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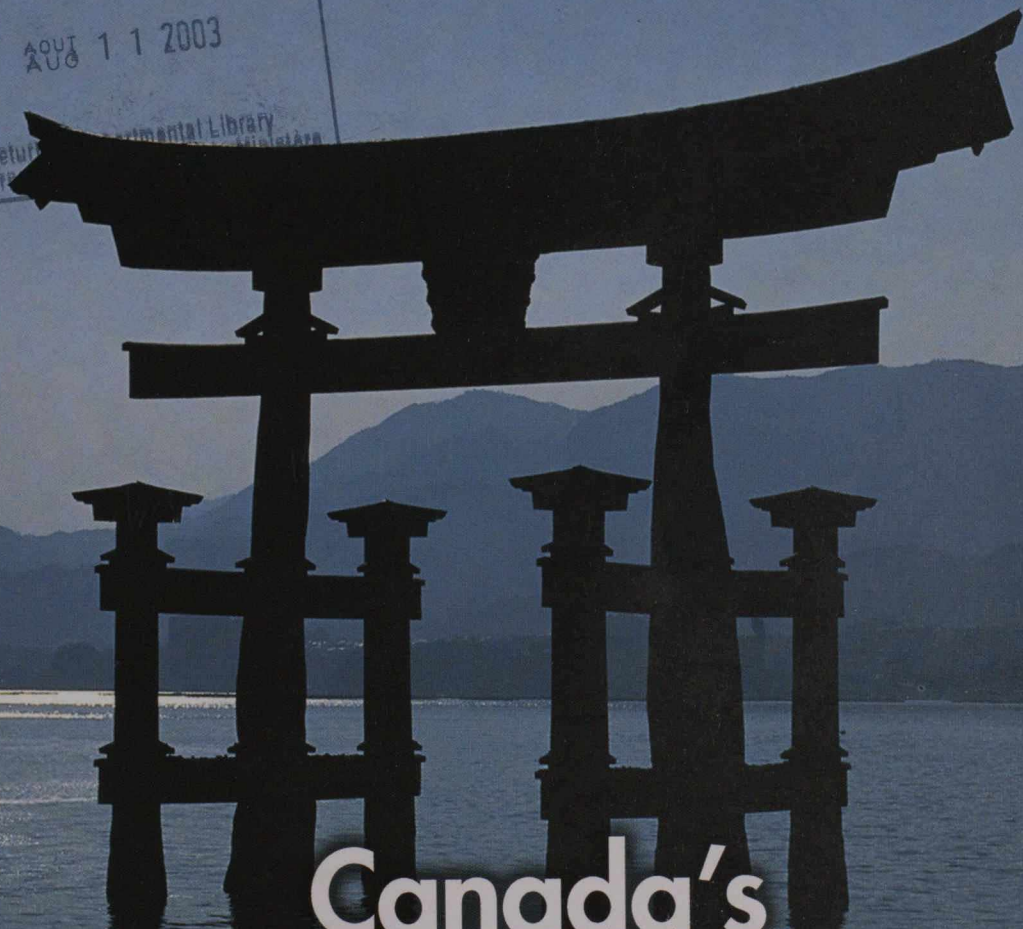
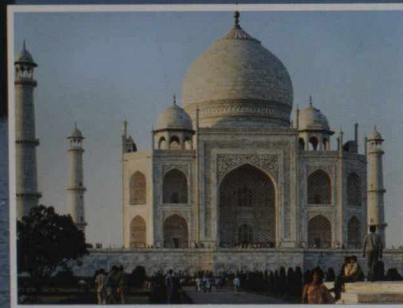


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Canada's Trade Goes Global



Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Canada

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Canada World View**

Published quarterly in English and French, *Canada World View* provides an overview of Canada's perspective on foreign policy issues, and features international Canadian initiatives and contributions.

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Our cover

Some of Canada's international trading partners. Trade is important to Canada. One job in four depends on exports. Last year, Canada's total two-way trade was \$891 billion or \$2.4 billion every day.

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TRADE WORKS

Canada's exports of goods and services account for more than 40 percent of the country's economic activity, and they support an estimated one out of every four jobs. That kind of prosperity doesn't happen by accident.

In British Columbia's thriving Port of Vancouver—Canada's busiest—the rain-slick cranes work round the clock hoisting coal, automobile parts and other products on and off cargo ships at some 25 terminals. Thanks to burgeoning trade with Asia, a favourable exchange rate and excellent rail links to the rest of the continent, Vancouver now handles more cargo than any other port on the West coast of North America, including the U.S. ports of Seattle and Los Angeles.

In 2002, about 63 million tonnes of cargo passed through Vancouver, supporting some 63,000 jobs across the country and an estimated \$3.5 billion in economic output. That makes Vancouver a potent symbol of what world trade means to Canada.

In fact, when it comes to trade Canada has few equals. It easily outpaces its partners in the Group of Eight leading industrial countries (G8). Canada exports 41.1 percent of its gross domestic product (GDP); the G8 average is 17 percent. Canada imports about 37 percent of its GDP; the G8 average is 14 percent.

"Canada is a trading nation," says Pierre Pettigrew, Canada's Minister for International Trade. "But the country's prosperity is linked to our ability to facilitate that trade with the world."

Secure and open markets, and a fair trading system based on rules—these are some of the foundation stones enabling Canada to prosper from trade. But foundations are not built by accident. It takes time and much consideration.

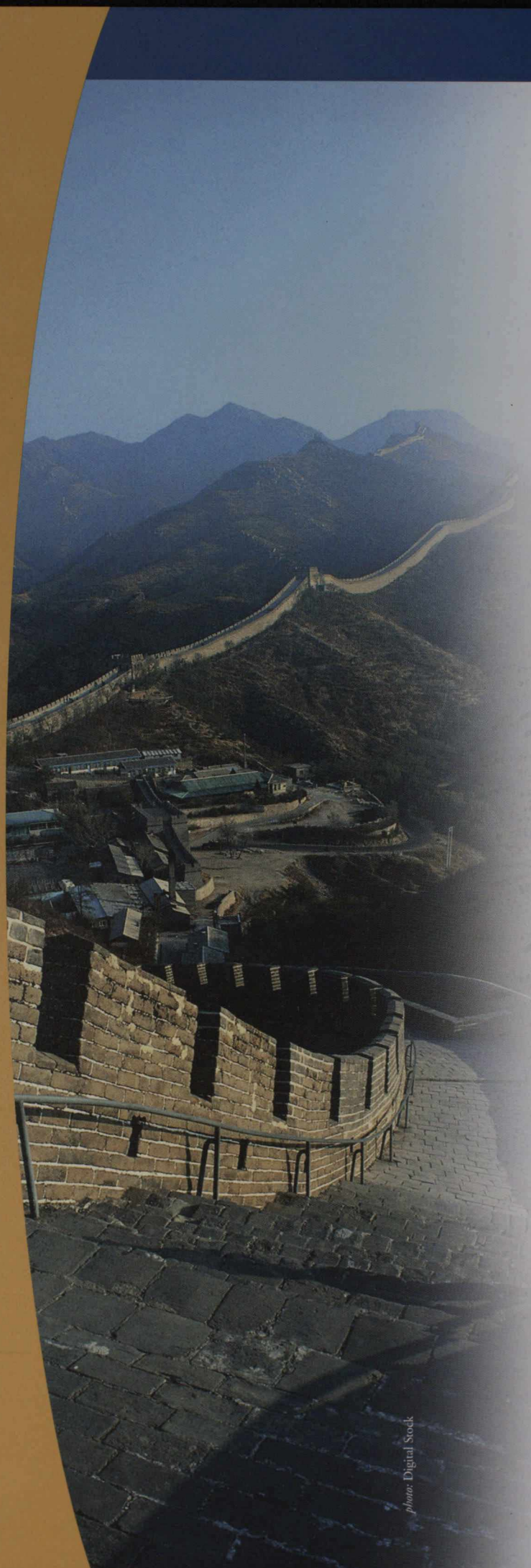
This is why the Government of Canada is actively engaged in trade negotiations on many fronts. In each case it has one central objective: more open, more predictable, rules-based markets anchored in the World Trade Organization (WTO)—the international agency in Geneva that deals with the rules of trade between nations.



photo: DEAT (BCS) Image Bank

The government also has one underlying rationale for its efforts: Trade stimulates economies and endows them with more goods, more services, more technology and more ideas.

Trade has other benefits as well. Despite some concerns about globalization, the federal government believes that trade binds nations into a system of interdependence. In this way it helps to ensure more peace and stability worldwide—a key objective of Canada's foreign policy.



In addition, a well-functioning global trading system helps advance objectives such as stricter environmental standards, improved labour standards, greater respect for human rights and increased resources to support social policies.

“By creating prosperity, trade fosters human dignity and strengthens societies here and abroad,” says Minister Pettigrew. “History has shown that, over time, trade provides the resources that enable governments to protect the environment, strengthen the social safety net and promote our core values—tolerance, compassion, generosity, democracy, the rule of law and more.”

A new era in world trade

In the last half-century the world economy has undergone a transition as fundamental as the Industrial Revolution, ushering in a new era in trade relations between countries.

At first relations were governed by the General Agreement on Tariffs and Trade (GATT), adopted after the Second World War in 1948 by 23 of the world's trading nations.

Over the years, trading rules were hammered out in repeated rounds of international negotiations. Meanwhile global trade increased over a hundredfold. Eight rounds of negotiations lowered average industrial tariffs from 40 percent to less than 4 percent. The most recently completed round of negotiations extended from 1986 to 1994; known as the Uruguay Round, it led to the creation of the WTO in 1995.

Canada benefits significantly from an open world trading system based on clear rules and on predictable access to international markets. To sell their goods and services, Canadian companies have to be able to enter a market. The WTO allows them to do that.

The WTO is central to Canada's trade policy and its relations with its trading partners. In the new round of multilateral trade negotiations now under way (see box), Canada will keep pursuing an international framework of rules—one that provides access to growing world markets and keeps pace with changes in technology, business practices, social systems and public interests.

Len Edwards is Canada's Deputy Minister for International Trade. Speaking of the new round, he says, “On the agricultural front—one of the first two sectors being negotiated, the other being services—Canada is seeking elimination of all export subsidies as quickly as possible, reductions in trade-distorting domestic support, substantial improvements in market access for all agricultural and food products, and new disciplines for export taxes and restrictions.”

photos: Digital Stock

As important as it is to Canada, trade is critical to developing countries. With other WTO members, Canada is working to expand the benefits of the multilateral trading system by helping to address developing countries' concerns, and by providing more assistance to improve the capacity of poorer countries to trade.

"We can afford to cushion the blow that sometimes results from international competition; we can help our citizens get back on their feet, get training and find new work," says Minister Pettigrew. "A majority of less-developed countries do not have the capacity to do this. Many are therefore understandably wary about entering into an agreement that could overwhelm their fragile economies. We must not let their fears be realized. Trade liberalization must benefit all economies, particularly the smaller ones."

To improve access for services and industrial goods, Canada wants more open markets. Proposed new rules on the use of trade remedies and subsidies will also give the multilateral trading system greater predictability—a key contributor to Canada's economic success.

To enhance public understanding of the benefits of a multilateral trading system, says the Deputy Minister, Canada is actively promoting transparency at the WTO. Openness is fundamental to how Canada develops and implements its trade policy.

What's true internationally is true domestically: By practising transparency, federal departments and agencies involved in trade discussions and negotiations ensure that they have open and effective channels of communication with each other and with provincial and territorial governments. And with transparency, interested stakeholders can provide input on government policy, the public can keep abreast of the country's trade agenda, and information provided in timely fashion can foster and support

The Doha Development Agenda

The WTO's top decision-making body is the Ministerial Conference, composed chiefly of trade ministers from each member country. It meets at least once every two years. At the November 2001 meeting in Doha, Qatar, the ministers re-affirmed the international community's commitment to opening up trade. In demonstration of that commitment, they launched a new round of negotiations focusing on many of the concerns of developing countries. These are expressed in the Doha Development Agenda, which notably calls for still lower tariffs for the exports on which developing countries depend. And through a declaration on intellectual property and public health, the Doha meeting signalled that the WTO system allows its members to balance social and health objectives with economic goals.

photo: Donald Stampfli AP



Main entrance of the World Trade Organization headquarters in Geneva, Switzerland.

debate and discussion. The result is government policy that is in the best interest of Canadians, and that has their understanding and consent.

Benefits to Canada and beyond

Canada is a major trading nation; estimates are that one job in four depends on exports. In 2002, Canada's total two-way trade in goods and services was \$891 billion, or \$2.4 billion every day. But while most foreign products enter Canada duty-free or at fairly low tariffs, some of Canada's exports are taxed as much as 67 percent.

Freer trade will benefit Canadian exporters, the vast majority of which are small and medium-sized enterprises. Canadians are world-class producers, and Canadian trade will expand, particularly in the fast-growing services sector. That will lead to increased productivity and competitiveness, and greater access to technology, investment and customers.

"Canada as a whole will benefit as well," says Len Edwards. "Open trade means more and better jobs, higher incomes, greater revenues for social programs and better prices for consumers. And in a fair, rules-based system, all countries—including developing countries—stand to benefit." 🍁

CANADA-U.S.-MEXICO TRADE RELATIONS

Getting it right

Nearly \$2 billion worth of trade crosses the Canada-U.S. border every day, and Canada-Mexico trade is worth \$15 billion a year. Getting the North American trading relationship right is a necessity, not an option.

In December 2002, the House of Commons Standing Committee on Foreign Affairs and International Trade issued a report entitled *Partners in North America: Advancing Canada's Relations with the United States and Mexico*. The report stated, "Canada is a North American nation. Getting North American relations right is the key policy imperative for Canada."

Confirming that view is Len Edwards, Deputy Minister for International Trade. He says, "Canada's trade and economic interests span the globe, so the cornerstone of our trade policy continues to be the multilateral trading system. However, North America—and, in particular, the United States—is by far our most important market and increasingly critical to our prosperity and security."

Since the North American Free Trade Agreement (NAFTA) came into force on January 1, 1994, Canada has consolidated its position as the largest trading partner of the United States. Canadian purchases of U.S. goods equal purchases by all the European Union countries combined—almost 19 percent of American exports. Thirty-eight U.S. states have Canada as their largest market; that adds up to roughly \$1.2 billion in trade, every day of the year.

One of Canada's priorities is to expand its advocacy program in the United States. Len Edwards explains: "Growing economic integration means that an increasing number and range of U.S. federal, state and municipal

issues and actions have a direct and powerful impact on Canada. The Department of Foreign Affairs and International Trade is working to improve its capacity to engage Americans at the local, regional and state levels, where the interests that drive Congressional and Administration policy are developed and articulated."

NAFTA has proven to be a resounding success for all three partners. Since its implementation, total merchandise trade between Canada, Mexico and the United States has increased by about 150 percent (from \$374 billion in 1993 to \$944 billion in 2002). Total two-way trade between Canada and Mexico has risen by 233 percent since 1993—despite a 13-percent fall in Canadian exports to Mexico in 2002.

"The NAFTA was a first because it linked two developed countries—Canada and the United States—with Mexico, a developing country," says Deputy Minister Edwards. "The ongoing success of the agreement demonstrates that freer trade and investment between developed and developing countries are beneficial for all parties, especially developing ones."

Mexico is now Canada's sixth-largest export destination and its fourth-largest source of imports. Two-way merchandise trade stood at \$15.1 billion in 2002. And Canadian direct investment in Mexico continues to grow, reaching \$4 billion in 2001.

Clearly NAFTA works—for all of North America. 🍁

NAFTA OPENS DOORS

Baultar floors Mexico City's transit system

Baultar Inc. of Windsor, Quebec, is taking a beating from Mexican subway riders—and wouldn't have it any other way.

Xavier Garcia, Baultar's international marketing coordinator, says the company has been competing successfully for contracts in Mexico City's heavily used metro system since NAFTA came into force.

"We identified a real need for our resilient floor coverings in Mexico, and once NAFTA was implemented, our work there multiplied by five," says Garcia.

Gerth makes inroads south of the border

Think of trade and what comes to mind? Typically, merchandise. But equally important are the freight carriers that move the goods across borders—firms such as Gerth Transport of Kitchener, Ontario.

Although Gerth had been dealing with Mexico for years, business literally took off once NAFTA was implemented. Since 1994, the company has tripled in size.

"NAFTA enabled us to move ahead in Mexico at a much faster pace than we ever expected," says Wayne Hadath, vice-president of sales and marketing.

Testori skyrockets to U.S. success

Based in Summerside, Prince Edward Island, Testori Americas Corporation started selling its aircraft and related components south of the border—mainly through Bombardier—just before NAFTA's implementation.

President Lindo Lapegna recalls the pre-NAFTA difficulties of doing business with the United States. The agreement, he says, opened doors for Testori: "Transportation and border logistics were real headaches," he recalls. "NAFTA has brought these issues within our control, so they no longer inhibit our ability to compete."



FREE TRADE AREA OF THE AMERICAS TAKES SHAPE

The North American Free Trade Agreement performed the feat of linking two developed countries with one developing one. And it worked. Now the focus is on an even more ambitious undertaking.

Some countries might be satisfied with the creation of a multilateral trading arrangement like the North American Free Trade Agreement. But not Canada.

"Strengthening North America's economic space—and, more specifically, Canada–U.S. relations—is our top priority," says Len Edwards, Deputy Minister for International Trade. But he adds, "We continue to push ahead on regional and multilateral fronts. Building on our successes, we have been encouraged to broaden trade liberalization through economic integration within the Free Trade Area of the Americas [FTAA]."

In December 1994 in Miami, the first Summit of the Americas set out the vision of a hemisphere-wide free trade area. At the April 1998 summit in Santiago, Chile, leaders of the 34 democratic countries of the Americas launched negotiations on achieving that vision.

The proposed FTAA is an integral part of the broader Summit of the Americas process. Since 1994, this has led Canada and its hemispheric partners to work closely together on improving human rights, strengthening democracy, enhancing economic opportunities and—most important—bettering the lives of all their citizens.

"The FTAA is about enhancing economic opportunities," says Deputy Minister Edwards. "It will open more markets to Canadian goods and expertise, and will contribute to economic growth throughout the hemisphere."

The goal, he says, is to create the world's largest free trade area by 2005, a hemispheric marketplace with boundless prospects. Today, this region boasts 828 million people, generating 40.7 percent of the world's wealth. Its combined GDP is \$19.7 trillion.

Canada already has a significant presence: Trade with the Americas was \$594.9 billion in 2002. But an FTAA agreement would be a tremendous boost for Canadian business, yielding multiple gains.

Rules being negotiated in the FTAA discussions will help Canadian farmers, investors and high-tech exporters alike seize opportunities in a region where many markets are still relatively unknown to Canadians.

According to the Minister for International Trade Pierre Pettigrew, 2002 was a landmark year for meeting Canada's key objectives. "With our partners, we moved closer toward consensus on an integrated draft text of the eventual FTAA agreement," he says. "We continued to make the FTAA Committee on the Participation of Civil Society an ever more effective instrument for fostering citizen participation in the FTAA process. And we achieved greater transparency in the FTAA process, enhancing the public's access to information."

More openness

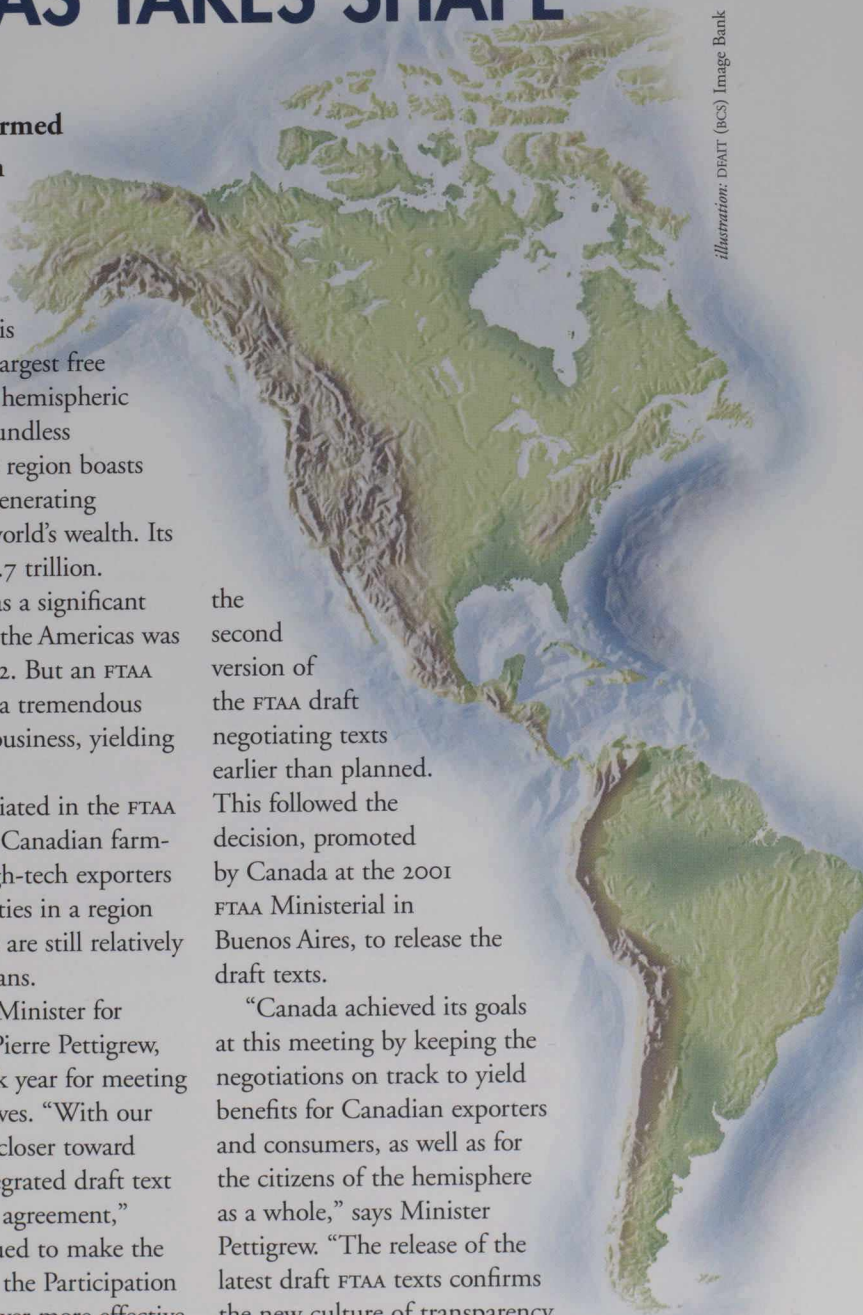
At their November 2002 meeting in Quito, Ecuador, hemispheric trade ministers agreed to publicly release

the second version of the FTAA draft negotiating texts earlier than planned. This followed the decision, promoted by Canada at the 2001 FTAA Ministerial in Buenos Aires, to release the draft texts.

"Canada achieved its goals at this meeting by keeping the negotiations on track to yield benefits for Canadian exporters and consumers, as well as for the citizens of the hemisphere as a whole," says Minister Pettigrew. "The release of the latest draft FTAA texts confirms the new culture of transparency in trade negotiations, which Canada has championed."

Ministers also ensured that the FTAA negotiations will continue to contribute to the broader Summit of the Americas process, including in priority areas such as protection and conservation of the environment and promotion of labour rights. 🍁

Illustration: DEATT (BCS) Image Bank



BUILDING BLOCKS IN A BETTER TRADE SYSTEM

Canada has concluded or is working toward trade agreements with a variety of partners. These initiatives complement and reinforce Canada's push toward greater multilateral and regional free trade. Here is an update on where things stand.

Chile

The Canada–Chile Free Trade Agreement came into force on July 5, 1997. Since then, economic relations between the two countries have flourished. In 2002, bilateral trade amounted to \$947.6 million, including nearly \$280 million in Canadian exports. Investment has also increased to a total of \$5.69 billion, making Canada the third-largest investor in Chile.

Israel

The Canada–Israel Free Trade Agreement was Canada's first such accord with a nation outside the Western hemisphere. It eliminated tariffs on most industrial products originating in either partner and exported to the other country.

Since implementation of the agreement on January 1, 1997, bilateral trade between Canada and Israel has doubled; in 2002 it exceeded \$1 billion for the first time.

Costa Rica

On November 1, 2002, the Canada–Costa Rica Free Trade Agreement entered into force.

The agreement gives better access to the Costa Rican market for Canadian fish, paper products, auto parts, plastics, wood and agricultural goods. It also reduces red tape and border procedures for Canadians doing business in Costa Rica.

Two-way merchandise trade between Canada and Costa Rica amounted to \$321.9 million in 2002.

European Free Trade Association

On October 9, 1998, Canada announced the launch of free trade negotiations with the European Free Trade Association (EFTA) countries of Iceland, Norway, Switzerland and Liechtenstein.

In 2002, Canada's two-way goods trade with the EFTA countries was valued at \$7 billion; Canadian exports totalled \$1.5 billion, while imports totalled \$5.5 billion.

Singapore

On October 21, 2001, Canada's Prime Minister Jean Chrétien and Singapore's Prime Minister Gok Chok Tong announced the launch of negotiations toward a free trade agreement between Canada and Singapore.

In 2002, Canada's exports to Singapore totalled over \$13 million, making it Canada's 21st-largest export market for the year. Canada's 2002 imports from Singapore totalled \$988 million. In 2000, Canada's services exports to Singapore were valued at \$227 million, and imports totalled \$602 million.

Central America Four

Seeking to further enhance trade relations with Central America, on November 21, 2001, Canada launched free trade negotiations with El Salvador, Guatemala, Honduras and Nicaragua.

In 2002, bilateral merchandise trade between Canada and these four Central American countries totalled \$560.2 million. In 2000, bilateral trade in services was estimated at \$77 million, and Canadian direct

investment in these markets was estimated at over \$167 million.

CARICOM

On December 19, 2001, the Government of Canada announced public consultations to obtain the views of Canadians on a proposed free trade agreement with the Caribbean Community and Common Market (CARICOM).

Two-way merchandise trade between Canada and CARICOM reached \$1.24 billion in 2002. Canadian investment in the region has gone mainly to the financial, mining, energy and tourism sectors; it stood at \$31.7 billion in 2002, making this Canada's third most important investment destination after the United States and the United Kingdom. In addition, each year in the Caribbean, Canadian firms win consulting and engineering contracts worth \$200 million.

Andean Community countries and Dominican Republic

On November 4, 2002, Minister Pettigrew announced that the Government of Canada would hold broad and comprehensive consultations concerning two proposed free trade deals: one with the Andean Community countries (Bolivia, Colombia, Ecuador, Peru and Venezuela) and the other with the Dominican Republic.

The Andean countries are important commercial partners for Canada. Bilateral trade reached \$3.3 billion in 2002, with Canadian exports totalling \$1.2 billion. Canadian investment in the Andean countries is estimated at \$11 billion. Two-way merchandise trade between Canada and the Dominican Republic is increasing; in 2002 it amounted to \$244.7 million. 🍁

HELPING CANADIANS SUCCEED IN WORLD MARKETS

With a presence in 140 locations around the world, Canada's Trade Commissioner Service has the inside edge when it comes to helping Canadian business people increase their exports.

As a trade commissioner at the Canadian trade office in Cairo, Magdy Ghazal is quick to see red. That's red as in lentils, of which Egypt is the world's largest importer. And thanks to Ghazal's efforts, its main supplier today is Canada.

Egypt traditionally bought red lentils from Turkey and Syria, but those countries could not keep up with the growing demand. In search of new sources of supply, Egyptian importers approached Ghazal at the trade office.

"Canada didn't produce red lentils," says Ghazal, "but I contacted Pulse Canada—the national industry association for pulse growers—and the producers themselves, and convinced them that if they planted red lentils Egypt would buy them. We arranged for the importers to give them a letter of credit. The Canadian industry responded well and they went to the lab to come up with a hardy seed. Exporting started with a few containers, then a few more, and then boatloads. Now Canada has 70 percent of the Egyptian market."

As Chief Trade Commissioner and Assistant Deputy Minister of Canada's Department of Foreign Affairs and International Trade (DFAIT), John Gero is proud of the work of Magdy Ghazal and many others in delivering programs and services to Canadian exporters. "Our most valuable—and value-added—asset is our people," he says. "Without them, we wouldn't be able to do very much for Canadian exporters."

The people Gero refers to are the women and men who work for Canada's Trade Commissioner Service (TCS). They include Ottawa-based staff plus 530 trade professionals in 140 locations throughout the world.

The government puts much effort into negotiating trade agreements to open up markets—and opportunities—for Canadian business people. "The agreements open doors," acknowledges Gero, "but the commitment and expertise of our people is often the critical factor in a company's winning or losing an international contract. Their knowledge of and familiarity with international markets, and the relationships they have established with foreign businesses and governments, can go a long way toward helping our companies succeed in the global arena."

Businesses of all kinds rely on TCS, from small and medium-sized enterprises cutting their teeth abroad to experienced firms looking to increase their share of international markets.

Whether to help understand other countries' trade practices, learn more about a target market or current regulations, find a likely trading partner or close deals, TCS officers in Atlanta, London, Mexico City, Singapore and elsewhere help Canadian business people make the most of potential opportunities.

A few years ago, DFAIT embarked on a major revitalization of the Trade Commissioner Service. Gero explains, "We took a good hard look at the



Photo: DFAIT (TCS) Image Bank

types of services we were offering, and the time and resources required to deliver these services. We wanted to make sure that we were giving our clients what they needed, in the most effective and efficient manner possible."

The result was a solid commitment to deliver six key or core services (see box). "These are the services that our clients told us would help them succeed," says Gero.

Determining potential

The first core service is helping firms assess their real potential in a market. TCS officers advise companies on doing business in the market, indicate major barriers and regulations, and notify companies of upcoming events, such as trade fairs, conferences, seminars and trade missions.

"Once we've assisted our clients to evaluate a market," says one TCS officer, "we can then help them decide

whether it is worthwhile to pursue business there, and suggest the steps they should take to move forward.”

International Datacasting Corporation (IDC) is an award-winning Canadian firm that has benefited from this service. With its successful broadband technology, the Ottawa-based company is doing business in over 35 countries.

“The first call we make in a new market is usually to the Trade Commissioner Service office,” says IDC’s Diana Cantø. “TCS is outstanding. We have found them useful as ears to the ground, helping make the right contacts and troubleshooting. They also serve as an ideal sounding board for brainstorming and new ideas.”

Networking

Once a company decides to explore and develop a chosen market, it needs to make contacts and enter into business relations. TCS officers can help by supplying names of potential buyers, distributors, partners or other people who are important to know in a specific market.

TCS officer Joanne Smith, based in Rome, cites a recent example of how this type of service can pay off: “We helped a leading aviation software and training provider find local representation in Italy, and the company—Quebec-based Adacel Inc.—won its first contract in Italy in July 2002. Adacel first approached TCS in 2000 for assistance to expand into Italy. We provided it with a list of suitable,

expert aerospace agents, and from that list it found a local representative well connected in the industry. Adacel went on to beat out stiff Italian competition to win a \$3.2 million contract to supply its Air Traffic Control Tower Simulators to the Italian Air Traffic Control Authority.”

A firm may also receive an unsolicited business offer. Before responding, it’s vital to find out as much as possible about the potential partner—what it does and what it offers. TCS helps with its third core service: up-to-date, reliable information on local market organizations or companies.

At the trade office in Ho Chi Minh City, Vietnam, Francis Uy has seen how this service can yield tangible results: “We’ve been working with Quebec-based Gepay International over the past year to help it pursue opportunities for vocational training in the Vietnamese welding industry,” says Uy. “The demand for qualified welders in Vietnam is especially high for oil and gas, shipbuilding, industrial and civil construction firms. But local training institutes are ill-equipped and do not have the resources to provide this specialized training, thereby creating a demand for Gepay’s expertise. We arranged for Gepay to meet with representatives of local technical and vocational institutions, as well as oil and gas companies. As a result, Gepay is now negotiating an agreement with a number of local training centres in Vietnam.”

Specialized visit information

Clients also turn to TCS when they are about to visit a market that interests them. “If they ask their TCS officer for information about a locale, she or he can tell them when it’s appropriate to make a trip and how to organize it,” says Gero. Officers can advise on such matters as national customs, local transportation, business support services, local interpreters and translators, and accommodation. During a visit, it’s

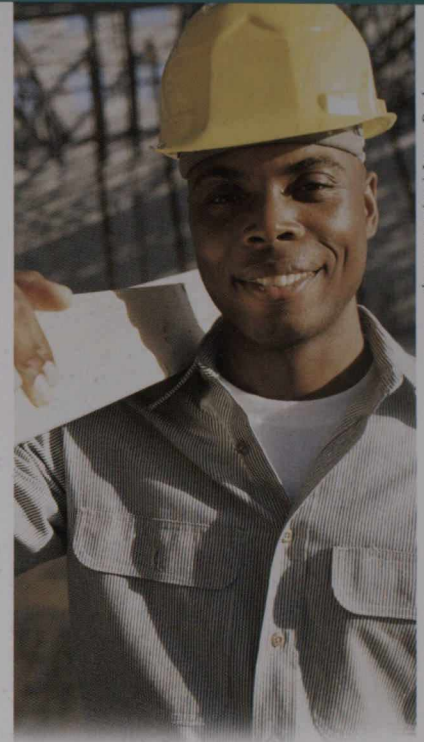


photo: DEART (TCS) Image Bank

a must for company representatives to meet with TCS officers in order to explain their needs and obtain information on recent developments in the target market.

As CEO of Cubex Limited of Winnipeg, Manitoba, Hemant M. Shah is quick to credit the help he received from TCS. After settling in Canada in 1978, Shah immediately began to explore opportunities for exporting back to India. Almost from the start he received support from the International Trade Centre in Winnipeg. “The trade officers I came into contact with gave me guidance and moral support,” he says. Assistance came as well from Canadian trade officers based in Bombay (now Mumbai). Thanks to the networking channels developed in those early years, Shah has racked up one export success after another, including sales of agricultural equipment and dried peas.

In 1998 Shah launched a joint venture with a partner in the Indian city of Hyderabad; TCS had supplied the introduction. The original aim of KLR-Cubex International Ltd. was to develop an underground drilling machine tailored to India’s needs. Now the company has expanded its

Six core services of Canada’s Trade Commissioner Service

- Market prospect
- Key contacts search
- Local company information
- Visit information
- Face-to-face briefing
- Troubleshooting

line to include municipal maintenance systems, such as road sweepers and sewer cleaning equipment.

Problem solving

Troubleshooting—the sixth core service—helps companies resolve business problems in a market.

“In many countries, negotiations are conducted much more formally than in North America; they won’t agree to anything in principle until all the technical issues are worked out,” says Don Campbell, group president in charge of military simulation and training for CAE Inc. of Montreal, Quebec. “You have to have your ducks lined up and be ready for spirited rounds of negotiations.”

Campbell adds that negotiations are only one element in winning a contract. Another is developing relationships with the appropriate authorities, particularly for government contracts. CAE has found TCS invaluable in facilitating such contacts, and troubleshooting where necessary: “If we run into a roadblock, we know we can count on TCS to help us work our way through it.”

Many projects call on most, or all, of TCS’s six core services—or still more. Doreen Steidle, Canadian High Commissioner to Singapore, mentions a notable case: a school bus safety project making use of a state-of-the-art satellite positioning application developed by Vancouver-based Unity Integration Corp. Starting from project conception, Canadian trade officers took an active role in helping to realize the vision. The result: the project swiftly reached the pilot stage at a local school. Says Steidle, “This is one of those successes that goes beyond the commercial to leave an indelible mark on the local community, which will continue to see the benefits of this unique idea from Canada.” ♣

CAREERS WITHOUT BORDERS

For three new trade commissioners, getting into Canada’s Foreign Service was just the beginning. Now, after rigorous on-the-job training in Ottawa, the world awaits them.

A journalist with Reuters, Eugenie Cormier-Lassonde saw a recruitment poster at the Université de Montréal, where she was studying economics part-time.

An industrial commissioner for a Quebec county, François Lasalle spotted an advertisement in the Montreal newspaper *La Presse*.

A teacher who had worked overseas, Nira Shearer visited the Foreign Service Web site.

All three are now pursuing careers in the Canadian Trade Commissioner Service, a division of Canada’s Foreign Service.

“Trade commissioners are an exceptional and dedicated group of professionals who pull out all the stops to help Canadian business succeed abroad, often in very difficult situations,” says International Trade Minister Pierre Pettigrew.

Each year, some 6,000 applicants compete for foreign service officer positions. Only about 60 are selected. They come from a multitude of backgrounds. For example, Eugenie knows of a filmmaker and a Yale University physicist, both now bringing their particular expertise and perspective to the Canadian Foreign Service.

Trade is one of four career streams from which candidates can choose. The others are immigration, and consular and political affairs.

For all four streams, the application process is the same. It starts with three tests: graduate recruitment; written communication proficiency; and Foreign Service situational judgment. If successful, candidates are interviewed by a Public Service Commission panel. Then, if the candidates meet

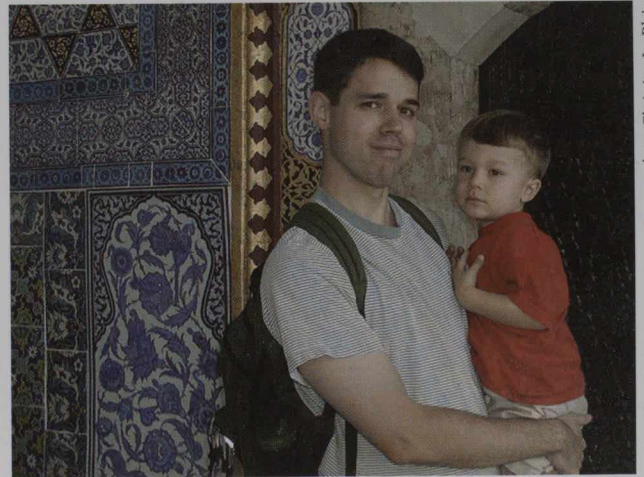


photo: Christine Le Blein

the medical, security and language requirements, they are ready to embark on one of the most challenging and rewarding adventures of their lives.

Trade was the first choice of Eugenie, François and Nira.

“I was interested in trade because it is very hands-on and results-based, much like teaching,” says Nira. “Also, I liked the fact that I would be dealing mostly with the private sector, Canadian entrepreneurs, exporters, investors and so on. This struck me as an area where I could see some positive results that helped not only the country as a whole but individual Canadians and their families.”

Eugenie feels much the same way: “In trade, I saw an opportunity to work closely with Canadians, to help them realize their goals and ambitions, and to contribute, at least in a small way, to their success.” This, she adds, “goes even further when you consider that their success translates into more jobs for more Canadians and greater growth for Canada as well.”

“I was already in the business, so to speak,” says François. “I had been

François Lasalle at the Topkapi Palace in Istanbul, Turkey, with his son Raphaël.



Nira Shearer (left) and Eugenie Cormier-Lassonde at headquarters in Ottawa.

working for six years with the regional economic development board of a county in Quebec. As an industrial commissioner it was my job to help people start their own businesses. So for me there were a lot of similarities between what I was already doing and working in trade, and it was something that I really enjoyed.”

And of course there’s the travel. But first, new TCS officers spend

one to two years at Department of Foreign Affairs and International Trade headquarters in Ottawa. There they receive basic training in trade or one of the three other career streams.

For François, it was two years as a media relations officer in the Communications Branch. Nira worked for one year in the Baltic, Central European and Eastern Mediterranean Division, and Eugenie has been with the Eastern European Division for just six months.

New recruits receive training and practical experience at headquarters. They work with various geographic branches in Ottawa and trade offices around the world. And they travel across Canada visiting exporters, industry associations, provincial and municipal trade organizations, and a host of other groups involved in trade.

Once they complete initial training in Ottawa, the recruits can apply to

be posted overseas, submitting a list of three preferred locations. Nira will soon be on her way to Kazakhstan. After only one year at headquarters, she considers this a great opportunity. “I’m looking forward to it,” she says. “My goal was to work abroad, so when the position in Kazakhstan came up, I was eager to pursue it.” She is now learning Russian and will be ready to take up her posting in September 2003.

François is already working at the TCS office in Ankara, Turkey. For him, location was not the most important factor in his decision: “Where I would be posted was important, especially because I have a family. But I was equally interested in the people I would be working with and the type of work I would be doing,” he says. “Turkey is a very interesting post, the people are enthusiastic and dedicated. And the work is challenging since

YOUTH

DEVELOP GLOBAL CAREER SKILLS

For youth of Canada interested in gaining career experience abroad, Young Professionals International is a good place to start.

A young woman from the Whitebear Nation in Saskatchewan analyzes Maori interests in New Zealand. A young man from Ontario works on missile proliferation issues for the United Nations in Geneva. A visually impaired youth from Newfoundland and Labrador develops the pedestrian safety for the blind project in Washington, D.C.

Like hundreds of others, these three young Canadians have been sponsored by Young Professionals International (formerly the Youth International Internship Program) of the Department of Foreign Affairs and International Trade.

Part of the Government of Canada’s Youth Employment Strategy, this initiative is designed to help Canada’s youth develop the skills they need in today’s global economy. It offers a first paid career-related work experience in another country. Young Canadians are eligible if they are between 18 and 30 years of age, unemployed or underemployed, not enrolled in an educational program—and are keen for international experience to launch their career.

One program alumnus is David Belluz. He got a start in film production; now he heads his own business.

The aspiring young Saskatchewan filmmaker interested Regina-based Cooper Rock Pictures in a documentary demo reel he had shot. With the assistance of Young Professionals International and the Canadian Film and Television Production Association,

Belluz trained at Cooper Rock and filmed several documentaries in Gulu, northern Uganda—including one on the 300,000 displaced persons in that region.

With help from Cooper Rock, Belluz saw his projects through all the stages from development to post-production. He then started his own company, Alethia Productions Inc. Jointly with Cooper Rock, he received full funding from three broadcasters for *Ebola War: The Nurses of Gulu*.

For Belluz and hundreds of others, Young Professionals International has been only the beginning.

The program has placed young Canadians in some 115 countries around the world, in organizations such as the Institute for Education in Democracy in Nairobi, Kenya, or the Commonwealth Youth Program of the Caribbean Regional Centre in

TEAM CANADA

equals jobs and growth

Turkey is just coming out of a difficult recession and the prospects for Canadian businesses are growing. It's an exciting place to be."

Eugenie hasn't yet decided to which TCS office she'd like to apply. "I've only been at headquarters for six months and I'm learning a lot. I had decided to commit to two years of training before applying for a position abroad," she says. "That's coming up and I'm looking forward to finding a good position somewhere in the world, where I can make a real contribution and feel good about the new career and direction I've chosen." ❁

For information on how to apply for a Foreign Service career: www.dfait-maeci.gc.ca/departement/service/menu-en.asp

Georgetown, Guyana, or the Canada-Philippines Chamber of Commerce in Manila. It has also placed young people in companies, such as Entrepise Berthier in Costa Rica; Amisk Czech, a Canadian-owned steel-frame home builder in Brno, Czech Republic; and Trinôme Inc., a Montreal film production company. ❁

For more information on Young Professionals International:

www.dfait-maeci.gc.ca/interns

Hold the tequila! Discerning consumers from Tijuana to Oaxaca are reaching for Canadian Iceberg Vodka.

This fine product is made from water harvested from icebergs floating off the coast of Newfoundland—the purest on earth—and Canadian sweet corn. Last year, worldwide retail sales totalled approximately \$10 million in 14 countries. Now Canadian Iceberg has found a new market in Mexico, thanks to Team Canada—one of the Trade Commissioner Service's highest-profile programs.

Team Canada trade missions are led by the Prime Minister, the Minister for International Trade, provincial premiers and territorial government leaders. They join in a unique partnership to increase Canada's trade and create jobs and growth back home.

In addition, the Minister for International Trade often leads Canada trade or business development missions. These operate much like the Team Canada missions but without the participation of the Prime Minister or provincial and territorial leaders.

During a Canada trade mission to Mexico in June 2002, Canadian Iceberg signed a three-year agreement worth \$2,475,000 giving Comercializadora Los Agaves exclusive distribution rights in that country.

This was the third time company president Gary Pollack joined a mission organized by the Government of Canada, with the aim of securing new distribution channels for his award-winning vodka. The results of previous trips were equally impressive: a \$7-million deal to promote sales in Russia; and a distribution deal



Photo: Team Canada Division, DFAIT

signed in Hong Kong, opening doors to mainland China.

Team Canada missions promote Canada's commercial, political, educational and cultural links with other countries. With the presence and support of the Prime Minister and other government leaders, Canadian firms gain unique access to key economic decision makers and enjoy a high public profile.

The missions send a strong message to prospective partners that Canada is committed to doing business with them. They build prestige and credibility for Canada, helping new as well as experienced exporters to position themselves in competitive world markets.

Among the participants: exporters; heads of academic institutions; promoters of arts, culture and tourism; representatives of small and medium-sized enterprises; and Aboriginal, youth and women entrepreneurs.

The first Team Canada mission visited China in 1994, and the most recent one went to Russia and Germany in 2002. In all, there have been seven missions with some 2,800 participants representing Canadian businesses and organizations, who have secured \$30.6 billion in new business. And added to that are the hundreds of business ventures nurtured over time as a result of the missions. ❁

For more information: www.teamcanada.gc.ca

International Trade Minister Pierre Pettigrew addresses business delegates during 2002 Team Canada trade mission to Germany.

SUPPORT ON THE WEB

Exporting is a challenge, especially for anyone new to it. The good news is that there is plenty of support to smooth your way.

On-line service

The Virtual Trade Commissioner is one of the newest and most innovative trade programs offered by the Department of Foreign Affairs and International Trade. This is an on-line service for Canadian exporters looking for information on contacts and business opportunities in foreign markets.

The Virtual Trade Commissioner goes to work once a Canadian business registers as a client on the Trade Commissioner Service (TCS) Web site. It creates a personalized Web page for that company, with direct links to the trade officers responsible for business sectors in the firm's selected markets. The page also features the most recent market research, business opportunities, trade events and news to match the client's interests.

Through the Virtual Trade Commissioner, companies can register for trade missions or seminars, or request one of the six TCS core services on-line (see box, p. 10). In addition, clients are publicized to trade officers around the world.

Canada salutes its top exporters

Every year, the Canada Export Awards honour outstanding Canadian companies for their talent and innovative spirit in exporting.

"Canadian exporters are recognized around the world for their innovation and for the excellence of their products and services," says International Trade Minister Pierre Pettigrew. "Their achievements help Canada remain a leader in international trade. We want to highlight those firms that are competing and succeeding with the best in the world."

Since 1983, more than 200 companies have received awards for successfully expanding their businesses beyond Canada's borders. This year, the finalists will be announced in July. The winners and the Exporter of the Year will be feted at a gala presentation ceremony and dinner to be held in Toronto in November 2003.

For a demonstration of the Virtual Trade Commissioner, or to register on-line and access a personalized Web page: www.infoexport.gc.ca

e-Leads

Leads are vital in business. That's why TCS offers a unique service for Canadian exporters: the International Business Opportunities Centre's electronic leads system, known as e-Leads. This delivers international business leads from foreign buyers right to the desktops of Canadian companies.

The service is free for Canadian firms; simply complete a profile indicating export preferences.

For more information: www.e-leads.ca/cancompanies/default-e.asp

Target: new markets

The TCS Market Research Centre produces timely information to help Canadian exporters identify new markets for their products and services.

Country- and sector-specific market reports and briefs cover a broad range of business interests, from agri-food and bio-industries to information and communications technology. Over 1,000 reports and briefs are currently available on the TCS Web site (www.infoexport.gc.ca).

CanadExport delivers the news

Every two weeks, some 70,000 Canadian businesses receive *CanadExport*—an international trade and investment newsletter distributed free of charge.

CanadExport provides information on export opportunities, trade fairs and missions, and business conferences. It carries features and articles on export markets and successful Canadian exporters. Its pages contain invaluable information to help

Network makes exporting easy

A huge network is in place to help Canadian business people who are looking to export. The players on Team Canada Inc (TCI) are all-stars: over 20 federal government departments and agencies; provincial, territorial and municipal governments; industry associations; educational institutions; and private firms.

It's a complete package—all of Canada's trade-related organizations under one roof.

If a company wants to export barley to Saudi Arabia, for example, TCI can provide connections to Agriculture and Agri-Food Canada, the industry association, and the Canadian Trade Commissioner Service.

TCI helps companies prepare for their first export venture. It also helps experienced exporters expand into new markets.

Explore the full range of Team Canada Inc services. Telephone 1-888-811-1119 or visit ExportSource (www.exportsource.gc.ca), Canada's most comprehensive on-line source for export information.

Canadian exporters stay ahead of the competition.

For more information or to subscribe: www.infoexport.gc.ca/canadexport

Calling all Canadian women entrepreneurs!

"Businesswomen in Trade" is a Web site tailored to women-led businesses looking to export or improve their export performance.

The site offers practical advice from experienced businesswomen, information on trade events, and market leads and opportunities. Provided as well are links to key contacts in regional, national and international associations, government support agencies, and financial institutions.

For more information: www.infoexport.gc.ca/businesswomen ✪

IN BRIEF

New scheme to halt trade in conflict diamonds

Diamonds are small, valuable and easily traded—an ideal resource for funding a war. But diamonds will cease to be the currency of conflict under a new international scheme.

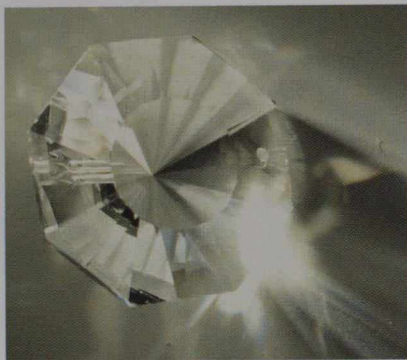
In the late 1990s the illicit trade in rough diamonds was fuelling armed conflicts in Angola, Sierra Leone, the Democratic Republic of Congo and elsewhere. As

the problem of “conflict diamonds” grew, the lack of controls on trading threatened the legitimacy of the diamond industry.

The United Nations Security Council introduced sanctions intended to stop the trade in conflict diamonds from war zones. But more needed to be done.

In May 2000 southern African nations stepped forward and launched the Kimberley Process, an initiative to bring greater control and transparency to the diamond industry. The result: As of January 1, 2003, Canada and over 30 other countries have implemented a scheme that requires diamond exporters or importers to have a certificate issued by a government stating each diamond's origin. The aim is to prevent diamonds that are funding conflict from entering the legitimate diamond market.

Under the scheme, rough diamonds exported from Canada will be certified as conflict-free, and Canada will import only diamonds that are covered by the Kimberley Process. Penalties include fines, imprisonment and the loss of trading licences.



Youth forum offers recommendations

From March 21 to 24 in Ottawa, over 120 young Canadians aged 18 to 21 from across the country participated in the National Forum for Youth 2003, hosted by the Canadian Centre for

Foreign Policy Development (CCFPD). The theme of the Forum was “The Next Canada: The World We Want.”

“I feel that it is important to hear from Canadian youth on future directions for Canadian foreign

policy,” said Foreign Affairs Minister Bill Graham. “The report and recommendations from the National Forum are welcome contributions to the government's Dialogue on Foreign Policy.”

On the final day of the event, participants presented Minister Graham with key policy recommendations and advice on each of the three pillars of Canadian foreign policy: security; prosperity; and values and culture.

The youth participants were selected from seven partner organizations: the United Nations Association of Canada; Canada World Youth; the YMCA; the Canadian Junior Chamber; the Canadian Ethnocultural Council; War Child Canada; and the National Association of Friendship Centres.

The final report and recommendations are posted on the CCFPD Web site: www.cfp-pec.gc.ca

Canadian elected first President of International Criminal Court

In March 2003, Philippe Kirsch was unanimously elected President of the newly established International Criminal Court (ICC) at its inaugural meeting in The Hague, Netherlands.

A member of the Canadian Foreign Service since 1972, Mr. Kirsch has been a leading figure in the establishment of the ICC. He chaired the negotiations that led to adoption of the Rome Statute of the International Criminal Court in 1998. He also chaired the 1999–2002 Preparatory Commission; this developed important subsidiary instruments, such as the Rules of Procedure and Evidence. Mr. Kirsch is a recognized expert in international humanitarian and criminal law, and has been active in promoting ratification of the Rome Statute.

Mr. Kirsch will serve a six-year term as an ICC judge and a renewable three-year term as President of the Court. ICC vice-presidents are Akua Kuenyehia of Ghana and Elizabeth Odio Benito of Costa Rica.

Canada helps developing countries participate in World Trade Organization

On March 10, 2003, International Trade Minister Pierre Pettigrew announced that Canada would provide \$500,000 to help developing countries better participate in World Trade Organization (WTO) activities.

The funding supports specific commitments made to developing countries under the WTO's Doha Development Agenda (see p. 5). These include enhancing the negotiating capacity of developing countries, as well as helping them to adjust to WTO rules and implement their WTO obligations.

The \$500,000 is in addition to \$1 million previously contributed by Canada to the WTO's Global Trust Fund, and \$300,000 donated to the WTO's Training Institute. ♣

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CALENDAR

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

JUNE

June 1-3
G8 Summit
Evian, France

June 2-3
Asia-Pacific Economic Cooperation (APEC) forum
Trade Ministers' Meeting
Khon Kaen, Thailand

June 8-10
Organization of American States General Assembly
Santiago, Chile

JULY

July 2
International Olympic Committee selects site of 2010 Winter Games
Prague, Czech Republic

AUGUST

August 7-8
APEC Small and Medium-sized Enterprise (SME) Ministerial Meeting
Chiang Mai, Thailand

SEPTEMBER

September 1-5
World Trade Organization Ministerial Conference
Cancun, Mexico

September 15-17
World Forum on Urbanization
Quebec City, Quebec

September 24-26
World Climate Conference
Moscow, Russia

CULTURE AND CANADIAN STUDIES

APRIL

April 3-November 30
Shaw Festival
Niagara-on-the-Lake, Ontario

April 10-November 9
Stratford Festival
Stratford, Ontario

JUNE

June 25-26
Banff Mountain Film Festival
Huaraz, Peru

Canada world view. --

UNITED NATIONS INTERNATIONAL DAYS

JUNE

June 5
World Environment Day

June 26
International Day against Drug Abuse and Illicit Trafficking

AUGUST

August 8
International Day of the World's Indigenous People

August 12
International Youth Day

SEPTEMBER

September 9
International Day of Peace