendments to the **Canadian Commercial Corporation (CCC) Act**, which he tabled on November 7, 2001, have now come into force.

"We have strengthened CCC's financial foundation and its corporate governance," said Minister Pettigrew.

The amended CCC Act allows the Corporation to borrow funds in commercial markets as well as to charge a fee for service on its valued-added business lines.

Furthermore, the positions of President of the Corporation and Chair of the Board of Directors will be separated, in keeping with the government's guidelines for the management of Crown corporations.

"The Corporation's increased commercial orientation will ensure that it can continue to provide the high quality expertise and advice that

Canadian exporters, particularly small and medium-sized enterprises, have come to depend on in government procurement markets worldwide, estimated to be worth US\$5.3 trillion annually," the Minister added.

### How CCC works

CCC provides a unique service to facilitate contracts for Canadian exporters. This service means enhanced credibility for Canadian exporters and increased confidence for foreign buyers, and thus helps Canadian companies win contracts on solid terms in difficult markets.

CCC offers Canadian exporters a range of pre-contract, contract and post-contract services by acting as prime contractor on a company's deal: from finding the opportunity and landing the sale to getting paid.

CCC provides practical, hands-on guidance and assistance to Canadian exporters in putting together effective deals in markets that are often complex or unfamiliar.

When CCC participates in a sale, it assesses the risks posed by the buyer and the exporter, assists with bid preparation, helps negotiate the sale, monitors the contract, guarantees performance and arranges payment according to the negotiated terms.

### Focus on SMEs

Over the last four years, CCC has seen an increase of 70% in the number of companies using its services primarily from small and medium-sized enterprises (SMEs), with annual sales under \$25 million. SMEs now represent over 80% of CCC's exporters,

### Shaping Trade Solutions for Our Exporters



Canadian  
Commercial  
Corporation

The Canadian Commercial Corporation (CCC) is an export sales agency of the Government of Canada providing special access to the U.S. defence and aerospace markets and specializing in sales to foreign governments.

Canadian exporters can gain greater access to government and other markets, as well as a competitive advantage, through CCC's contracting expertise and unique government-backed guarantee of contract performance.

CCC can facilitate export sales that often result in the waiving of performance bonds, advanced payment arrangements and generally better project terms.

When requested, CCC acts as prime contractor for government-to-government transactions and provides access to pre-shipment export financing from commercial sources.

**For more information**, contact CCC, tel.: (613) 996-0034, toll-free in Canada: (800) 748-8191, fax: (613) 947-3903, Web site: [www.ccc.ca](http://www.ccc.ca)

and SME sales account for 30% of CCC's business.

CCC is a valued member of Team Canada. Over the years, CCC's expertise in evaluating projects, developing bids and proposals, negotiating and administering contracts as well as securing pre-shipment financing for export sales has helped thousands of Canadian companies, particularly small and medium-sized enterprises, sell a wide variety of products and services worth over \$30 billion, in more than 100 countries.

In essence, the Canadian Commercial Corporation wraps projects in the Canadian flag, making them more credible and saleable in export markets.

For small businesses, that are less well-known internationally, CCC's participation can be a deal-maker and a deal-saver.

**For more information**, contact Canadian Commercial Corporation, tel.: 1-800-748-8191, Web site: [www.ccc.ca](http://www.ccc.ca)

# ACCC taps into IFIs

— continued from page 1

"I work specifically with the IFIs, marketing the national system of colleges and institutes as a comprehensive and integrated training agent to industry, labour and government," explains Sabas, who gained his knowledge of the IFI procurement process through his previous employment with the Philippine National Economic and Development Authority.

## Register with IFIs

Sabas's efforts to market the ACCC to the AsDB began with registering the Association with the AsDB's database of consultants, DACON. "You have to register your firm with each IFI to be included on their active list of consultants," explains Sabas.

The second step, Sabas advises, is to introduce your organization to the project officers at the IFI. "You have to get to know the project officers who develop the projects. You have to connect with them before the bidding process begins."

Sabas visited the AsDB twice in 1995, discovering the challenge that the ACCC faced in selling its expertise in education. That niche is not on the academic side of education, but on the "non-formal" side of skills training, labour development and women and technology — areas that are well suited to the needs of developing countries.

The next step, according to Sabas, is to match your firm's capabilities with upcoming projects — a list of which is published on-line — and to submit an expression of interest. "Find out what is in the pipeline as early as possible," he advises. "Match your capabilities to what's in the pipeline and make that known to the Bank."

## Define your niche

Sabas cannot overstress the importance of defining one's niche. "The shotgun approach, where a company submits expressions of interest for all the projects within their sector, is a waste of time. Narrow down the projects to the ones that match your specific area of expertise."

In 1996 ACCC submitted expressions of interest for three upcoming AsDB technical assistance projects — one in Cambodia for developing a project encouraging the employment



Association of  
Canadian  
Community  
Colleges

of women, one in Thailand for providing advisory services in skills development, and the Bangladeshi project to strengthen the Directorate of Non-formal Education in delivering its literacy programs.

Getting short-listed was the next challenge. "The process is very competitive. When the AsDB short-lists firms, it is short-listing the key consulting firms in each country. So as a Canadian firm, you have to show that you are the best Canadian firm for the job. The key is to sell your niche."

## Sell your niche

Having clearly sold the AsDB on its niche abilities, the ACCC was short-listed in 1996 for all three projects for which it had submitted expressions of interest. "That's the maximum a firm can get in one year — and then we won them all," says Sabas proudly. "We entered the IFI market with a big bang."

However, preparing the proposal that decides the winner is, according to Sabas, the most difficult part of the process. He identifies three key elements to the preparation of a successful proposal: finding appropriate local

partners, undertaking a site visit to gather project and country information, and selecting the right team.

## Find a local partner

The best source for finding a local partner, says Sabas, is through the Canadian trade officers in the relevant country. For the project in Bangladesh, the Canadian High Commission in Dhaka gave the ACCC the names of five potential local firms, two of which became its partners.

The next step was undertaking the site visit. "It's not required to do the site visit before you do the proposal, but it's worth the investment — especially on a US\$3.5-million project."

The Association paid particular attention to the screening process for selecting the team, as well as to reviewing and rewriting its consultants' curricula vitae to ensure they highlighted skills relevant to the project. "We spent about 70% of our time on this process," admits Sabas.

The ACCC's methodical approach not only won it the three AsDB projects, but has proven successful with other IFIs, including the World Bank.

**For more information**, contact Export Financing Division, DFAIT, tel.: **(613) 995-7251**, e-mail: **ifinet@dfait-maeci.gc.ca** or Rudy Sabas, Manager, International Marketing Association of Canadian Community Colleges, tel.: **(613) 746-222, ext.3140**, e-mail: **rsabas@acc.ca** Web site: **www.acc.ca**

(For the unabridged version, see **www.infoexport.gc.ca/canadexport** and click on "Sharing Trade Secrets".)

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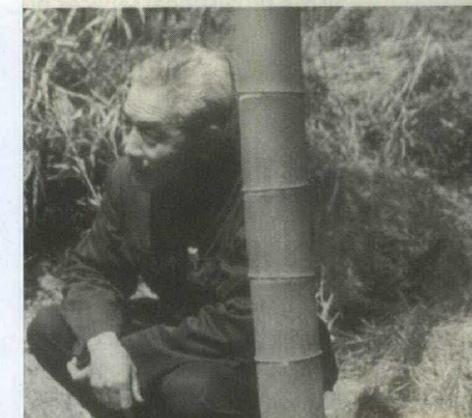
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Spring 2002

Partners

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talked to Canadian executives  
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figures quoted in the article  
for the European Bank,  
proximately C\$1.40).



## ACCC tap

— continued from page 1

"I work specifically with the IF marketing the national system of colleges and institutes as a comprehensive and integrated training a to industry, labour and government explains Sabas, who gained his knowledge of the IFI procureme process through his previous ement with the Philippine Nation Economic and Development Auth

### Register with IFIs

Sabas's efforts to market the ACC the AsDB began with registering Association with the AsDB's data of consultants, DACON. "You have to register your firm with each IFI to be included on their active list of consultants," explain Sabas.

The second step, Sabas advise to introduce your organization to project officers at the IFI. "You h get to know the project officers w develop the projects. You have to connect with them before the bid process begins."

Sabas visited the AsDB twice in discovering the challenge that th ACCC faced in selling its experti education. That niche is not on academic side of education, bu the "non-formal" side of skills trai labour development and wome technology — areas that are well to the needs of developing countri

The next step, according to Sa is to match your firm's capabilitie upcoming projects — a list of wh published on-line — and to subm expression of interest. "Find out y is in the pipeline as early as pos: he advises. "Match your capabili to what's in the pipeline and ma that known to the Bank."

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## SUPPLEMENT CanadExport

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# THE IFIs: Private-sector Investment Partners

Private-sector investment in developing countries and countries in transition took off in the 1990s, quickly outpacing flows from official sources. By the end of the decade, foreign direct investment (FDI) had expanded more than eight times, and flows to developing countries and countries in transition had grown 21 percent a year. During the same time, investment capital from public institutions dropped to under 15 percent of total FDI. By 2000, the private sector had become the driving force behind foreign investment in developing countries.

Faced with the change in investor sentiment toward emerging markets, the public-sector international financial institutions (IFIs) also evolved. During the 1990s, substantial new funds were channelled into established organizations like the International Finance Corporation; three new public-sector institutions dedicated to private-sector development were created; and the major regional banks all introduced private-sector departments devoted to working with private-sector partners.

Some of the prospects and requirements for making IFI partners in Canadian foreign investment are explored in this article. Canada is a member of all but one of the nine international organizations in this business, and Canadian tax dollars are helping to support their activities. Because of our involvement, Canadian companies are able to access the resources and expertise of these institutions in pursuit of their own business goals.

The objective of this article is to introduce the reader to the principal institutions; provide a brief description of how to do business with them; and supply contact names, numbers and useful links. Where possible, an

example of a Canadian experience with the institution has been included, and we talked to Canadian executives about their experience and satisfaction dealing with the institutions and their staff.

It is important to emphasize that this article deals exclusively with the private-sector operations of the IFIs. The regional development banks, as public-sector financial institutions, retain an important role in the economic and social development of borrowing member countries. However, the partners for these projects are generally government institutions and not the private sector. The departments and institutions discussed below are interested in privately initiated projects, where most of the groundwork and much of the risk is the responsibility of the sponsoring companies.



Photo by: D.Sing, IDRC

Please note that all financial figures quoted in the article are U.S. dollars, except those for the European Bank, which are given in Euros (approximately C\$1.40).

Prepared by the Export Financing Division (TBF).

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## Points in Common

Despite their many differences, there are many similarities between the ways that the different IFIs approach private-sector financing. To begin with, providing finance is not their only *raison d'être*, although it figures prominently in their work. The private-sector institutions and departments tend to see their most valuable contribution as enhancing the security of investing, in most cases by reducing political risk.

In the event of financial or political problems in a country, projects with IFI involvement should be protected against non-project risks such as currency inconvertibility, repatriation of profits, expropriation or breach of contract. The ability of the financial institutions to offer this security stems from their preferred creditor status. The security thus afforded by IFI involvement generally improves the prospects for financing projects and lowers the cost of capital.

Second, all of the international financial institutions place a high value on the knowledge and experience that their professionals bring to private projects, whether in terms of the market or the business, and especially with regard to financial and technical matters. These are premium services, and prospective private-sector partners should expect to pay for them. The Canadian executives that we interviewed for this article were unanimous in their praise of the professional services provided by the IFIs. A third

common feature of the IFIs is "additionality" or corporate responsibility. This arises from the role that the IFIs play, as development institutions, in promoting social development and environmental sustainability. Companies wishing to work with the IFIs must be prepared to demonstrate a commitment to social-development goals. There is no predetermined checklist, but desirable development impacts include employment and economic-development effects; environmental and social benefits such as poverty reduction, health and education; and corporate governance factors such as occupational health and safety, worker rights, stakeholder involvement, disclosure and transparency.

Finally, most of the agencies regard themselves as "lenders of the last resort"—the European Bank being a notable exception. As public institutions, the IFIs eschew competition with private-sector financial institutions, and projects that can attract financing on their own merits are generally not of interest. Private-sector projects in risky or "frontier" markets, or in untried sectors like health and education, are the bread and butter of these organizations. In practice, however, there is a trade-off between the high levels of risk associated with frontier projects, and the need for the institutions to maintain their financial integrity. As critics have noted, much of the IFI private-sector project portfolio is located in middle-income countries, where the possibilities of project success are greater.

## International Finance Corporation

The International Finance Corporation (IFC) is the granddaddy of the private-sector financing windows at the multilateral banks. Founded in 1956, the IFC is part of the World Bank Group, but is financially and legally independent. It is based in Washington, D.C., and employs almost 2,000 professionals and staff.

The IFC is the largest of the IFI private-sector project financiers. Much of the growth has been recent. For most of the eighties, the IFC was placing around \$1 billion a year in 75 projects. IFC financings took off in 1989, peaking at 300 project approvals and \$8 billion in 1998. The level has come down somewhat since then, with the IFC

approving just under \$6 billion in debt, equity and guarantees for 250 projects in emerging and transition economies last year.

The IFC has a strategic emphasis on a few sectors that it believes have strong development potential. These include financial services, infrastructure, information and communication technologies, small and medium enterprises, and social sectors such as health and education. Despite the strategic emphasis, the IFC will look at projects in other sectors. Mining has been the most successful sector for Canadian companies working with the IFC.

## Doing Business with the IFC

If your company is planning to invest in one of the 60 countries where the IFC has an office, you can discuss potential IFC participation locally. For projects originating in Canada, the official point of contact is the **Business Partnership and Outreach Group**, located in Washington. The role of the Group is to guide businesses to the appropriate point of contact within the World Bank private-sector community, including the IFC and the Multilateral Investment Guarantee Agency (MIGA). The Business Outreach Group maintains a hotline at **(202) 522-4272**.

The IFC offers a full range of financial products—loans, equity, guarantees and numerous variations on all of these. A full description of the IFC, its financial products and its project requirements can be found at [www.ifc.org](http://www.ifc.org)

A common perception about the IFC is that projects must be of a significant size before they become of interest to the Corporation, due to the high fixed costs of evaluating proposals. Not so, we were told by the IFC. Over the years, the IFC has evolved a variety of different financing

mediums that allow the Corporation to get behind even a small project. For example, in 2001, the IFC took a \$10,000 slice of equity in a printing ink manufacturer in Turkey, and loaned \$100,000 to a manufacturer of decorative stone in Mali. There are numerous examples of successful debt and equity financings under \$3 million.

To receive IFC funding, a project must:

- be in the private sector;
- be technically sound;
- have a good prospect of being profitable; and
- benefit the local economy.

The project must meet international environmental standards and conform to host country and World Bank guidelines on transparency, governance and procurement. The front page of the IFC Web site includes a tab "Apply for Financing" that takes you directly to their investment criteria and proposal guidelines.



### FAST FACTS ▶ International Finance Corporation

<b>Headquarters</b>	Washington D.C., with offices in 60 countries
<b>Purpose</b>	To further economic development through the private sector*
<b>Services</b>	Debt, equity, guarantees, advisory and technical services
<b>Restrictions</b>	Maximum 25-percent participation in the total project cost
<b>Minimum Project Size</b>	\$400,000
<b>Min/Max Investment</b>	\$100,000 to \$100 million
<b>Annual Project Approvals</b>	Approximately 250 projects a year. \$6 billion in debt, equity, guarantees and other financial commitments (2001)
<b>Web Site</b>	<a href="http://www.ifc.org">www.ifc.org</a>

▶ In 1998, Pan-American Silver of Vancouver completed a feasibility study on a mining project in Russia. The IFC was on their lead lender list for the project financing. Russia was a very risky market, and the IFC's interest in working in remote areas and risky markets made them a natural partner. By February 1999, the IFC had pledged loans and equity for the project, including a five-percent investment in the equity of Pan-American Silver.

The IFC syndicated the project loan, and its participation in the consortium helped Pan-American to obtain a reasonable loan facility. The IFC presence added important credibility to the project, not only to lenders but also to Pan-American's corporate commitment to socially responsible business practices.

From the outset, it was clear that working with the IFC would require considerable attention to project impacts on health, safety and the environment. Pan-American, in conjunction with the IFC, prepared comprehensive studies of the project impacts.

For Pan-American, working with the IFC has been a highly rewarding experience. In the words of the Company's CFO, the IFC is a first-class organization; their people are extremely intelligent, hardworking and likeable. Once formed, a relationship with the IFC has lasting benefits. In late 2000, the IFC offered to participate in the financing of a Pan-American project in Mexico.



## Multilateral Investment Guarantee Agency

The Multilateral Investment Guarantee Agency (MIGA) is also a member of the World Bank Group and also has its headquarters in Washington, D.C. MIGA promotes foreign direct investment into emerging economies by offering risk-mitigation products to companies and lenders, and technical assistance to developing countries to help them to attract and retain private investment.

MIGA's investment guarantee program protects investors and lenders against the non-commercial risks of currency inconvertibility and transfer, breach of contract, expropriation, war and civil disturbance. MIGA's involvement in a project can deter government actions that could jeopardize an investment and gives confidence that projects are safe from non-commercial risks. MIGA can also act as an intermediary in the settlement of disputes between investors and host governments. In the short term, a MIGA guarantee can improve access to financing and lower the financial costs of projects in both developing countries and countries in transition.

To qualify, investment projects must be new and of at least three years in duration. Projects must also be sound financially and economically, and support the development goals of the host country. The types of investments eligible for insurance include equity interests, shareholder and non-shareholder loans, loan guarantees and certain other types of transactions.

Since its inception in 1988, MIGA has issued 550 guarantees for projects in 79 developing countries. MIGA has worked with several Canadian companies, particularly

in the mining and financial sectors. Mining clients have included companies such as Barrick, Rio Algom and Cameco.

MIGA has also worked with the Canadian banking sector and its affiliates abroad. MIGA issued a \$24-million guarantee against the risks of expropriation and transfer restriction to cover a loan made by a Canadian parent bank to expand the operations of its Jamaican subsidiary. The subsidiary operates a number of branches in Jamaica, providing retail and corporate banking services, and four wholly owned subsidiaries provide specialized banking services such as mortgage finance and merchant banking. MIGA played a key role in helping the subsidiary to provide loans to some of its clients at significantly lower rates.

### Doing Business with MIGA

Investors interested in MIGA involvement should contact the Agency early in the project-development cycle to ensure eligibility. The application process for a MIGA guarantee is relatively easy. Applicants first submit a confidential preliminary application, free of charge, which can be accessed on-line at [www.miga.org/screens/infokits/infokits.htm](http://www.miga.org/screens/infokits/infokits.htm). This is followed by a definitive application. Depending on the project's complexity, MIGA typically issues guarantees within three to four months of receiving the definitive application.



## Inter-American Investment Corporation

The Inter-American Investment Corporation (IIC) is affiliated with the Inter-American Development Bank, the regional international financial institution for Latin America and the Caribbean. The IIC began operations in 1989, and provides small and medium-sized private companies in Latin America and the Caribbean with medium- to long-term financing. The organization is based in Washington, D.C. and has field offices in Colombia, Costa Rica and Uruguay.

The IIC is similar to the IFC, although considerably smaller and with a much more restricted mandate. The IIC focuses on sectors and areas of Latin America, where credit or capital is difficult to obtain on reasonable terms. About three quarters of its investments are in the form of loans. Project loans may be up to a third of the capital cost of a new project, or up to 50 percent of the cost of an expansion project. The repayment period is usually five to eight years. The typical loan size is about \$10 million, but can be as little as \$1 million. There are no particular project preferences.

Like the IFC, the IIC can also take equity positions, holding up to a third of the equity in a company for a predetermined investment period, normally five to eight years. At the end of the period, the IIC sells its shareholding through exit mechanisms like private placements, public stock issues or share repurchases.

### Doing Business with the IIC

To obtain financing from the IIC, a company must be a profitable venture with growth potential and sales in the range of \$5 to \$35 million. The Corporation will also look at deals with larger companies. Eligible companies are usually majority-owned by citizens of the IIC's 26 member countries in Latin America and the Caribbean. Much less frequently, they are joint-venture companies with majority ownership from outside the region. Projects must demon-

strate a positive developmental impact on government priorities like employment, foreign-exchange earnings, health, safety and the environment.

A company seeking medium- or long-term financing to expand its operations sends a brief description of the company and a business plan to the IIC regional office for the country, or directly to the IIC Corporate Finance Division Chief in Washington, D.C. More details will be requested, if the project or institution meets preliminary eligibility criteria. After reviewing the detailed information, the IIC may decide to conduct an on-site project appraisal and arrange a meeting of the project sponsors with IIC senior management. At this point, the IIC will begin charging a project appraisal/processing fee and other fees. Full details of the application process are available on the IIC Web site at [www.iadb.org/iic/english/programs/financing\\_how.htm](http://www.iadb.org/iic/english/programs/financing_how.htm)

Canada is a full member of the Inter-American Development Bank, but has determined that membership in the IIC would not be advantageous to Canada at this time. Canadian firms can still participate in IIC deals, although Canadian leads are less likely to receive priority.

On the other hand, more than 60 percent of IIC funds are placed with financial institutions in the region. These institutions, which include private equity trusts, leasing companies and banks, on-lend or invest directly in private companies. The financial institutions are not restricted from participating in projects that include Canadian companies.



### FAST FACTS ► Multilateral Investment Guarantee Agency

<b>Headquarters</b>	Washington, D.C.
<b>Purpose</b>	To promote foreign direct investment by providing political risk insurance to investors and lenders
<b>Services</b>	Political risk insurance
<b>Restrictions</b>	Applicants must be a national of a member country, but not the country in which the investment is to be made.
<b>Minimum Project Size</b>	None
<b>Min/Max Investment</b>	Up to \$200 million
<b>Annual Project Approvals</b>	66 guarantees for \$2 billion (2001)
<b>Web Site</b>	<a href="http://www.miga.org">www.miga.org</a>

### FAST FACTS ► Inter-American Investment Corporation

<b>Headquarters</b>	Washington, D.C., with regional offices in Colombia, Costa Rica and Uruguay
<b>Purpose</b>	To promote the economic development of its 26 member countries by financing small and medium-sized private enterprises
<b>Services</b>	Direct loans and equity investments to companies; lines of credit and risk capital to financial intermediaries
<b>Restrictions</b>	Must be a member country. Canada is not a member at this time.
<b>Minimum Project Size</b>	\$2 million
<b>Min/Max Investment</b>	\$1 million to \$15 million
<b>Annual Project Approvals</b>	Approximately 20 projects a year. \$142.7 million in debt and equity financings (2000)
<b>Web Site</b>	<a href="http://www.iadb.org/iic">www.iadb.org/iic</a>



## Private-sector Department of the Inter-American Development Bank

The Inter-American Development Bank's (IDB's) Private-sector Department (PRI) was created in 1995 to mobilize private financing for infrastructure projects in Latin America and the Caribbean. The Department has primary operational responsibility for the IDB's financing of private investment in infrastructure and capital-markets development. The Department employs about 50 professionals located within the offices of the Inter-American Development Bank in Washington, D.C.

The IDB Private-sector Department is interested in projects in only two areas: the financial sector and infrastructure. Financial-sector or capital-markets projects are intended to strengthen the capabilities of local financial intermediaries to develop sources of medium- and long-term financing. Infrastructure includes telecommunications, power and energy, water supply and sanitation, and transportation projects, including ports, airports and toll roads. Energy projects have tended to dominate the Department's lending program in recent years.

### Doing Business with the Private-sector Department

To be eligible for support from PRI, sponsors should be seeking to develop a private infrastructure project, expand an existing enterprise that provides infrastructure services or develop a capital-market initiative in Latin America or the Caribbean. Companies or individuals from one of the IDB's member countries, which includes Canada, must hold majority ownership of the project. Private investors must control at least 50 percent of the equity in the borrowing company, and should be prepared to provide 50 percent of the project costs in the form of debt and equity.

The credit worthiness of the project sponsor is the number one criteria of the Department. The IDB selects projects that are financially, legally, technically and economically sound. Proposals should demonstrate that:

- the regulatory system supports the project's feasibility;
- the project is commercially viable; and
- the project meet the standards of the international financial community in terms of security structure.

A high priority is attached to projects involving experienced firms with the financial resources and management capability to ensure the successful completion and long-term operation of a facility.

Since its inception, the PRI has approved participation in 45 projects, including two with Canadian sponsorship. Trans-Canada Pipelines worked with PRI in Mexico, and SR Telecom obtained PRI support for a telecommunications project in Chile.



Photo by: D. Marchand, IDRC



## European Bank for Reconstruction and Development

Established in 1991, the European Bank for Reconstruction and Development (EBRD) is supporting the transition to open market economies in Central and Eastern Europe, and the former Soviet Union. Over the past 10 years, the EBRD has financed over 700 projects and has developed a banking portfolio of over Euros 14 billion.

The EBRD has its headquarters in the City of London and maintains resident offices in each of its 27 countries of operations. The Bank is the largest foreign investor in the region's private-sector, with about 75 percent of its annual business volume (Euros 3.65 billion in 2001) going to support private transactions. The Bank has worked with Canadian banks and with Export Development Canada (EDC) to develop financial structures for Canadian-sponsored transactions, and is business partners with a range of Canadian corporations. Since 1998, the EBRD has committed an average of Euros 60 million per year to Canadian projects in a variety of sectors. The EBRD considers itself the pre-eminent source of expertise and support for Canadian private-sector investors in Central and Eastern Europe, and the former Soviet Union, due to its ability to assess and bear risk.

### Doing Business with the EBRD

The Bank has an excellent Web site, which provides detailed information on the project review and approval process. Bank guidelines state that the minimum involvement is Euros 5 million, but this may be lower in some circumstances. Like the IFC and IIC, the EBRD has links to a variety of financial intermediaries to provide financing for smaller projects. Companies with smaller projects can contact the **Bank's Project Enquiries Office** (Tel: +44 20 7338 6282) to obtain more information.

For larger projects, enquiries should be directed to the EBRD's **Marketing and Business Development Team** (Tel: +44 20 7338 7168). In these projects, the Bank can normally provide up to one third of the financing, often in the form of debt, and can help to mobilize additional financing. The Bank favours projects where one third of the project or company's capitalization is covered by an equity contribution from the project sponsor, some of which may be in-kind.



Photo by: R. Charbonneau, IDRC

Companies are encouraged to approach the EBRD in the early stages of a project for staff to advise on procedure and potential structuring options. An initial assessment will be provided at no charge to determine whether the Bank can assist in the project financing. At the initial stage, the Bank will require information on both local and foreign sponsors; a clear explanation of the technical and economic/commercial aspects of the proposal; and an indication of the type of EBRD involvement required (debt, equity, etc.)

The information should be sufficient for the Bank to determine whether the project fits its guidelines. This will lead to the first step in the approval process, the **Concept Clearance**. If the project concept is accepted, a **Mandate Letter** will be sent, which forms the basis of a working agreement and sets out the legal requirements for a working relationship. According to the Bank, it should not take more than three months from receipt of full project information to a firm commitment.

### FAST FACTS ▶ Private-sector Department of the Inter-American Development Bank

Headquarters	Washington, D.C.
Purpose	To mobilize private financing for infrastructure in Latin America and the Caribbean
Services	Loans and guarantees
Restrictions	Does not take equity positions.
Minimum Project Size	\$25 million
Min/Max Investment	25 percent of project value or \$75 million
Annual Project Approvals	11 projects and approximately \$500 million in direct loans and guarantees (2000)
Web Site	<a href="http://www.iadb.org/pri/english/indexE.htm">http://www.iadb.org/pri/english/indexE.htm</a>

**FAST FACTS ▶ European Bank for Reconstruction and Development**

<b>Headquarters</b>	London, United Kingdom
<b>Purpose</b>	To promote private and entrepreneurial initiative and to foster the transition toward democracy and open market economies in Central and Eastern Europe, and the former Soviet Union.
<b>Services</b>	A full range of market-based financing instruments, including debt (senior, mezzanine and convertible), equity (ordinary, preferred, redeemable, listed and unlisted), guarantees and project finance
<b>Restrictions</b>	Projects must be in one of EBRD's 27 countries of operations.
<b>Minimum Project Size</b>	Euros 15 million
<b>Min/Max Investment</b>	Euros 5 million to Euros 200 million
<b>Annual Project Approvals</b>	Approximately 100 projects a year. Euros 3.65 billion in business volume (2001)
<b>Web Site</b>	<a href="http://www.ebrd.com">www.ebrd.com</a>

Kinross Gold Corporation of Toronto acquired an interest in a gold mine in a remote area of the Russian Far East through a merger with Amax Mining in 1998. Kinross and Russian partners jointly hold the equity in the mine, while debt financing for the project was provided by the EBRD and the Overseas Private Investment Corporation (OPIC).

The EBRD played a key role in the project financing, and their continuing presence in the project helps to reassure investors and other parties that the mine is meeting everyone's requirements and interests. Of particular value to Kinross has been the EBRD's professional understanding of the business and legal environment in Russia, and its ability to identify and introduce measures that have been effective in keeping the project on track.

With the encouragement of the EBRD, Kinross has instituted an annual open house at the mine, hosting officials from local government, media

and non-governmental agencies. Twice a year, Kinross publishes a report outlining environmental and social challenges at the mine, and accomplishments and successes in the region. The transparency provided by these initiatives contributes directly to the company's reputation for social responsibility.

Working with the EBRD requires Kinross to consult frequently on decisions, but management has developed a good working relationship with Bank staff. The EBRD has expressed strong interest in financing subsequent Kinross projects, and its interest adds support to the project-development process. Overall, Kinross considers the EBRD mix of business expertise and political considerations fairly balanced, and the relationship beneficial for the future of the company.



**Private-sector Operations of the Asian Development Bank**

The Asian Development Bank (ADB) is the regional development finance institution for the Asia-Pacific region. Established in 1966, it has its headquarters in Manila, Philippines, and maintains a network of offices throughout the Asia-Pacific area. Private-sector projects are supported by the Bank's Private-sector Operations Department (PSOD), established in 1995 to mobilize private capital for projects in developing member countries. Through the PSOD, the ADB directly supports private enterprises, private equity funds and financial institutions.

Traditional ADB financing instruments for private-sector projects are equity investments and hard currency loans. Equity may include preferred stock, convertible loans and other forms of mezzanine financing. Commercial banks and other financial institutions may cofinance loans, and the ADB has three credit-enhancement products to facilitate cofinancing. Private-sector Operations also works with export credit agencies like Export Development Canada.

Like the IDB, the ADB's private-sector operations focus primarily on the financial sector and infrastructure projects. Financial-sector projects support financial intermediaries in banking, leasing, venture-capital financing, merchant banking, microcredit, small and medium enterprises (SMEs), private-equity funds, mutual funds and insurance. Infrastructure projects include telecommunications, power and energy, water and transport, but the focus is on water supply, waste treatment, toll roads, ports, airports, and light rail systems, which are harder to finance.

Projects may involve various forms of risk sharing and ownership arrangements, including build-own-operate (BOO) and build-operate-transfer (BOT), and can include social sectors such as health care, education and services to government. Private industrial or agribusiness projects are not the current focus of operations.

**Doing Business with Private-sector Operations**

Total ADB support for a private-sector project is limited to 25 percent of the total cost, or \$75 million, whichever is lower. The ADB also provides political risk guarantees, without a government counter-guarantee, of up to 50 percent of the total project cost or \$100 million, whichever is less. The ADB's policy is to limit equity investments to less than 25 percent of the total share of capital, and it cannot be the largest single investor in an enterprise. If needed, the PSOD can assist in mobilizing additional debt from commercial banks and other financial institutions.

When selecting projects to support, the ADB favours those with strong, long-term economic benefits and development impacts. This includes projects that:

- supply basic needs and services for a wide segment of the population;
- encourage technology and know-how transfer;
- expand the role of the private sector or improve the quality of private-sector participation;
- improve financial-sector intermediation; and
- expand employment.

At the end of 2000, the ADB's private-sector operations stood at \$1.2 billion; 64 percent in loans and 36 percent in equity investments. During the year, two new private-



Photo by: E. Waddell, DFAIT

sector projects were approved in the power sector: one in toll roads and another in a water-treatment plant. Overall, infrastructure projects account for about 50 percent of the overall portfolio. Approvals made to the financial sector in 2000 included six projects in the financial-intermediation vehicles and one in an export finance-guarantee agency.

More information on Private-sector Operations and application guidelines are available at [www.adb.org/Documents/Brochures/Private\\_Sector](http://www.adb.org/Documents/Brochures/Private_Sector)

**FAST FACTS ▶ Private-sector Operations of the Asian Development Bank**

<b>Headquarters</b>	Manila, Philippines
<b>Purpose</b>	To help private enterprises to undertake financially viable projects with significant economic and social merit
<b>Services</b>	Equity investments, hard currency loans and credit enhancements
<b>Restrictions</b>	—
<b>Minimum Project Size</b>	—
<b>Min/Max Investment</b>	Limited to 25 percent of the total project cost or \$75 million
<b>Annual Project Approvals</b>	11 projects, \$234 million (2000)
<b>Web Site</b>	<a href="http://www.adb.org/PrivateSector/Operations">www.adb.org/PrivateSector/Operations</a>

For the Caisse de dépôt et placement, Quebec's giant pension fund, the market dynamics in Asia offer an unique opportunity to develop a diversified portfolio of infrastructure investments. In early 1999, the Caisse in partnership with the Private-sector Operations Department of the Asian Development Bank and AMP, an Australian life insurer, established the Asia Equity Infrastructure Fund (AEIF), a \$355-million pool of capital for infrastructure-equity investments in South and South-East Asia.

The AEIF was the first investment of its type in the region for the Caisse, which committed \$200 million to the Fund. PSOD provided the Caisse with introductions to the right people and right partners;

offered invaluable guidance on how to structure the Fund and its investments; and subscribed for \$20 million of equity.

According to the Caisse, working with the ADB has been an exceptional experience. The PSOD is an incredible source of knowledge, expertise and market intelligence on business in Asia. PSOD staff are very professional and have an excellent network of contacts throughout the region. Working with the ADB puts a seal of quality on the Fund and its investment objectives, and has helped the managers to open the right doors at the right levels in different countries. The Caisse is very pleased with its PSOD experience and expects to work with them again on another project.



## Private-sector Department of the African Development Bank

The Private-sector Department of the African Development Bank is located at the bank's headquarters in Abidjan, Ivory Coast. Through its private-sector lending arm, the Bank has financed private investment projects in Africa since 1991. Financing is offered in the form of loans, equity, quasi-equity and guarantees, as well as lines of credit to local financial institutions for on-lending to private enterprises. Since 1991, the Bank has approved 53 private-sector projects in various sectors, involving \$705 million.

Attracting foreign direct investment to Africa is a Bank priority. By policy, the Bank does not distinguish between national and foreign ownership, as long as the project is located and incorporated in Africa. Bank assistance may be provided for projects to establish, expand, diversify and modernize productive facilities in a wide range of sectors, including energy, manufacturing, transportation, infrastructure, extractive industries, banking and finance, tourism, social services and other service industries. The Bank can also syndicate B-loans in which private-sector financial institutions could benefit from the preferred creditor status of the Bank.

In selecting projects, the Bank considers financially viable proposals that have a positive developmental impact, and contribute to one or more of the following goals:

- generation of foreign-exchange earnings and savings;
- creation of employment, improvements in the skills of both labour and management, and the enhancement of productivity of capital and labour;
- transfer of technology; and
- forward and backward linkage effects.

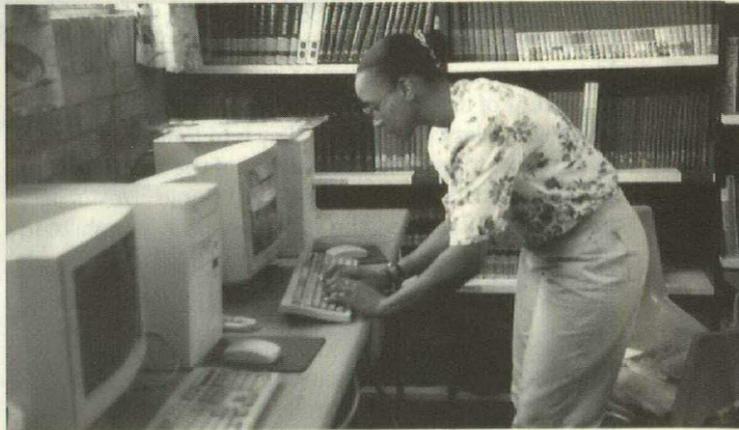


Photo by: IDRC

To be eligible for Bank assistance, an enterprise must be located and incorporated in a regional member country of the Bank, and should be privately owned and managed. It may be locally or foreign-owned. An enterprise partly owned by government may also be eligible for Bank assistance, if private ownership exceeds 51 percent of the voting stock and is run on a commercial basis.

The Bank's investments are negotiated on a case-by-case basis depending on the nature and sector of the investment. Bank participation will not normally exceed one third of the total project cost. For direct lending, the Bank targets projects with a total investment cost above \$9 million, although this figure could be smaller in the social and agribusiness sectors. The Bank can also provide equity, long-term loans and guarantees in the financial services, private infrastructure and other sectors.

### FAST FACTS ▶ Private-sector Department of the African Development Bank

<b>Headquarters</b>	Abidjan, Ivory Coast
<b>Purpose</b>	To catalyze domestic and external resources to private enterprises in Africa
<b>Services</b>	Loans, equity, quasi-equity and guarantees
<b>Restrictions</b>	The company must be incorporated and located in an African member country.
<b>Minimum Project Size</b>	\$9 million (smaller for equity participation and social services sector)
<b>Min/Max Investment</b>	One third of project cost
<b>Annual Project Approvals</b>	Four projects worth \$245 million (2001)
<b>Web Site</b>	<a href="http://www.afdb.org/about_adb/OPSD.htm">www.afdb.org/about_adb/OPSD.htm</a>



## Caribbean Development Bank

The Caribbean Development Bank (CDB), established in 1969, is the smallest of the regional development banks. It has its headquarters in Bridgetown, Barbados, and finances projects in the Caribbean states.

Unlike its sister institutions, the CDB did not develop a private-sector window during the 1990s. This situation is about to change. The Bank has been studying the role that it could play in supporting greater private-sector development, and has developed a draft Private-sector Development Strategy. The Strategy was discussed at a Private-sector Summit in March 2002.

According to the CDB, the single most important challenge facing the Caribbean private-sector is to become internationally competitive in the shortest possible time. The Bank believes that the productive private-sector must lead the Caribbean toward the production of quality goods and services that can compete on international markets.

For further information on the Bank's plans for supporting private-sector investment, visit [www.caribank.org](http://www.caribank.org)

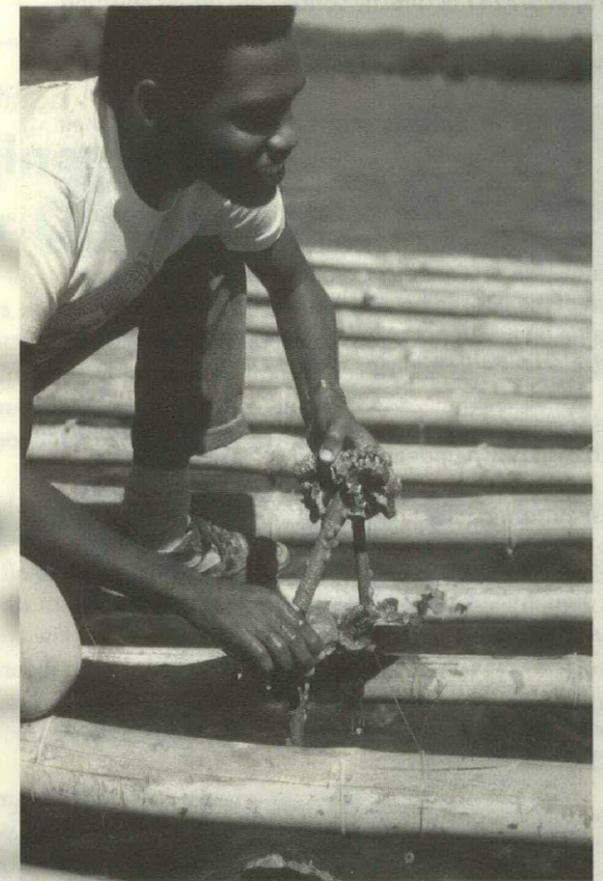


Photo by: L. Behan, IDRC

## Canadian Government Support



The IFI Unit of the Department of Foreign Affairs and International Trade's Export Financing Division is a focal point for the promotion of development business, which includes both procurement and investment that is funded by the IFIs. The Unit's Web site <http://www.infoexport.gc.ca/ifinet/menu-e.asp> contains a wealth of information on these forms of business to help you conduct your research. For assistance, you can address your enquiries by email to [ifinet@dfait-maeci.gc.ca](mailto:ifinet@dfait-maeci.gc.ca) or by phone at (613) 995-7251 or directly contact the officer covering your targeted market (See [www.infoexport.gc.ca/ifinet/tbf-e.asp](http://www.infoexport.gc.ca/ifinet/tbf-e.asp))

Canada has executive directors at most of the IFIs. Their role is to oversee the Bank and represent Canada in the decision making of the institutions, but, in some cases, their assistants can provide Canadian project sponsors (i.e. investors) with initial feedback on proposals. Contact information on Canada's executive directors' offices at each of the IFIs can be accessed directly via IFInet's section on IFI Support Network at [www.infoexport.gc.ca/ifinet/canadian-e.asp](http://www.infoexport.gc.ca/ifinet/canadian-e.asp)

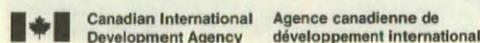
The Trade Commissioner Service has four offices of liaison with IFIs, known under the acronym "OLIFI" or Office for Liaison with International Financial Institutions, in Washington, Manila, Bridgetown and Abidjan. The OLIFIs provide a wide variety of services to Canadian companies and assist export-ready firms to pursue IFI bidding opportunities. An OLIFI address book is available at [www.infoexport.gc.ca/ifinet](http://www.infoexport.gc.ca/ifinet)



Export Development Canada (EDC) provides trade-finance and risk-management services to Canadian exporters and investors in 200 countries and territories, including 140 emerging markets. Its financial services include credit insurance, bonding and guarantees, political risk insurance, direct loans to buyers and equity participation.



EDC has developed the largest pool of trade-finance expertise in Canada, including industry and foreign market intelligence, and commercial, technical and environmental risk management. It also maintains comprehensive working relationships with private and public players on global financial markets, including IFIs, commercial banks and insurance companies. For more information, contact the EDC hotline at 1 (800) 850-9626 or visit [www.edc.ca](http://www.edc.ca)



The Canadian International Development Agency's (CIDA) Industrial Cooperation Program can provide financial support and advice to Canadian businesses planning sustainable business activities in developing countries in a variety of sectors. It reduces the risks to Canadian firms by sharing the costs unique to doing business in developing countries and those associated with providing training, the participation of women and a clean environment. For more information, call (819) 953-5444 or 1 800 230-6343, or visit [www.acdi-cida.gc.ca/inc](http://www.acdi-cida.gc.ca/inc)

CIDA's Renaissance Eastern Europe (REE) Program is a cost-sharing program that provides incentives to Canadian firms contemplating direct investment or responding to capital-project opportunities in Central and Eastern European countries. It also helps to reduce the commercial and investment risks of doing business in Central and Eastern European countries in their transition to a market economy, and reinforces trade and investment links with Canada. For more information, call (819) 997-5456 or 1-800-230-6349, or visit <http://www.acdi-cida.gc.ca/ree>

### About the author

David Clayton has acted as advisor to numerous international corporations and organizations, and specializes in strategies for enhancing and financing the developmental aspects of industrial investment projects. He lives in Vancouver, British Columbia ([dclayton@axionet.com](mailto:dclayton@axionet.com)).



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November 5-7, 2002  
Toronto, Ontario  
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[www.supercomm2002.com](http://www.supercomm2002.com)

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#### National Associations

Canadian Advanced  
Technology Association (CATA)  
[www.cata.ca](http://www.cata.ca)

Canadian Wireless Telecommunication  
Association (CWTA)  
[www.cwta.ca](http://www.cwta.ca)

Information Technology  
Association of Canada (ITAC)  
[www.itac.ca](http://www.itac.ca)

#### Contact in the Trade Commissioner Service

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Technologies Industries  
Department of Foreign Affairs  
and International Trade  
125 Sussex Drive  
Ottawa, Ontario, K1A 0G2  
T: 613-996-3577  
F: 613-943-1103  
E: [lianne.ouellette@dfait-maeci.gc.ca](mailto:lianne.ouellette@dfait-maeci.gc.ca)

## MAP TO CHINA AND HONG KONG

"CCBC has also arranged networking opportunities with pre-screened local firms because the success of infrastructure-related projects in China can hinge on strong relationships with local partners. This is the first of what we hope will be many more business missions to China."

CCBC predicts that Canadian companies, working with their Chinese counterparts, will surely bring home gold in the business portion of the 2008 Summer Olympics.



For more information, contact the Canada China Business Council (in Canada), tel.: (416) 954-3800, fax: (416) 954-3806, e-mail: [ccbc@ccbc.com](mailto:ccbc@ccbc.com) Web site: [www.ccbc.com](http://www.ccbc.com) or CCBC (in China), tel.: (011-86-10) 6512-6120, fax: (011-86-10) 6512-6125, e-mail: [ccbcbj@ccbc.com.cn](mailto:ccbcbj@ccbc.com.cn) Web site: [www.ccbc.com](http://www.ccbc.com)

A detailed report on business opportunities associated with the 2008 Summer Olympics in Beijing will be featured in an upcoming issue of CanadExport. \*

More competition

## The Beijing 2008 Summer Olympics



The bidding race is on for contracts worth US\$14 billion for Games-related infrastructure projects. International and domestic suppliers will be competing in the fields of environmental protection, transportation, telecommunications, tourism, and construction. Global bids will be directed to the design, construction and management of most of the Olympic venues and the Olympic Village.

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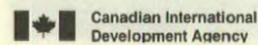
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### About the author

David Clayton has acted as a consultant to international corporations and developed strategies for enhancing aspects of industrial investment in Vancouver, British Columbia



### Available Market Reports\*

#### Asia Pacific

##### China

- The Telecommunications Market
- The Internet and E-Commerce Markets
- The Software Market

##### Hong-Kong, SAR

- The Information and Communications Technologies Market
- The Software Market

##### Japan

- E-Commerce

##### Korea, Republic

- The Internet Services Market

##### Malaysia

- The Electronic Commerce Market

##### New Zealand

- The Software Market
- The Telecommunications Market

##### Philippines

- The Information and Communications Technologies Market

##### Singapore

- The Telehealth/Telemedicine Market

\* Produced by the Market Research Centre of the Canadian Trade Commissioner Service. To consult them, visit:

[www.infoexport.gc.ca](http://www.infoexport.gc.ca)

## CCBC mission to China



— continued from page 1

The mission will use the 2008 Summer Olympic Games as a springboard to major business projects and opportunities across China. Although the majority of the Olympics-related events in 2008 will take place in Beijing, the sailing portion of the Games will be hosted by Qingdao. In addition to Olympics-related projects, both cities have an extensive roster of opportunities extending well beyond 2008. Mission participants may also wish to visit other important Chinese cities such as Shenzhen and Shanghai, as part of an optional program.

### On the right track

To win business in China, Canadian companies must strengthen their presence. This involves building and maintaining strong relationships with Chinese partners, and taking full advantage of business opportunities by following up on early leads. The US\$14 billion in Olympics-related projects in environmental protection, transportation, telecommunications, construction, and tourism can be considered a prelude to long-term positioning of Canadian technologies and products throughout China.

"Teamwork is essential when doing business in China," explains mission leader Howard Balloch, President of CCBC and Canada's former ambassador to China. "Meeting the Olympic organizing committees in both cities, as well as key municipal government officials, will allow Canadian firms to introduce their world-class expertise into a highly competitive market.

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## Europe's largest per-capita consumer of wood

# Denmark: building and construction

**D**enmark is a small country (population 5.5 million) with sophisticated capabilities in secondary wood-processing technology. Pine logs are Denmark's most important import, but the country is a net exporter of a wide range of building products to its neighbours in Western and Eastern Europe.

### Market overview

Just over 10% of Denmark's total area is forested, with 45% of these forests privately owned. More than half of the two million cubic metres of wood felled annually is softwood, and 70% of the hardwood felled is beech. Most of the native wood is of low quality, with the softwood primarily used by the particle board industry and most of the beech exported to Sweden for pulpwood. High-quality beech is used in the production of flooring.

Denmark is the largest per-capita consumer of wood in Europe: in 2000, it imported close to three million tons of timber and wood products worth \$1.6 billion. Domestic production satisfies 10% of the country's requirement for wood products used in the manufacture of furniture, windows, doors, flooring, kitchen units and building components. Denmark's timber and wood exports (712,073 tons) were worth \$1.1 billion in 2000.

In 2000, total bilateral trade in timber/wood products between Denmark and Canada was valued at \$20 million, \$14 million of which were Canadian exports (up from \$11 million in 1999). Among Western European countries, Denmark is Canada's 12th largest trading partner for housing-related products, but Canada accounts for less than 1% of Denmark's total imports of such products.

Throughout the 1990s, plywood and lumber (both softwood and hardwood) accounted for 80-90% of all Canadian exports to Denmark, with our strongest exports being plywood (6% of Denmark's total imports) and hardwood lumber (4%).

### Housing industry forecast

Low interest rates in Denmark have stimulated renovation and expansion projects, and have helped sustain low prices for new residential housing. Commercial building projects have slowed for a number of reasons but growth is expected in subsidized housing starts. Large Danish pension funds are also increasing their investments in the real estate sector.

## EUROPE

### Opportunities

Denmark's imports have been increasing in the following categories:

- Hardwood — white oak, hard maple, cherry, ash, aspen used primarily in furniture and cabinet making (potential exists for white birch as an alternative to oak or maple);
- Softwood — Western red cedar for outdoor and indoor use; Jack pine for the moulding/joinery industry;
- Particle board;
- Plywood — competition with products from other Nordic countries and the U.S.;
- Wood doors and frames;
- Plastic floor coverings;
- Manufactured housing — good potential in Greenland.

### Market access considerations

Setting appropriate prices requires thorough market research. Danish importers expect quotes to be expressed as Cost Insurance Freight (CIF) Copenhagen prices, which include all domestic Canadian freight,

ocean or air freight, and insurance costs, but exclude import duty and Value Added Tax (VAT). The duty charged on industrial products ranges from 5% to 14%.

Importers must pay a 25% VAT which is based on the landed CIF cost plus the duty. VAT applies to all products sold in Denmark, whether imported or not.

### Competition

Denmark is a net exporter of housing-related products to neighbouring countries in both Western and Eastern Europe. These products include prefabricated buildings made of wood, iron and steel, and other materials; windows and doors (including frames); and wood floorings. As for imports, only Sweden has been able to secure a significant share of the rather limited Danish market.

### Useful contacts

The following organizations offer detailed information about local regulations and specialty markets.

- The Danish Housing and Building Agency, Copenhagen, tel.: (011-45) 3392-6100, Web site: [www.bm.dk](http://www.bm.dk)
- Statens Byggeforsknings Institute, Horsholm, tel.: (011-45) 4586-5533, Web site: [www.sbi.dk](http://www.sbi.dk)
- The Canadian Embassy's Electronic Marketplace: [www.candan.dk](http://www.candan.dk)

**For more information**, contact Bernadette Luscombe-Thomsen, Commercial Officer, Canadian Embassy, Copenhagen, tel.: (011-45) 3348-3256, fax: (011-45) 3348-3221, e-mail: [bernadette.luscombe-thomsen@dfait-maeci.gc.ca](mailto:bernadette.luscombe-thomsen@dfait-maeci.gc.ca) Web site: [www.canada.dk](http://www.canada.dk) ✪

## Government move brings opportunities

# Housing and industrial construction sector in Kazakhstan

**M**oving the seat of Kazakhstan's government from Almaty to Astana has launched a construction boom in the new capital — and generated considerable opportunities for the construction industry.

### Market overview

Some \$600 million has already been spent on new government offices and staff accommodation in Astana — 63 new buildings or 250,000 m<sup>2</sup> were built in 2000 — and an additional \$130 million was spent on administrative buildings on the left bank of the Ishym River, the new site for the government and parliament.

In the first six months of 2001, investment in fixed capital reached approximately US\$1.9 billion — up 33.5% from the same period the previous year. The construction portion accounted for US\$1.4 billion, an increase of 27.5% over the same period in 2000.

Since 2001, the number of banks offering housing loans has increased, and a mortgage system has been introduced.

### Opportunities

The following are the most significant construction projects in Kazakhstan.

**Astana area** — More than 150 local construction companies operate in Astana, in addition to dozens of companies from other regions and abroad, for example, from Italy, Switzerland, Turkey, and the U.K.

Housing construction accounts for 25% of the total investments in the

area, with such investments expected to increase significantly over the next five years as the population in the new capital grows.

The following large projects are planned:

- Power generation and storage facilities;
- Water supply and sewage system upgrades;
- Telecommunications facilities;
- Almaty-Astana road and service network, including a ring road and bridges across the Ishym River;
- Airport reconstruction;
- Business centres;
- International hotels and trade centres;
- Housing.

### Karachaganak (Uralsk Oblast)

— The Karachaganak Integrated Organization awarded a US\$1.4-billion contract to CCC-Saipem and Baker Hughes in October 2000 for the provision of integrated oilfield services. Karachaganak is a giant gas condensate field in North Kazakhstan, offering good potential for Canadian construction companies.

**Atyrau area** — The development of the West Kashagan offshore oil deposits will spur construction activities in Atyrau. Fintraco, a Turkish firm, has already constructed a workers' village and an office complex in Tengizchevroil.

**Almaty area** — The reconstruction of the Almaty international airport and new housing starts present opportunities.

### Market access considerations

It is prudent for any company interested in this market to begin by establishing good working relations with the government bureaucracy and the business community. Considerable effort (including time and money) is required to set up local production, hire local workers and find a reliable local partner who can help with the various administrative requirements.

Construction techniques, materials and building codes used in Kazakhstan are not the same as Canada's, despite climatic similarities between the two countries. Patience and effective marketing will be required to change the perception that cement and concrete are the strongest and most durable building materials.

### Major competition

Several local companies such as Montazhspetstroi, Basis-A, Almatygorstroi, Imstalkon, Kuat and Elitstroy, operate throughout Kazakhstan and dominate the construction market. Smaller companies in each of the cities operate on a regional basis.

Canadians should expect fierce competition from Turkish companies operating throughout Kazakhstan as most have developed strong relations with local authorities. Companies such as Fintraco and Aisel are very active in Almaty and in the Atyrau/Aksai regions. Most of the above-mentioned companies are active in civil and industrial construction as well.

Russian, Italian and German companies are also well established.

**For more information**, contact Arthur Iralin, Commercial Officer, Canadian Embassy, Almaty, tel.: (011-7-3272) 501-151, fax: (011-7-3272) 582-493, e-mail: [arthur.iralin@dfait-maeci.gc.ca](mailto:arthur.iralin@dfait-maeci.gc.ca) Web site: [www.infoexport.gc.ca/kz](http://www.infoexport.gc.ca/kz) ✪

## Market access report

## Canada's trade priorities

International Trade Minister Pierre Pettigrew released last month the government's annual report on Canada's market access priorities for 2002 at the multilateral, regional and bilateral levels. The report sets out the initiatives the government will pursue and details specific obstacles to be tackled in various markets. It also highlights the government's trade accomplishments for 2001.

"Canada is a major trading nation. Our companies are among the world's most competitive," said Minister Pettigrew. "Open trade means a healthier economy, which leads to better jobs and lower prices, while improving the standard of living of all Canadians and of the populations around the world."

The report, **Opening Doors to the World: Canada's International Market Access Priorities—2002**, also highlights the importance of international trade to the provincial economies of Ontario and Quebec. Previous reports have focused on the Prairies and Atlantic Canada.

"We made strong progress in 2001 toward improved trade," said Minister Pettigrew. "For example, Canada and our fellow WTO members launched a new round of WTO negotiations in Doha, Qatar. This will benefit both Canada and the developing world."

#### Other trade policy achievements in 2001 include:

- China joined the WTO — committing itself to reducing barriers and increasing transparency — thereby opening the door to an exciting market that contains one fifth of the world's population.
- Canada successfully hosted the Summit of the Americas in Quebec City and made progress toward building the largest free trade area in the world, the Free Trade Area of the Americas (FTAA), by 2005.
- Canada continued day-to-day progress on NAFTA. For example, Canada, the United States and

Mexico agreed to accelerate the elimination of NAFTA tariffs on a number of products, effective January 1, 2002.

- Canada concluded a bilateral free trade agreement with Costa Rica and launched trade negotiations with the four Central American countries of El Salvador, Guatemala, Honduras and Nicaragua, and with Singapore — hopefully leading to agreements in 2002.
- Canada resolved the issue of U.S. restrictions on potatoes from Prince Edward Island and negotiated an

agreement with the European Union, opening its market to Canadian ice wine.

- To further enhance the management of our common border, Canada and the United States signed a declaration on the creation of a Smart Border for the 21st Century on December 12, 2001.

#### Trade policy objectives for 2002 include:

- To successfully resolve the softwood lumber dispute with the United States;
- To resolve the dispute with Brazil over its export financing program for aircraft;
- To achieve progress in the WTO — particularly on agriculture — and in the FTAA negotiations.
- To advance trade discussions with the Caribbean Community and Common Market (CARICOM)

The report and a background are available on DFAIT's Web site: [www.dfait-maeci.gc.ca/tna-nac/cimap-e.asp](http://www.dfait-maeci.gc.ca/tna-nac/cimap-e.asp) \*

### New "green line" links to environmental products Cyber Green Center on the Web

The **Cyber Green Center (CGC)** ([www.greencouncil.org](http://www.greencouncil.org)) has made "going green" easier for companies wondering where on earth to find environmentally friendly alternatives to their regular purchases. The Green Council, a non-profit, non-partisan environmental organization in Hong Kong, created the new Web site to encourage the industrial and commercial sectors to include environmental protection in their production and management processes.

Conservation begins with education, and CGC makes learning about the environment easy. Users are one click away from a world of environmental products and technologies, and can link directly to the Web sites of leading international environmental organizations such as Greenpeace and Envirolink.

Product categories on the site are listed alphabetically, and include links to company and product profiles.

There is no charge to list product information on CGC, and all items on the site are genuine, high-quality — and "green". Companies interested in displaying their company logo and name, contact information, product photos and descriptions will be notified of a specific Web address and guided through the entire data entry process.

**For more information**, contact Norrie Kitchell, Green Council, tel.: (011-852) 2810-1122, e-mail: [norriekitchell@greencouncil.org](mailto:norriekitchell@greencouncil.org) Web site: [www.greencouncil.org](http://www.greencouncil.org) or Fatima Lai, Commercial Officer, Canadian Consulate General, Hong Kong, tel.: (011-852) 2847-7494, e-mail: [fatima.lai@dfait-maeci.gc.ca](mailto:fatima.lai@dfait-maeci.gc.ca) \*

## Mexico poised for growth

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

Canadians and Mexicans have a lot in common. Both eagerly wait for the U.S. rebound to trickle down to them. Both are preoccupied with their exchange rate against the U.S. dollar. And both have waiters that are reluctant to recommend the local wines, which are surprisingly good.

In Mexico, there is widespread agreement that tremendous progress has been made in structural reform, but disagreement on the outlook. The optimists see an economy whose increased openness, strengthened financial system and credible policies have increased Mexico's resilience and will lead to an immediate recovery in the wake of the U.S. upturn. The pessimists see an overvalued currency and a litany of structural impediments to economic growth — including weak infrastructure, cautious banks and rigid labour markets.

#### Positive indicators

Mexico's broad policy parameters are almost ideal. The central bank is following an inflation target of 4.5% this year, 3% next year, and convergence with U.S. inflation after that. They have a floating exchange rate, which is crucial for achieving the inflation goal. Meanwhile, the fiscal authorities are demonstrating a level of commitment to deficit control that borders on religion.

Increased policy credibility has produced an investment grade rating, boosting foreign investment and the value of the peso. The strong peso is fuelling concerns that Mexican competitiveness will erode and nip the upturn in the bud.

But a strong currency has always been a symptom of economic success —

foreign investment will give Mexico the capital it needs to keep increasing output, productivity, wages and exports all while moving to a higher-value economic mix. If a strong currency was the death knell for manufacturing companies, U.S. manufacturers would have disappeared long ago, and Canada's manufacturers would have taken over the world.

Mexico is headed for 2-2.5% growth this year, and could double that next year.

#### Clouds on the horizon

But the pessimists have a point — there are some headwinds to growth that need to be addressed to pave the way.

Mexico needs a lot of infrastructure investment — roads, airports, energy capacity, electricity grids — to support its future growth process. More gas-

fired power plants are planned, but much of the new gas will need to be imported until the energy sector is reformed. The legal system remains a big question mark for lenders, making banks reluctant to support small companies. Indeed, much of the growth in credit is coming from suppliers and retailers. And, Mexico's labour market remains among the most rigid in the world.

These are tough issues, resolution of which may have to wait until after next year's congressional elections, because the main political parties are finding it difficult to develop a consensus on the needed reforms.

#### Strengths outweigh weaknesses

The bottom line? Like all economies, Mexico's shortcomings appear more compelling the closer one looks. But, from a global perspective, Mexico's strengths clearly outweigh its weaknesses. Mexico will become a much bigger trading partner for Canada over the next couple of years. \*

### High-flying U.S. building sector

## Largest show ever on tap

**LAS VEGAS** — January 21-24, 2003 — Now is the time to nail down your spot at next year's **National Association of Home Builders (NAHB) International Builders Show**.

The booming housing market drove record numbers of convention goers to this year's show — the largest ever — held February 8-11, 2002, in Atlanta. More than 70,000 building trade professionals from the United States and 48 other countries visited the 58th annual show.

Canadian Export Development Inc. (CEDI) in cooperation with DFAIT, is inviting Canadian companies to participate in the Canada Pavilion at Las Vegas. This will provide an excellent opportunity to meet key decision makers and buyers from government and the private sector who will be invited to visit the Pavilion.

Companies may be able to obtain financial assistance from DFAIT's Program for Export Market Development (PEMD) for some of their expenses.

**For more information or to register**, contact Robert Grison, CEDI, tel.: (613) 825-9916, fax: (613) 825-7108, e-mail: [cced@sympatico.ca](mailto:cced@sympatico.ca) or Durban Morrow, Trade Commissioner, U.S. Business Development Division, DFAIT, tel.: (613) 944-7486, fax: (613) 944-9119, e-mail: [duban.morrow@dfait-maeci.gc.ca](mailto:duban.morrow@dfait-maeci.gc.ca) \*

(For the unabridged version, see [www.infoexport.gc.ca/canadexport](http://www.infoexport.gc.ca/canadexport) and click on "Trade Fairs and Missions".)

## Trade show on board a resounding success

From March 2 to 7, 2002, on board the Royal Caribbean Cruise Lines *Radiance of the Seas*, 20 Canadian construction and building material companies, and 16 Canadian agri-food companies travelled to Puerto Rico, St. Thomas, Antigua, St. Lucia, St. Maarten and Barbados to promote their products.

The companies from Ontario (9), Quebec (13), New Brunswick (6), Nova Scotia (6), and British Columbia (2), represented a wide variety of products, from steel structures and prefabricated houses, to pickled meats and salted fish.

Throughout the six-day cruise, approximately 1,000 qualified buyers from the six countries, as well as from Grenada, Dominica, St. Kitts and Nevis, and St. Vincent, attended the event. All buyers received a brochure that profiled each Canadian participant, along with promotional material on the Infoexport Web site.

This event was a cooperative effort between a private-sector company,

Canadian Export Development Inc., and the DFAIT missions in Atlanta and Barbados. This was the first time that a Canadian trade show was held on



Moncton, New Brunswick-based Apex Industries Inc.'s Ron Kelly (left), Manager, Door & Frame Division, and Michael Kiely (right), Manager, Steel Fabrication Division, talk to customers aboard the *Radiance of the Seas*.

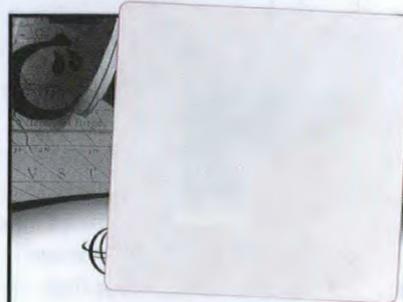
board a cruise ship, and it proved to be highly cost-effective. Judging from participants' reactions, the Canadian companies got their money's worth, while DFAIT was responsible for promoting the event to the local business community and creating an environment for the networking to take place.

The following comments from some of the attendees say it all:

- "We are all very pleased with the number and quality of the companies we met." — Bill Harvie, **Canadian Agricultural Export Inc.**
- "I would like to thank you for your successful trade show on board. We will be benefiting from its great outcomes as early as this spring." — Amir Aghaei, **Durarock Alfacing International Ltd.**
- "To me, the most beneficial aspect of this event was the relationships we forged with fellow Canadian companies in various fields." — Lionel Dubrofsky, President, **Kaycan Ltd.**

Next year's show, to be held **April 13 to 20, 2003**, will focus entirely on the Canadian construction and building products sector. The ports of call will be the same as this year's.

**For more information or to register**, contact Robert Grison, Director of Operations, Canadian Export Development Inc., tel.: **(613) 825-9916**, fax: **(613) 825-7108**, e-mail: [cced@sympatico.ca](mailto:cced@sympatico.ca) \*



### Showcase your business abroad!

Over 30,000 companies are registered members of WIN. Are you? WIN is a commercially confidential database of Canadian exporters and their capabilities. WIN is used by trade commissioners in Canada and abroad to help members to succeed in international markets. To become a registered member of WIN, call 1-888-811-1119. Or go to [www.infoexport.gc.ca](http://www.infoexport.gc.ca) and register on line.



## Dining in the right environment

**HONG KONG** — July 3-4, 2002 — Hong Kong's Department of Environmental Protection invites the international restaurant business community to a two-day conference devoted to environmental issues in the food and restaurant industry. Key themes at the **Environmental Exhibition and Conference for the Food and Restaurant Trade** will include pollution control, environmental technology and equipment, energy and water conservation,

waste reduction and recycling, food waste reduction, and organic farming.

Participants will learn how restaurant design and operation affects the environment, and how they can improve the environmental performance of their own businesses. They will also be introduced to the latest in environmental practices and technological solutions adopted by Hong Kong's food and restaurant industry.

## Help Korea go green

**SEOUL** — June 22-25, 2002 — The Canadian Embassy in Seoul is organizing a Canadian Technologies pavilion ([www.korea.gc.ca/environment/envex.html](http://www.korea.gc.ca/environment/envex.html)) at **ENVEX 2002** to help Canadian companies enter Korea's multi-billion-dollar environmental products and services market.

By 2005, Korea will have spent an estimated US\$98 billion on environmental solutions — which includes US\$6 billion spent in 2001 alone.

Canada, the U.S., Japan and various European countries were among the major international exhibitors at last year's show.

**For details about exhibiting** in this year's Canadian Technologies pavilion, visit [www.korea.gc.ca/environment/envex.html](http://www.korea.gc.ca/environment/envex.html)

**For more information**, contact Maxim Berdichevsky, Trade Commissioner, Canadian Embassy, Seoul, tel.: **(011-82-2) 3455-6061**, fax: **(011-82-2) 755-0686**, e-mail: [maxim.berdichevsky@seoul.gc.ca](mailto:maxim.berdichevsky@seoul.gc.ca) \*

## The Tri-State area — continued from page 6

with tens of thousands of manufacturers sharing the market. Success often depends on offering innovative and original products. The Gift Industry Showroom Building is located at 225, 5th Avenue.

**Toys** — The rise in demand for preschool educational toys has been accompanied by the growing popularity of adult toys!

### Food

Promising niches for Canadian companies in the region include speciality and delicatessen foods, organic foods, ethnic foods, food products packaged in small portions, bottled water, pet food and horticultural products.

### Construction products and materials

The anticipated growth in the residential renovation sector opens the door for speciality and customized products that are innovative, well-designed and effective. The demand for cupboards and components seems to be increasing. A market for hardware and value-added wood products is also developing.

### Health products

There is a market for medical instruments, standard medical services,

**For more information**, contact Eugenie Lok, Event Manager, Associated Tours Ltd., Hong Kong, tel.: **(011-852) 2733-0107**, fax: **(011-852) 2369-5687**, e-mail: [specialevents@associatedtours.com.hk](mailto:specialevents@associatedtours.com.hk)

Or contact Fatima Lai, Commercial Officer, Canadian Consulate General, Hong Kong, tel.: **(011-852) 2847-7494**, fax: **(011-852) 2847-7441**, e-mail: [fatima.lai@dfait-maeci.gc.ca](mailto:fatima.lai@dfait-maeci.gc.ca) \*

disposable products, hospital beds and home care services.

### United Nations procurement

Procurement for the UN and its affiliated agencies is valued at US\$3 billion per year. This includes everything from computer equipment, contraceptives, iron and steel products, fertilizers, freight shipment services and mine detectors, to environmental consulting, technical and construction services. Registering in the database of regular UN suppliers is recommended.

**For more information** about opportunities in the Tri-State area, and to view market studies in a number of key sectors, visit InfoExport: [www.infoexport.gc.ca](http://www.infoexport.gc.ca)

**For more information** about upcoming trade fairs, visit [www.newyork.gc.ca](http://www.newyork.gc.ca) and follow the links to "Doing Business in New York and the Tri-State Area".

For the Canadian Trade Commissioner Service for the Tri-State area, contact Canadian Consulate General, New York, fax: **(212) 596-1793**, e-mail: [commerce@canapple.com](mailto:commerce@canapple.com) \*

(For the unabridged version, see [www.infoexport.gc.ca/canadexport](http://www.infoexport.gc.ca/canadexport) and click on "The U.S. Connection".)

## Multi-fair time in Zagreb

**ZAGREB, CROATIA** — September 16-22, 2002 — The leading trade fair in southeastern Europe this year, the **Zagreb International Autumn Fair** ([www.zv.hr/sajmovi/300/index\\_en.html](http://www.zv.hr/sajmovi/300/index_en.html)) expects to showcase over 2,000 exhibitors from more than 50 participating countries, and to draw over 150,000 visitors. The focus will be on a wide range of consumer products and industrial equipment. Scheduled as well will be numerous seminars and sectoral roundtables. Four other events will be running concurrently: the **International Finance and**

**Business Opportunities Fair**; the **International Textile and Ancillary Industry Fair** (Intertekstil); **International Leather, Footwear and Clothing Week**; and the **International Packing Materials and Packing Technology Fair**.

**For more information**, visit the Fair's Web site ([www.zv.hr/sajmovi/300/index\\_en.html](http://www.zv.hr/sajmovi/300/index_en.html)) or contact Synthia Dodig, Commercial Officer, Canadian Embassy, Zagreb, fax: **(011-385-1) 488-1230**, e-mail: [synthia.dodig@dfait-maeci.gc.ca](mailto:synthia.dodig@dfait-maeci.gc.ca) Web site: [www.infoexport.gc.ca/hr](http://www.infoexport.gc.ca/hr) \*

Say *hi!* to Paris

## Canadian Pavilion at Hi Europe!

**PARIS, FRANCE** — September 17-19, 2002 — Mixing business with pleasure will be easy this fall at the second **Health Ingredients Europe Hi Europe! 2002** ([www.hi-events.com](http://www.hi-events.com)) in Paris. Hi Europe! is the perfect international meeting place for companies wishing to sample the latest trends in the health ingredients, functional and organic food industries.

**Hi Europe! 2000** in Frankfurt attracted 7,800 visitors and 380 exhibitors, most (80%) of whom are planning to return this year. No wonder: with the market for organic foods expected to grow by 500% in the coming years **Hi Europe! 2002** should prove even more tantalizing. A conference featuring presentations by international leaders in marketing,

research, engineering, and process- and product-development will be part of the show's package as well.

Agriculture and Agri-Food Canada and the Department of Foreign Affairs and International Trade are offering booth space to Canadian suppliers wishing to exhibit in the Canadian Pavilion at **Hi Europe! 2002**.

Companies may also wish to apply for financial assistance from the Program for Export Market Development (PEMD).

**For more details**, visit the show's Web site: [www.hi-events.com](http://www.hi-events.com)

**For more information** about exhibiting, contact Michael Price, Agriculture and Agri-Food Canada, tel.: **(613) 759-7509**, fax: **(613) 759-7480**, e-mail: [pricewm@em.agr.ca](mailto:pricewm@em.agr.ca) \*

## Get in the driver's seat in Tehran

**TEHRAN, IRAN** — June 24-28, 2002 — Tehran is gearing up for the **4th International Auto Fair** which promises to be the largest and most comprehensive trade fair of its kind in Iran. At the third auto fair, automobiles and accessories from 595 Iranian companies and 43 international firms were on display.

**For more information**, contact the organizers, e-mail: [tiaf@iran-automotive.com](mailto:tiaf@iran-automotive.com) Web site: [www.iran-automotive.com](http://www.iran-automotive.com)

Or 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](mailto:majid.bagherzadeh@dfait-maeci.gc.ca) \*

## Sign up for a healthy mission

**BOLOGNA, ITALY** — September 12-15, 2002 — The Canadian Consulate General in Milan invites Canadian manufacturers of health ingredients on a mission to **SANA 2002** to explore the healthy \$2-billion market for nutraceuticals, herbal remedies, food integrators and vitamins.

**SANA**, Italy's annual international exhibition for the health ingredients industry, offers Canadian companies

a unique opportunity to meet potential partners and distributors with links to a vast market of 9 million consumers. With 80,000 international visitors, 1,600 exhibitors and 800 members of the professional media attending last year, **SANA** is a "healthy" addition to any marketing events calendar.

The Consulate General has rented space in the Healthcare Pavilion

which mission participants can use to display their promotional material or for business meetings.

**For more information**, contact Sandra Marchesi, Business Development Officer, Canadian Consulate General, 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) \*

### Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services. Trade-related information can be obtained by calling or fax at **(613) 996-9709**; by calling the Enquiries Service or by visiting the DFAIT Internet site at [www.dfait-maeci.gc.ca](http://www.dfait-maeci.gc.ca)

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