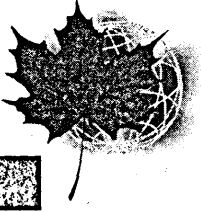


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A Look Ahead to the Year 2000 with Minister Pettigrew

To mark the start of the year 2000, *CanadaExport* spoke with Minister for International Trade Pierre S.

Pettigrew about what lies ahead for Canadian businesses in the international marketplace, and how the Department can help to ensure their success.

CanadaExport: Having been appointed Minister for International Trade only a short while ago, what are your thoughts on the portfolio thus far?

Minister Pettigrew: It has been a real challenge, but one that I relish. As you know, the global trade environment in which we operate and the competition that Canadians face internationally are becoming more and more complex. With the world economy becoming increasingly spe-

cialized and sophisticated, my main priority is to open markets for our businesses and provide them with the support they need to take full advantage of opportunities in those markets.

When I assumed the trade portfolio, I said that I would continue to pursue Canada's trade policy in the direction it was headed — to liberalize trade in our hemisphere, through the North American Free Trade Agreement and the Free Trade Area of the Americas, and globally in all other parts of the world, through for example the European Free Trade Area, and in Asia Pacific.

But this is only one part of the picture. Equally important is providing our exporters with the tools and ser-

Continued on page 2 — A Look

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Focus on Aboriginal Exporters

From left to right: JoAnna Townsend, Director, Export Services: Small and Medium-sized Enterprises Division (TSME), DFAIT; Steven Bearskin; Dorothy Grant; William Clark; Ray Ahenakew; Rosi Niedermayer, Aboriginal Portfolio (TSME). Inset: Phil Fontaine.



Phil Fontaine, National Chief of the Assembly of First Nations (AFN), was the keynote speaker at a presentation entitled Canadian Aboriginal Exporters — Year 2000 and Beyond at the Department of Foreign Affairs and International Trade (DFAIT), December 9, 1999.

Continued on page 10 — New International

Vol. 18, No. 1 —
January 17, 2000

**Environmental Trade
Mission to Morocco
Next Month
(see p. 15)**

A Look Ahead to the Year 2000 with Minister Pettigrew

Continued from page 1

vices they need to be successful in world markets. This is what we are doing and will continue to do while always looking for ways to do it better.

CanadExport: With freer trade and globalization occurring at a rapidly increasing pace, what is the Department doing to assist Canadian firms in foreign markets?

Minister Pettigrew: First and foremost, we have a proven global network of trade commissioners and business development officers — the Trade Commissioner Service [TCS] — in some 130 locations throughout the world. I consider them one of the Department's greatest assets. Not only are they ready, willing and able to help Canadians meet the challenges of international trade, but they are truly dedicated to opening doors for our companies.

We also recognized some time ago that with technological advances in information and communication and in the way business is carried out, the needs of Canadian companies are evolving. We have therefore made significant changes to how the TCS operates abroad. We conducted extensive consultations with our business clients to find out how best to help them succeed in world markets. They told us that the value of the TCS lies in its knowledge of local markets, in finding trade leads and in developing networks. Its added value comes when we hit the streets and get to know the key players and the market niches abroad.

So we've streamlined our focus to six core services [as outlined in every

issue of *CanadExport*] — the ones which our clients told us were most critical to their ability to compete. Our officers can now concentrate their efforts on these essential services and, as a result, are more business-oriented and client-driven.

We also wanted to make access to our trade offices abroad easier for our business clients. So now, for example, you can connect electronically with our offices in your market through the InfoExport Web site. We're at your service 24 hours a day.

These efforts are paying off. Our first annual client survey told us that 81 per cent of our clients are satisfied with our services. The results are encouraging and provide an insight as to where we could improve. The key for us is to listen to our clients. So we're now implementing an action plan in direct response to this feedback and we'll survey clients again this spring.

CanadExport: Are Canadian trade commissioners posted only abroad? What types of services does the government have in place here in Canada to help companies trade internationally?

Minister Pettigrew: We also have trade commissioners in every region across Canada — in our International Trade Centres — who are part of the TCS network. They are there to help exporters. But where we have accomplished a great deal is in the area of getting companies ready for exports. Companies can save a lot of time and money by preparing for global markets right here in Canada. How? By simply getting in touch with Team

Canada Inc, which automatically puts them in contact with a trade expert in their region.

Team Canada Inc is the government's one-stop service centre for Canadian exporters and investors new to foreign markets. We have invested much time and effort in assembling all of the resources and expertise available at the federal level under one roof. Team Canada Inc has also developed a strong network in the regions through partnerships with the provinces and the establishment of regional trade networks. This has brought our services closer to exporters, no matter where they are in Canada, and has eliminated much of the mystery of entering and competing in foreign markets. I am extremely proud and enthusiastic about Team Canada Inc and strongly believe that it will help encourage more companies to export for their

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own benefit and that of our country, which is built on trade.

Talking about export tools, we are also quickly developing a truly comprehensive database of up-to-date, informative foreign market reports — over 500 are available now, and the number is growing. To find out about these export services and tools and many others that are available to Canadian companies, once again, simply contact our one-stop shop Team Canada Inc.

CanadExport: Trade liberalization and globalization have become the “buzz” words of the nineties. What do these concepts mean for Canadian businesses, and for Canada itself?

Minister Pettigrew: They mean a great deal indeed precisely because international trade is vital to our prosperity and well-being. Exports account for one in every three Canadian jobs, and 43 per cent of our GDP — up from 30 per cent just five years ago. And, investment in Canada and by Canadians abroad has grown even faster.

But we didn't become a leading trading nation by operating in a vacuum; we did it within the security of a rules-based trading system. Globalization is a fact of life — one that we have to understand, appreciate and manage much better than we do now — and it's not something governments or anybody else can stop.

CanadExport: In light of the WTO [World Trade Organization] negotiations in Seattle last November, where do you see future trade talks heading?

Minister Pettigrew: We've always stressed the importance of clear, transparent, fair international trade rules. These are vital for a middle economy like ours that has to compete with larger and stronger economies. This is what we were aiming for in Seattle, where the talks — they involved complex issues and 135 countries — were only suspended for lack of time, not terminated. They were a learning experience for all. So, work will resume from where we left off and we'll begin negotiations in Geneva this month, as scheduled, on agriculture and services. And, this applies not only to the WTO, but to FTAA, EFTA, APEC [Asia Pacific Economic Co-operation], and other negotiations that we will continue to pursue.

I want to stress, however, that Canada's objectives were fully reflected in the final working papers. And, as we promised Canadians, we did not, and will not, put our health and education interests on the table. We are committed to making progress on the social dimensions of trade, and ensuring that our values and social programs are protected. Globalization must have a human face. It cannot be seen as something that is happening to people

— we must make it something that is happening for people. Therefore the need for transparency where, I think, it is fair to say that Canada led the way in Seattle.

Our approach was among the most transparent — if not *the* most transparent — of any delegation. Other Canadian government departments and the provinces were not only part of our delegation, they were consulted throughout the negotiations, as were our business and academic representatives. We also met daily with our NGOs [non-government organizations] to discuss the latest developments. This is a fairly strong testament to our commitment to bring transparency to the WTO.



Minister for International Trade Pierre S. Pettigrew

CanadExport: You've mentioned WTO, FTAA, EFTA, APEC, but what about our largest trading partner, the United States?

Minister Pettigrew: Our objective is to develop the markets that offer the best opportunities for our exporters, wherever they may be. The U.S. goes well beyond being our largest trading partner. It is our major source of foreign direct investment, and it will continue to provide the stimulus for our innovation and technological advances.

We've worked hard to ensure that Canada-U.S. trade is carried out in a smooth and transparent fashion. NAFTA has established an effective, rules-based framework within which we can do business with our southern neighbours.

Indeed, our exports to the U.S. have increased by more than 80 per cent over the last five years, largely because of the stable and predictable trading environment created by NAFTA.

But we can do more. We're considering opening up new trade offices in the U.S., particularly in emerging technology hot spots, and we've added more trade professionals, especially in the investment field.

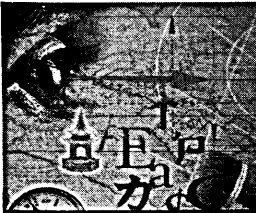
Of course, the U.S. is still where most of our companies first begin to export, so we'll be strengthening our existing assistance programs such as NEBS [New Exporters to Border States] and NEBS Plus. The first-hand experience that new exporters gain there gives them the knowledge and ability to trade in other areas around the world.

Diversity is the key to success in today's global economy. We have successful companies in every corner of the globe, and we will continue to support them.

CanadExport: Where do the Team Canada trade missions fit into the international trade picture, and do you think we'll see more missions in the near future?

Minister Pettigrew: The mission to Japan last September was my first participation in a Team Canada trade mission.

Continued on page 16 — A Look



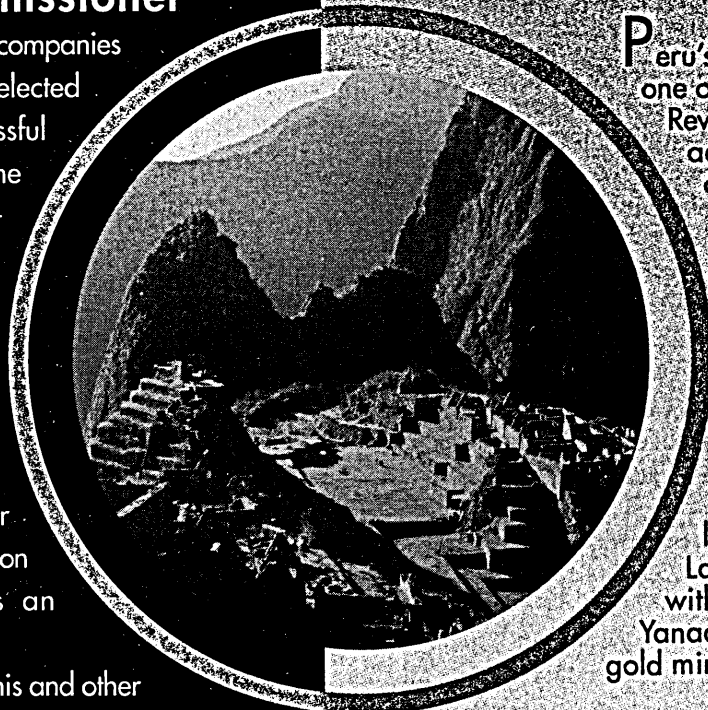
**THE CANADIAN
TRADE COMMISSIONER
SERVICE** *Serving Canadian Business Abroad*

PERU — The Mining

The Trade Commissioner Service

helps Canadian companies that have researched and selected their target markets. Successful companies concentrate on one foreign market at a time, moving on to the next only after succeeding in the last. To help you select which market you should target, the Market Research Centre and the Trade Commissioner Service have prepared over 500 market reports. This section of *CanadExport* provides an overview of one report.

For more information on this and other reports or if you want to know how the Canadian Trade Commissioner Service can help you get results in international markets, visit us at www.infoexport.gc.ca



Peru's mineral endowment is one of the richest in the world. Revenues earned from mining activities account for 11% of Peru's Gross Domestic Product (GDP), generating about 50% of Peru's total exports, and earning \$2.3 billion in foreign currency each year. Major mineral production in Peru pertains to minerals such as copper, gold, zinc, silver, tin and lead. The country is the leading gold producer in Latin America, especially with the development of the Yanacocha and the Pierina gold mines.

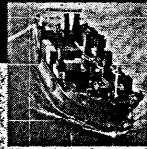
In 1998, approximately \$2 billion in direct foreign investment was injected into Peru's mining industry; Canada ranked third among investor countries, with contributions valued at \$203 million.

HELPING YOU LEARN FROM EXPERIENCE. OURS
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- Face-to-face Briefing
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- Troubleshooting

See insert for your Mining contacts Latin America and the Caribbean



Team Canada Inc - Equipe Canada inc

ining Market

The Next Ten Years

Over the next decade, Peru's Ministry of Energy and Mines estimates that a total investment of \$15 billion will be

for ports, roads, power and mining infrastructure, as well as for suppliers of all types of equipment. Many of Peru's state-owned

try has legislated safeguards for foreign investors which guarantee 100% repatriation of profits, capital and royalties. In addition, Canadian mining companies can quickly access mining concessions under an efficient registration system.

Upcoming Privatization Activities in Peru's Mining Sector

Privatization Project	Content	Reserves/Potential
Quicay	Gold	10.76 million t, 160 g/t Au (553 315 oz gold)
Mining Prospects	Polymetallic	Preliminary information
Michiquillay	Copper	544 million t (0.69% Cu)
Toromocho	Copper	364 million t (0.67% Cu)/ potential 457 million t
Puy Puy	Copper/gold	5.24 million t (0.27% Cu)/ potential 20 million t
Alto Chicama	Anthracite coal	270 million t (62% dry)/450 Mw
San Antonio de Poto	Alluvial gold	193 million m ³ (0.249 g/m ³ Au)
Bayovar	Phosphate/brines	262 million t (30% P ₂₀₅)
Las Bambas	Copper/iron	Under legal clearance

See Potential?

For a list of Peruvian trade shows, and to learn more about opportunities, read the full report, "The Mining Market in Peru," prepared by the Market Research Centre. The report is available on-line at www.infoexport.gc.ca

expended in exploration and development, mine expansion and new projects. Moreover, the demand for imported mining equipment and services to Peru will continue to increase as mines implement new technologies, upgrade outdated equipment and improve mining production.

Opportunities for Canadian companies in the Peruvian mining sector lie in exploration technologies, engineering and consultancy services



mining companies have been privatized. Other national mining companies up for private-sector tender are included in the table above.

Easier Access

Peru has introduced many economic reforms which have liberalized trade and investment, and have resulted in the privatization of state-owned companies. The coun-

www.infoexport.gc.ca

Could this be your market?
Complete report at
www.infoexport.gc.ca



The Mining Market

➔ Access our market studies

The Canadian-Lebanese Chamber of Commerce and Industry

Founded in 1989 by Canadian businesspeople of Lebanese origin, the Canadian-Lebanese Chamber of Commerce and Industry (CLCCI) is a bilateral non-profit private-sector organization.

The Chamber, which represents Canadian and Lebanese interests equally, is concerned with businesspeople and companies involved in trade and investment that wish to develop economic and trade relations between the two countries.

The Chamber is of particular interest to Canadians interested in exporting goods and services to Lebanon, and to Lebanese attracted by the Canadian market. They can all count on its support and services, without bureaucratic red tape or government intervention. In this sense, the functions and objectives of the CLCCI differ greatly from those of a trade representation.

Objectives

The Chamber primarily seeks to encourage trade between Canada and Lebanon, and to promote business growth by co-ordinating economic development efforts. It is a significant asset to Canadians wishing to do business in Lebanon.

Its specific objectives include:

- representing companies with political stakeholders at all levels;
- sponsoring activities of interest to members on current issues;
- keeping members informed about local and Lebanese economic developments through regular publications;
- providing information on markets and distribution channels,

statistics, customs and excise duties and tax regulations.

Services

For Canadians, the Chamber maintains a database of products and services, including manufacturers, agents, representatives, distributors, importers and exporters.

Members have an opportunity to promote their businesses, products, services and activities through the Chamber's Internet site or e-mail.

Other services include:

- notarization of trade documents for exports to Lebanon and other Arab countries;
- a group insurance program adapted to small businesses;
- a computerized database of all companies operating in Lebanon. The Chamber also puts businesspeople and companies in the two countries directly in contact with one another and with associates, buyers and suppliers. In addition, it offers trade mediation and arbitration services, and organizes meetings for its members with trade delegations visiting Canada.

Activities

Over the past five years, the Chamber has organized several trade missions led by ministers: at the federal level, with André Ouellet, former Minister of Foreign Affairs, when the Canadian Embassy was re-opened in Lebanon;

at the provincial level, with Mr. Ciaccia, Quebec's former Minister of International Trade; and at the municipal level, with a mission led by the Mayor of Montreal, Pierre Bourque.

Last October, Lebanon's Minister of Industry and Trade, Nassar Saidi, visited Canada leading a delegation of 23 Lebanese businesspeople to establish trade with their Canadian counterparts.

For information on upcoming activities, contact the Chamber at 40 Jean Talon Street East, Montreal, tel.: (514) 495-8000, fax: (514) 495-1109, e-mail: ccicl@ccicl.ca Internet: www.ccicl.ca *

IFI Procurement: "Doing Business with Developing Countries"

Get connected with IFInet:
www.dfait-maeci.gc.ca/IFInet

IFInet offers you access to thousands of business opportunities financed by international financial institutions (IFIs) in over 130 emerging and developing countries. You will find information on projects financed by IFIs, work undertaken by Canadian consultants with IFIs, and a list of Canadian International Development Agency (CIDA) projects. Business guides for exporters are also available. Don't miss the "International Capital Projects" section.

1999 Client Survey

A N O V E R V I E W

Like successful companies, The Canadian Trade Commissioner Service listens to its clients. Here are some highlights from our 1999 Client Survey. For more information on our services or to get more details on the 1999 Client Survey results, visit us at www.infoexport.gc.ca. We welcome your comments and suggestions and invite you to call our client feedback line at 1-888-306-9991.

Summary of findings for services delivered in 1998

- more than 2,000 telephone interviews
- 90% response rate
- majority surveyed are small and medium exporters (SMEs)
- 2/3 of clients used more than one office in 1998
- SMEs and large firms have comparable exporting profiles and experiences
- clients have used us on average for 4 years

Who are our clients?

Most clients are from small firms.

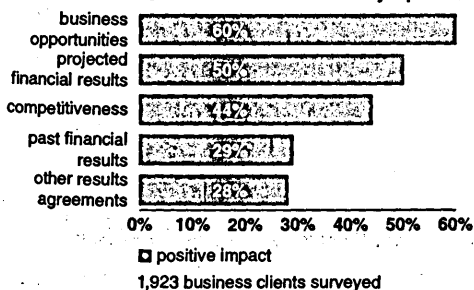


What you said about our services.

- 81% of business clients are satisfied.
- 91% say performance is at least as good as expected.
- 89% would recommend us to a business associate.

How do we contribute to clients' results abroad?

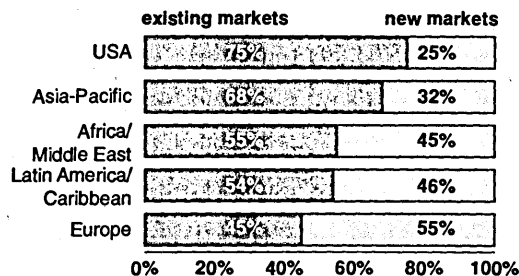
Contributions to business clients' results by a post



How do clients use us?

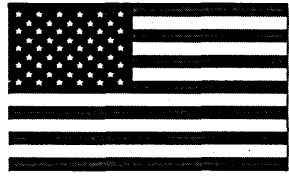
Business clients use us in existing and new markets. Services that are used most by business clients are basic advice and contacts search. Other services used include logistical support, troubleshooting and bidding assistance.

Business clients use us in:



You told us where we could improve

Areas to improve	Steps/actions we took
Resolving complaints	• New feedback line 1-888-306-9991
Explaining turnaround problems	• Commitment to reply within five working days
Learning business sector	• Identify new learning opportunities for officers
Market knowledge	• Provide more time for officers to concentrate on main sectors and core services
Being creative/pro-active in finding solutions	• Provide more time for officers to focus on essential work and to support officers with training initiatives
Being well-connected	• Provide more time for officers to network locally
Helpful services	• Continue to concentrate on value-added services



THE U.S. CONNECTION

The U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division (URT). For information about articles on this page, contact URT by fax at (613) 944-9119 or e-mail at commerce@dfait-maeci.gc.ca. For all other export enquiries call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

NEBS Goes Virtual

Have you considered participating in a New Exporters to Border States (NEBS) mission but felt you needed more first-hand information before deciding to invest the time and money?

If so, why not take advantage of a new Internet tool to be launched this month that will enable you to sample a typical NEBS mission with just a click of a mouse. Recorded during an actual multi-sectoral NEBS mission in Buffalo, New York, hosted by Mary Mokka, Business Development Officer at the Buffalo Consulate General, this "virtual NEBS" features a series of short video snapshots of the many activities offered to participants, and allows site visitors to see and hear speakers on a wide range of topics relating to exporting to the United States.

You can:

- visit a port of entry to see trucks being processed;
- tour a warehouse that could store your product and give you a U.S. address;
- visit a Canadian Consulate for a one-on-one meeting with the officer responsible for handling your product or service;
- hear from U.S. Customs officials, a Customs broker, freight forwarder and manufacturer's representative;

- glean essential information about distribution methods, business immigration, the U.S. banking system and U.S. taxes for Canadians doing business in the States;
- gain valuable advice from an accountant and lawyer.

For companies interested in attending a mission but unable to do so because of cost or location, we are working on the production of a CD-ROM that contains the full six-hour mission. Another project under consideration is the construction of a pre-NEBS mission chat room for potential participants. Check the *U.S. Connection*

page in *CanadExport* for these and other exciting future developments!

For more information on the NEBS program, or to register, contact your nearest International Trade Centre. For the full list of upcoming NEBS missions, see our Internet site (*below*).

Access the Virtual NEBS from our U.S. Business Page on the DFAIT Website, or go direct to www.insanetech.com/virtualnebs *

Did you know that...

- Over 12,000 Canadian companies have taken part in the NEBS program since it began in 1982.
- Most of these companies are now exporting to the U.S., and many have "graduated" to markets around the world.

NEBS Export Education Mission to San Francisco Gift Fair

Canadian Consulates General in Los Angeles, Seattle and Minneapolis are joining forces on a New Exporters to Border States (NEBS) mission to the **San Francisco International Gift Fair**, February 5-8, 2000. This first-time event introduces Canadian giftware manufacturers and craftspeople to one of the top five gift shows in the United States, and provides information on surrounding markets.

The NEBS mission gives participants a chance to tour San Francisco retailers and the gift fair as well as the **San Francisco Gift and Jewellery**

Mart. A half-day seminar will feature presentations by a U.S. Customs expert, a local sales agent and local buyer, and the three Consulates' Business Development Officers. Companies will be able to assess the western U.S. market for their products, and whether they should approach the market by exhibiting in shows or by appointing agents.

For more information, contact Carl Light at the Canadian Consulate General in Los Angeles, tel.: (213) 346-2756, fax: (213) 346-2767 or e-mail: carl.light@dfait-maeci.gc.ca *

CANADIAN TRADE REVIEW

A Quarterly Review of Canada's Trade Performance

Third Quarter 1999

This trade and investment quarterly reports on Canada's economic growth in the third quarter of 1999 and highlights our trade and investment performance in key sectors and markets.



Moving in Tandem: Canada's Economic and Trade Figures

Canada's economy continued its robust performance in the third quarter of 1999 as real gross domestic product (GDP) advanced at an annualized rate of 4.7%, well above its pace in the previous quarter. Third-quarter expansion was driven largely by export growth but domestic demand was also brisk, led by consumer spending.

Slowdowns in housing and in business investments had a moderating effect on third-quarter results. Consumer prices increased at an annual rate of 2.6%, while core inflation remained in the middle of the Bank of Canada's target band of 1% to 3%.

Canada's Economic and Trade Indicators	
	Change/Level 3Q over 2Q '99
Real GDP (annualized change)	4.7%
Employment (level of gain)	+96,800
CPI (quarter-over-quarter change)	
All Items	2.6%
Core (excludes food and energy)	1.7%
Canadian \$ in US funds(3Q level)	0.6718
Exports of goods and services (quarter-over-quarter change)	5.1%
Imports of goods and services (quarter-over-quarter change)	3.0%

Continued on page 2 — Figures

Trade and Investment Highlights

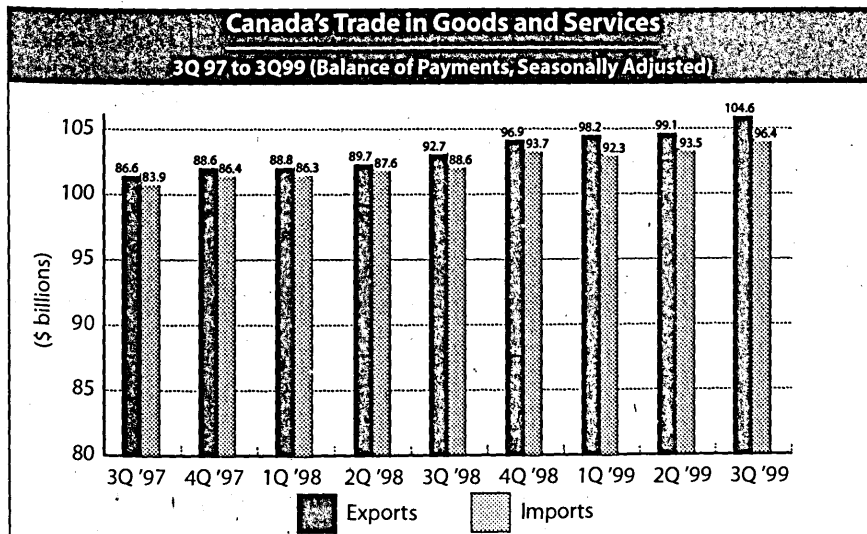
The latest quarterly figures reflected a surge in Canadian merchandise trade in the third quarter of 1999, resulting in new record highs being set in a number of categories. These results follow several consecutive years of outstanding growth, culminating in Canada's exports and imports of goods for the first three quarters of 1999 surpassing total merchandise trade for all of 1995. On the services front, Canada's two-way trade rose at a robust pace of 1.8% over the previous quarter.

Canada-U.S. two-way merchandise trade now more than \$1.5 billion per day

Canada-U.S. two-way trade in the third quarter was valued at \$142.5 billion, with exports reaching \$79 billion and imports totalling \$63 billion. The brisk pace of sales to the United States accounted for \$4.6 billion of the overall \$4.8-billion increase in Canadian merchandise exports on a quarterly basis. This was the largest quarterly gain in absolute value terms that Canada has had with the U.S. since the 1960s (in spite of the marginal decline in September due to the impact of Hurricane Floyd).

On a year-to-date basis, the strength of Canada's automotive exports to the U.S. dominated the bilateral trade picture, although exports of all major sectors posted generally healthy gains. January-to-September 1999 automotive product exports

Continued on page 2 — Highlights



Figures — Continued from page 1

Economic indicators for the July-to-September period also reflected positive developments in Canada's labour and financial markets. Employment gains were led by growth in full-time jobs, pushing the unemployment rate down to 7.6% on average for the quarter, and to as low as 7.2% in September. The Canadian dollar remained steady, averaging US\$0.672, marginally below second-quarter results.

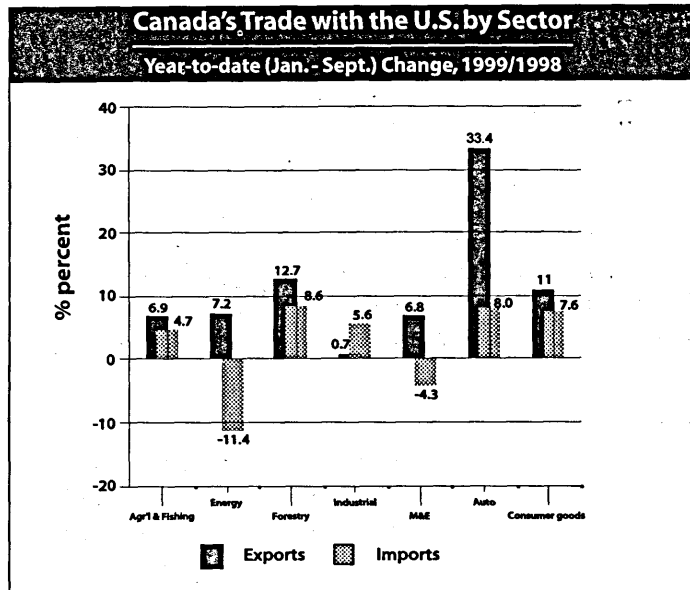
While the upswing in industrial goods and energy prices boosted Canada's merchandise trade in specific sectors, the exceptional third-quarter performance of Canada's trade in goods and services was propelled by a variety of factors, including:

- stronger-than-expected economic expansion in the U.S.;
- continued recovery and stabilization of economic growth abroad, in Asia and Europe, in particular; and
- healthy domestic demand.

Highlights — Continued from page 1

increased by 33% over the same period in 1998. Overall, exports to the U.S. were up 15.7% for the first nine months; total imports were also higher, despite declines in the energy, and machinery and equipment (M&E) sectors.

The acceleration of U.S. real GDP in the third quarter to an annualized rate of 5.5% was largely due to increased consumer spending, a jump in business fixed investment (mainly spending on software and equipment), and renewed inventory building. Some of these developments translated into higher demand for Canadian goods and services.



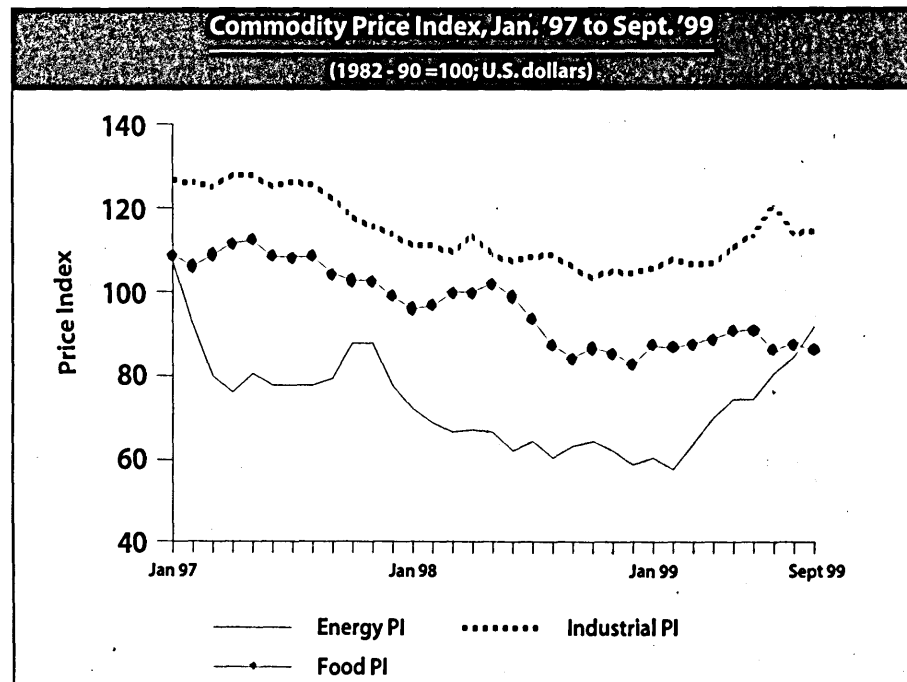
Note: Calculations were based on Customs Basis Data, Not Seasonally Adjusted.

Rising commodity prices prompted reversal in trend for trade in industrial goods

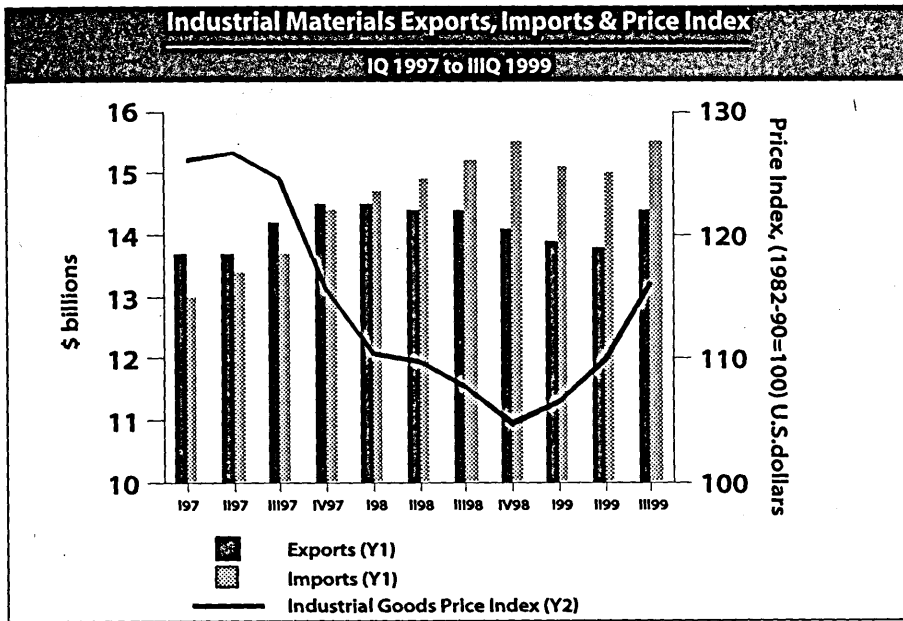
The recovery of energy prices (including crude oil, natural gas and coal) and industrial materials prices (metals, minerals, forest products) continued to be a major factor in driving performance in Canada's energy and industrial goods trade. Exports

quarterly declines, dating back to the second quarter of 1998 in the case of exports and to the first quarter of 1999 in the case of imports. Increased global demand for industrial goods as well as the rebounding prices paved the way for this recent growth. Nonetheless, it is still too early to declare a full recovery.

of energy products rose 12.3% (or \$895 million) on a quarter-over-quarter basis. Meanwhile trade in industrial materials, Canada's third largest trade sector, registered solid growth, with exports up 4.3% and imports up 3.3% over the previous quarter. Of particular note, these gains reversed



Source: Bank of Canada



Source: Statistics Canada; Bank of Canada

Canada's merchandise trade in all other major sectors posted healthy gains

During the third quarter, Canada's exports of all other products rose, with the exception of consumer goods. The machinery and equipment and automotive sectors advanced by a combined \$2.5 billion, while forestry products increased by 5.4% from the previous quarter. Agriculture and fishing products recorded a gain of 3% on a quarter-over-quarter basis, despite still-depressed world agricultural prices, particularly for wheat.

On the import side, Canada's quarterly performance reflected the robust domestic economy, with broad-based demand for foreign goods. Quarterly imports were higher for energy (16.5%), automotive goods (5.6%), industrial goods (3.3%), forestry products (3.5%), M&E (1.9%) and consumer goods (2.7%), compared to the second quarter.

Services trade balance remained steady

Canadian services exports rose 2% and imports 1.6% in the third quarter of 1999, compared to the previous quarter, leaving the services trade

deficit at \$1.8 billion — virtually unchanged from the second quarter. The increase in services exports reflected higher receipts of commercial services, transportation and travel.

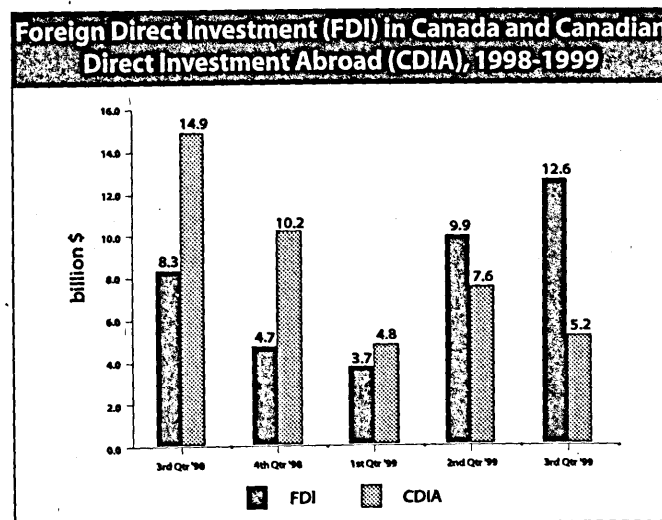
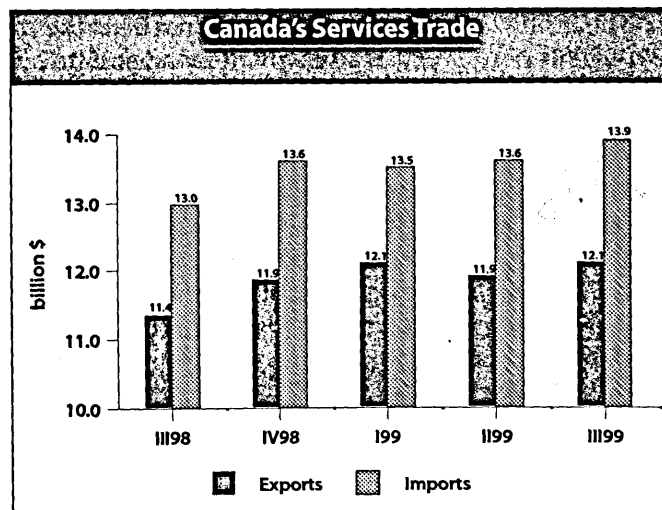
For imports, the greatest gains were in commercial services and transportation, in contrast with a decline in travel and government services.

Increased acquisitions of Canadian companies responsible for record level of FDI in Canada

Foreign direct investment (FDI) in Canada in the third quarter reached a record level of \$12.6 billion, largely due to acquisitions of Canadian firms and other investments by United States investors. Investment increases

were also posted in the machinery, transportation equipment, and finance and insurance industries. However, much of the third-quarter inflow of FDI in Canada was directed to the other industry groups, including communications, electrical and electronic products.

Canadian direct investment abroad (CDIA) was \$5.2 billion in the third quarter of 1999, 31% lower than the previous quarter. Investment flows during the last quarter were largely to the U.S., and were concentrated in the finance and insurance industry.



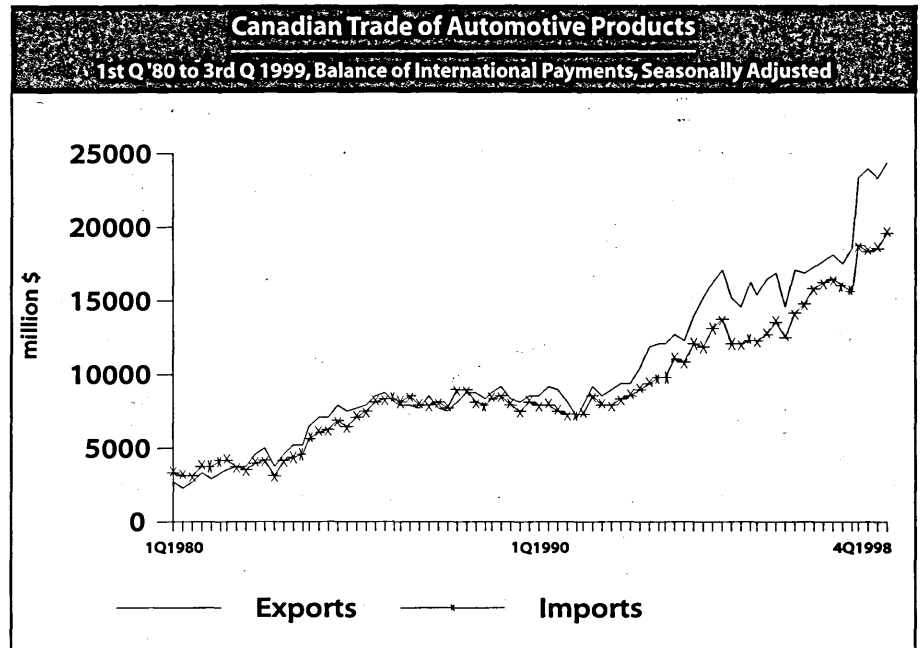
Features Section

Evolving Trends in the Automotive Industry Show Canada's Strength in the Global Auto Market

Since the 1960s, the automotive sector has been a pillar of Canada's economy. In 1998 alone, Canadian exports of automotive products grew 10.9% over the previous year. Even this strong performance, however, paled beside the surge in export growth in the first nine months of 1999; in this period, exports rose 32.3% on a year-over-year basis.

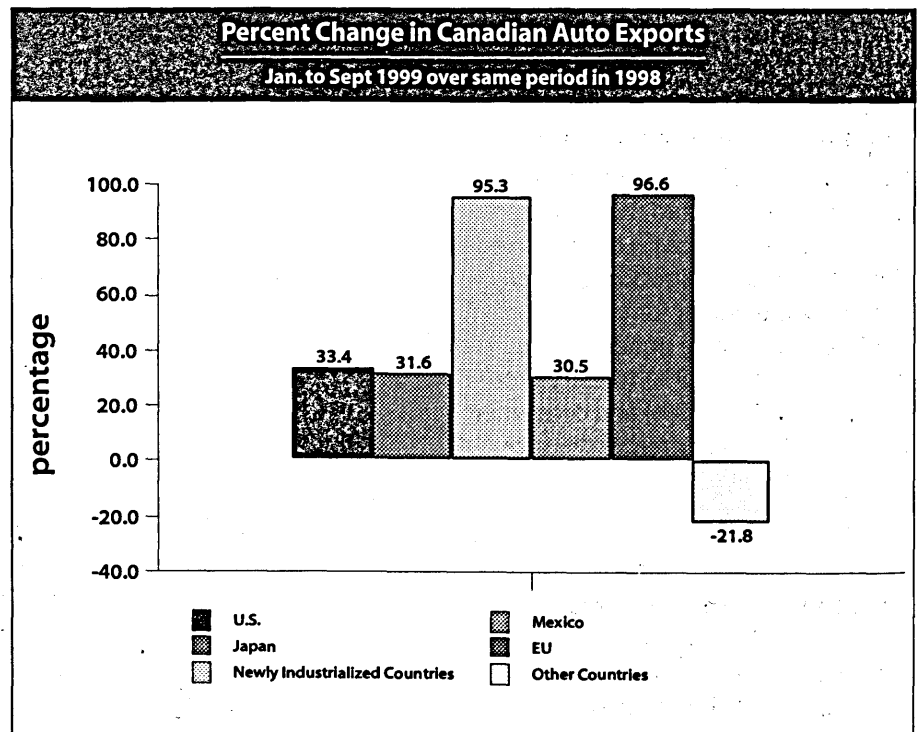
The primary source of strength in automotive trade has been U.S. demand. Canada's growing exports to the U.S. are driven by robust demand in the light vehicle market (cars, vans, station wagons, sport utilities and light pick-up trucks), a market segment where Canadian production capacity has recently been expanded. Sales of new cars and non-commercial light trucks in the U.S. have averaged about 15 million units for the past five years, a U.S. record. Of total light vehicle sales, light trucks supplied 45% of the U.S. market in 1998, a sharp rise from 32% in 1987.

The growing demand for light trucks is a reflection of consumer interest in more upright, versatile, hybrid passenger vehicles that combine the best attributes of passenger cars with the carrying capacity and ruggedness of utility trucks. Another factor is the convergence under way between the U.S. federal government's safety standards for light trucks and passenger cars, as well as a narrowing of the differentials in fuel economy standards and emission standards for these two market segments. Attesting to the U.S. market trend are the new breed of vehicles, the "luxury utility" vehicles, which first appeared in 1997.



However, the U.S. has not been the only market where Canadian auto exports have performed well. Other markets have also shown excellent growth, albeit often from small bases. For example, January-to-September exports to Japan grew from \$49 million in 1998 to \$95 million in 1999. Also, on a year-to-date basis, auto exports to the European Union (EU)

went from \$224 million in 1998 to \$292 million in 1999. Recent trade figures show that exports to newly industrialized countries, particularly to South Korea, increased by up to 96.6%, based on January-to-September figures, as compared to the same period last year. This growth has offset the decline experienced in other countries.



The products and services produced by Canada's defence industries have a profound influence that goes far beyond the country's borders, and will continue to receive strong support from the Canadian Commercial Corporation (CCC).

Speaking at the Canadian Defence Industry Association (CDIA) meeting in Ottawa this October, CCC President Douglas Patriquin highlighted the industry's growth in several areas, and explained CCC's role in ensuring its success.

The light armoured vehicles (LAVs) built in London, Ontario are an excellent example of both the Canadian industry's scope and reputation on the world stage and CCC's critical role. Manufactured by General Motors and sold through CCC, the LAVs have been used in Kuwait, Kosovo, and most recently in Indonesia, to land Australian peacekeepers in East Timor.

"The LAV is typical of Canadian defence products," Patriquin told the audience of defence industry officials, international guests and parliamentarians. "Canada is a world leader in this field. It incorporates unique Canadian technologies produced by other Canadian companies in nine provinces, and is used in Canada and by our allies internationally. Most

importantly, it plays a key role in peacekeeping and peace-making activities."

\$2.5 billion in LAV sales

Patriquin noted that CCC has been

civilian and military products, producing new "dual use" technologies. (Of 1,500 firms surveyed by the CDIA, only about 50 identified themselves as producing military products exclusively.)

Sensible ITARs resolution

Patriquin explained the crucial importance of the International Trade in Arms Regulations (ITARs) to a

CCC President underlines support for Defence Industries in playing broad and critical role

instrumental in the sale of more than US\$2.5 billion worth of LAVs outside Canada since 1981, guaranteeing contract performance on every order. CCC has provided the same strategic sales support to thousands of other Canadian companies throughout its more than half century of operations.

"We've done this in industries ranging from batteries to video conferencing, from helicopters to traffic monitoring systems," he said. "Eighty per cent of our clients are now small to medium-sized exporters. We help all of our clients make sales to foreign buyers, and on better terms, by using our status as a federal Crown corporation, and by fully guaranteeing performance to the buyer, with the backing of the Government of Canada."

Patriquin added that Canada has enjoyed a "NAFTA-like" access to the United States defence and aerospace markets through the Defence Production and Development Agreements. These agreements have allowed the two countries to operate an integrated industrial base in defence, and has produced many spin-off benefits.

For example, many Canadian defence companies have developed significant market positions in both

healthy Canadian export sector. The ITARs affect a broad range of Canadian exporters in many technological sectors.

"Canadians accept and expect rigorous control of military technologies," he said. "The sensible resolution of issues regarding proposed changes to the ITARs is extremely important to our defence firms. It is also important to much of Canada's advanced manufacturing economy — as well as to our American customers and commercial partners."

In closing, Patriquin called for continued efforts to promote Canada's defence-related export industries. "There are significant commercial benefits in the defence industry, both economic and technological. CCC is there to help Canadian firms penetrate world markets, and we are applying lessons learned in the defence business to support Canadian companies in their dealings throughout the world." *

Looking to Do Business with the U.S. Federal Government?

Opportunities are just a key stroke away at the Internet site (www.gsa.gov) of the General Services Administration (GSA), which facilitates purchases by the U.S. government — "the world's largest consumer" — and the Electronic Posting System site (www.eps.gov). More GSA opportunities are listed on the site of the Canadian Embassy in Washington, D.C. (www.canadianembassy.org) and periodically in *CanadExport*.

Continued from page 1

The Ottawa presentation marked an important milestone in Government activities on behalf of Aboriginal exporters in Canada. Following the release of the Aboriginal International Business Development (AIBD) Plan — developed by the 27-member AIBD

equally skilled in many other areas, including the knowledge-based industries that constitute today's global business environment."

Chief Fontaine went on to say that Aboriginal business people are eager to develop a constructive partnership with the Canadian government. He cited the co-operation of two

take advantage of Canadian government programs and services. She recommended trade missions such as NEBS, NEXOS, and especially Team Canada.

Grant was part of the recent Team Canada mission to Japan, where she secured an established representative, formed a partnership with a major Japanese manufacturer, and learned about Japanese tastes and trends in fashion and art.

Steven Bearskin, President of Cree Construction and Development Co. Ltd. in James Bay, also emphasized the value of government programs and services in developing foreign markets.

Cree Construction, one of the largest and most successful construction companies in Quebec, began marketing its products and services five years ago, first in the Philippines through a CIDA-INC project, and then in 1998 as a member of the Team Canada trade mission to Latin America. These international excursions were followed by visits to Poland, Peru, Ecuador, Mexico, Costa Rica and the Dominican Republic.

In keeping with the speakers that preceded him, Bearskin reiterated that "Aboriginal people have the expertise, skill and know-how to compete and succeed in markets throughout the world."

The presentation, hosted by William Clarke, Assistant Deputy Minister, International Business and Chief Trade Commissioner, and with opening remarks by Rob Wright, Deputy Minister for International Trade, was organized by DFAIT's Export Services: Small and Medium-sized Enterprises Division. Copies of the Directory of Aboriginal Exporters are available from DFAIT's Enquiries Service (613-944-4000) or by e-mail (enqserv@dfait-maeci.gc.ca). *

New International Business Plan Targets Aboriginal Exporters

Committee co-chaired by DFAIT, Aboriginal Business Canada and Indian and Northern Affairs Canada — and the release of the Directory of Aboriginal Exporters, this was an appropriate time to hear from some of Canada's leading Aboriginal representatives and business people.

Chief Fontaine, whose AFN represents 633 First Nations communities and over 800,000 members, stressed the importance of integrating Canada's Aboriginal population into the country's business and economic culture. "Just as Canadian exporters take great pains to learn about foreign cultures," Chief Fontaine said, "Canada needs to do the same with its indigenous population and businesses."

He applauded the Government for developing the AIBD Plan, and for establishing a database of Aboriginal exporters, as "a good first step" in building a framework for Aboriginal businesses to enter the international trade arena.

"But much more needs to be done," added Chief Fontaine. "Government needs to initiate more Aboriginal trade missions, which have until now been devoted primarily to arts and crafts. Aboriginal business is much more than that.

"We have demonstrated our ability in traditional sectors such as arts, crafts and woodworking, but we are

Canadian Ambassadors — Stan Gooch in Mexico and Peter Boehm at the Organization of American States in Washington — who "have been tremendously helpful in our efforts to develop markets in Latin America and the United States."

Given the opportunity, he explained, Aboriginal businesses can compete with the best in the world. "The spirit of Aboriginal business is not in question," he said, "but its long-term viability is."

This is where co-operation is key — in fostering an environment that allows Canada's Aboriginal business sector the opportunity to demonstrate its entrepreneurial excellence.

Several examples of this excellence followed Chief Fontaine's remarks. Ray Ahenakew, CEO of Meadow Lake Tribal Council in Saskatchewan, touched on the Council's many accomplishments, in particular its forestry company, which is among the top 50 firms in Saskatchewan, and Mystic Management, one of Canada's top environmental companies.

Ahenakew echoed Chief Fontaine's comments by saying that Aboriginal entrepreneurs have much to offer. "We just need to develop and promote this wealth of untapped potential — in Canada and abroad."

Vancouver fashion designer and Haida artist Dorothy Grant encouraged Aboriginal business people to

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities. To view a complete selection of IBOC's current trade opportunities, simply visit the Internet site at www.iboc.gc.ca/leads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown corporation is located at 50 O'Connor St., Suite 1100, Ottawa ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

JAMAICA — Toll Road Concession Project — The Government is planning to go to market early this year with several build, operate and transfer (BOT) toll road concessions with the first being planned for the Portmore Causeway just outside of Kingston. The feasibility work for the toll roads having already been done, it is looking for assistance at the design phase. The Portmore Causeway, the road from

Spanish Town to St. Ann's Bay and the Montego Bay by-pass road, are the existing roads designated to be upgraded to toll roads. Closing date: **February 29, 2000**. Contact: Daniel Lemieux at IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. **19991104-03885**.

JORDAN — Water Conveyance from the Zarqu Maïen and Zara Springs — The Government is looking for Canadian companies interested in water conveyance, since Jordan is most likely moving into a drought cycle which, according to past climate records, could run from five to ten years. This project will capture and redirect 20 million cubic metres of marginal water that now flows into the Dead Sea. The water will be conveyed through a 600 mm -50 km pipeline to the King Abdullah canal and then to the Zai Treatment Plant where it will be upgraded for domestic consumption. Closing date: **March 1, 2000**. Contact: Daniel Lemieux at IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. **19991207-04356**.

JORDAN — Hisban Brackish Water Desalination Project — The Government is looking for Canadian companies interested in the Hisban Brackish Water Desalination Project since Jordan is most likely moving into a drought cycle which, according to past climate records, could run from five to ten years. This will provide Amman with 30 million cubic metres

of desalinated water annually for municipal and industrial use. The source is a deposit of 75 million cubic metres of brackish water (renewable) identified under a Japanese project. The project will take 14-18 months and has three phases: drilling of 17 wells; a 22-km pipeline, collectors and pumping station; and reverse osmosis desalination units. Closing date: **March 1, 2000**. Contact: Daniel Lemieux at IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. **19991207-04357**.

KENYA — Nairobi Fibre Optic SDH Ring Network — The Telkom Kenya Ltd. (Tender Committee) is looking for eligible companies for the supply, survey, delivery, installation, commissioning, maintenance, and training of Nairobi Fibre Optic SDH Ring Network with associated equipment. Tender documents cost Ksh 20,000 (C\$400) non-refundable per set (quote tender reference DF:4004/FOSDH). Closing date: **March 2, 2000**. Contact: Daniel Lemieux at IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. **19991207-04350**.

ALGERIA — Unité Nitrate d'Ammonium - Granulation — The Algerian company ASMIDAL has received a World Bank loan to finance the Projet de contrôle de la pollution industrielle [industrial pollution control project]. ASMIDAL is using its own funds to develop a granulation system for the Unité. Cost of tender documents: 2000 FF (C\$453). Closing date: **February 9, 2000**. Contact: Daniel Lemieux at IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. **19991207-04225**.

IBOC Trade Opportunities — Find out more at www.iboc.gc.ca *



Quick Facts

Since it opened in 1995, IBOC has contacted more than 21,000 Canadian companies and has responded to more than 13,500 inquiries from foreign buyers.

Thanks to IBOC, more than 7,500 Canadian firms have been in contact with foreign buyers, resulting in over 1,500 matches.

IBOC's sourcing experts use a variety of databases as well as a large network of business contacts across the country to identify Canadian companies of all sizes.

IBOC is jointly operated by the Department of Foreign Affairs and International Trade and Industry Canada, with special co-operation from Agriculture and Agri-Food Canada. It is the sourcing centre for Team Canada Inc.

France, which is the second-largest automotive after-market in Europe, accounting for 17.5 per cent of the European market, can provide Canadian companies with a wealth of opportunities.

automotive manufacturers led to an increase in demand for imported equipment last year, resulting in an 18.5-per-cent growth in volume in one year. Exports of French equipment also grew, by 11.2 per cent in the same period.

braking systems, emission control systems, and so on).

Canadian exports on the rise

The quality and innovativeness of Canadian products make it easier to import these products into France, although Canadian companies encounter some difficulties related to European tariff barriers and transportation costs.

In 1998, Canadian exports of spare parts (primarily car body parts, brakes and electronic components) to France totalled some \$12 million. Canadian exports grew by 92 per cent between 1996 and 1998. This gives an indication of the potential that exists.

An advanced distribution system

The distribution system in France is very sophisticated. It basically comprises two networks: one for the independent sector and another for the so-called "captive" sector, i.e. run by the manufacturers themselves. The latter, which is represented mainly by franchises, accounted for 33 per cent of the market in 1998, while the independent sector controlled the remaining 67 per cent.

As a result of the ever-growing popularity of superstores and automotive centres, the portion of the market controlled by the "captive" sector has been declining yearly in favour of the independent sector.

Canadian presence necessary

Canadian companies wishing to break into the French market should join a trade mission to France or attend or take part in trade shows. This is the surest path to success.

As a first step, they can meet French buyers and those from around the world at the **Canadian International**

Continued on page 13 - Automotive

The Automotive Industry in France:

A Market Going into High Gear

The automotive industry in France is growing. Vehicle registrations rose by 14.8 per cent over the first eight months of 1999. The Comité des constructeurs français d'automobiles (French automotive manufacturers committee) expects sales of over 2.1 million units in 1999, compared with 1.9 million units in 1998.

French automotive manufacturers (Renault and PSA Peugeot Citroën) accounted for 57 per cent of new vehicle registrations in France in 1998.

A record equipment market

Motor vehicle equipment manufacturers are also riding this wave. When it comes to selling prices, however, the pressure on automotive manufacturers remains steady. This good year should translate into record sales for French motor vehicle equipment manufacturers.

Indeed, Valéo sales have risen by 33 per cent following the integration of ITT electrical systems activity, Faurecia by 7.4 per cent, and MGI by 11.7 per cent, to name a few. The high production levels of French

After-market opportunities

The French automotive after-market is valued at more than \$6 billion. Given the ever-increasing number of cars and car models, as well as new technology, this market is wide open.

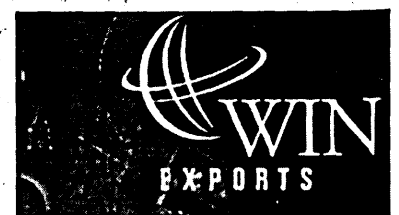
Even with strong competition, there are still many opportunities for Canadian companies in this market, especially since French distributors and importers are making increasing use of foreign suppliers. With more than 26.3 million cars and more than 4.6 million light-duty vehicles on the roads, the future for importers of parts and accessories looks bright.

Although the traditional market (brakes, gears, filters, batteries, and so on) should not be overlooked, the most promising opportunities lie in electronic and communications equipment (navigation systems, telephones and electronic maps, as well as CD players and, on the horizon, back-seat video games for children).

Other growth markets are those related to safety and "green" products (seatbelts for back seats, ABS anti-skid

Looking for Export Opportunities?

Make sure you are registered in the WIN Exports database, which is used by trade commissioners abroad to promote your company's capabilities to foreign buyers. Fax your request for a registration form to **1-800-667-3802** or **(613) 944-1078**. Or call **1-800-551-4946 (613-944-4946)**, from the National Capital Region.



For the first time, the German Information and Communications Technology (ICT) industry is anticipated to surpass the automotive industry as Germany's top sector. In 1999 total market size is expected to grow by 7.8 per cent to exceed DM206 billion (\$189 billion).

The sector includes information technology, hardware, software and services, as well as telecommunication services and equipment. Employment in the industry will grow to 1.5 million.

Telecom services grew by 7 per cent to DM80 billion despite a steep decline in telephone rates following the liberalization of the German telecom market on January 1, 1998. Orders for telecommunications equipment are expected to bounce back in 1999 following a severe slump in 1997/98 resulting from the completion of Deutsche Telekom's digitalization of its fixed network.

Strongest ICT growth impulses lie in the software and services sectors with both areas expected to register double digit growth in 1999.

On the hardware side, sales were strongest for local area networks, NT servers and mobile computers.

Update on the German ICT Market

Notebook PC sales are anticipated to break the 1 million unit mark in 1999, an increase of 25 per cent over 1998.

Telecommunication services have been strongly affected by the boom in mobile communications. The launch of Germany's fourth GSM network and the resulting drop in rates stimulated demand, resulting in a 70 per cent increase in the total number of mobile subscribers to 14 million within a total German population of 80 million.

Demand for fixed telecommunication networks should increase in the coming years not only because of rate decreases but also because of the introduction of new access technologies such as ADSL for the existing copper lines and the conversion of cable TV into a broadband data network for Internet and multimedia usage.

The ICT trade associations called upon the public sector to improve the

framework for further expansion in the ICT sector. Public authorities, including schools are encouraged to accelerate efforts, in entering the Online Age and introduce a 'high tech offensive'.

Hindrances to the establishment of an electronic economy such as import duties, taxes on media broadcast reception and equipment recycling regulations are to be brought in line with overall goals of retaining Germany's economic strength.

For more information on the German ICT market, contact Cliff Singleton, Commercial Officer, Canadian Consulate, Munich, tel.: (011-49-89) 21-99-57-0, fax: (011-49-89) 21-99-57-57, e-mail: cliff.singleton@dfait-maeci.gc.ca *

Automotive Industry

Continued from page 12

Automotive Show in Montreal, April 14-16, 2000. Organized by the Automotive Industries Association (AIA) of Canada, it is Canada's largest automotive after-market trade show, alternating every two years between Toronto and Montreal.

For more information, contact Musto Mitha, trade officer, Canadian Embassy, Paris, tel.: (011-33-1) 44 43 29 00, fax: (011-33-1) 44 43 29 98, e-mail: musto.mitha@dfait-maeci.gc.ca or the AIA in Ottawa, tel.: (613) 728-5821, fax: (613) 728-6021, or check the Internet site of the French Federation of Automobile Distributors' Union at www.feda.fr *

New Opportunity for Canadian Companies Specializing in Municipal Services

The Federation of Canadian Municipalities (FCM), in co-operation with the Department of Foreign Affairs and International Trade, has established an international business development program for Canadian companies specializing in municipal services. FCM is developing an on-line database for Canadian firms that offer expertise to municipalities in foreign countries. FCM will link this site to municipalities around the globe, allowing companies to gain access to major municipal contracts worldwide. FCM's strategic business Internet site (www.fcm.ca) will link some 1,000 Canadian companies to 200 key municipalities in the fastest-growing cities in Asia, Latin America and Africa.

Industry sectors include environment, waste management, roads and infrastructure, housing and construction, information technology and telecommunications, business and local government management systems, education and training, transportation, energy, tourism, marketing and investment.

The new international site will also be a key business tool and source of information for international financial institutions, Canadian trade commissioners, and government departments and agencies that source Canadian municipal solutions. *

Special Menu Awaits All Food Processors Interested in Exports

MONTREAL — April 18, 2000 — **Gourmet International 2000 (GI2000)** is currently recruiting Canadian exporters of fine food products for its 10th edition.

Over 100 foreign buyers are expected again this year for 100 Canadian exhibitors. It is your best opportunity to showcase your Canadian capabilities aiming at satisfying the needs of foreign buyers for world class gourmet food products.

Confirmed foreign food buyers' delegations — distributors, importers, agents and brokers — mostly from the U.S.A., with some from Europe, the Middle East, Asia and Latin America will be participating at **Gourmet International 2000**.

Pre-scheduled one-on-one interviews before the show between foreign buyers and Canadian exhibitors will again be offered.

Gourmet International is Canada's only private export food show



focusing on one objective: conclude export sales. Surveys of buyers and exhibitors confirmed that well over \$20 million in sales were concluded for the two previous events.

Gourmet International 2000 is a joint venture of Agriculture and

AgriFood Canada, the Department of Foreign Affairs and International Trade, Quebec Department of Agriculture, Fisheries and Food, and Quebec Agri-Food Export Club.

Registration of exhibitors is currently taking place. Applications, along with your cheque for \$700 (plus extra if selected) must be received before February 15, 2000 to qualify for the early booking registration fees (\$850 after February 15). Your complete promotional material must be received at the Secretariat by March 15 to confirm your listing in the Exhibitors' Catalogue which is circulated well after the show.

For more information or to obtain all the GI2000 brochures, contact Céline Bernier, tel.: (514) 873-9549, fax: (514) 873-2364, e-mail: gourmet.international@agr.gouv.qc.ca. Registration forms are also available on the Agri-Food Trade Service Internet page at atn-riae.agr.ca/public/htmldocs/e1807.htm *

Opportunities in Algeria's Oil Market

ALGIERS, ALGERIA — April 16-19, 2000 — Sonatrach's fourth **Journées scientifiques et techniques (JST4)** (Science and Technology Days) is a meeting place for decision-makers, project leaders, lecturers and exhibitors.

Sonatrach, a publicly owned corporation that explores, mines, processes and markets Algeria's oil and gas, is the twelfth-largest oil group in the world. The **JST4** represents a unique opportunity for Canadian companies looking to showcase their products and expertise. Some 1,500 participants from approximately 50 countries are expected to attend this highly successful biennial event.

The backbone of Algeria's economy, the oil and gas sector has progressively opened up to foreign firms since 1994, offering new business opportunities. To improve its international standing and strengthen its national production capabilities, Sonatrach has recently increased its joint exploration and mining agreements with foreign groups, including Canadian firms.

Investments to develop and modernize the sector over the next five

years are expected to cost approximately US\$18 billion, a quarter of which could come from abroad, particularly the United States.

Africa's third-largest oil and gas exporter, Algeria has access to reserves estimated at 9 billion tonnes of oil and 5.1 billion tonnes of natural gas. Sonatrach hopes to improve its ability to produce crude oil significantly by 2002 to 1.4 million barrels a day, compared with the current 900,000 barrels a day.

To take part in this event, contact Abdeslam Mimouni, President of JST4 and Vice-President of Sonatrach, at Sonatrach/TRC, P.O. 08 Sidi Arcine, Baraki, Algiers, Algeria; tel.: (011-213-2) 68-54-02, fax: (011-213-2) 68-54-08.

For further information, consult Sonatrach's Internet site at www.sonatrach.dz or contact Gilles Poirier, Commercial Counsellor, or Rachid Benhacine, Trade Officer, Canadian Embassy, Algiers, tel.: (011-213-2) 91-49-51, fax: (011-213-2) 9-47-20, e-mail: gilles.poirier@dfait-maeci.gc.ca or rachid.benhacine@dfait-maeci.gc.ca *

ITU TELECOM AMERICAS 2000

RIO DE JANEIRO, BRAZIL — April 10-15, 2000 — The most important telecommunications event in Latin American history, **ITU TELECOM AMERICAS 2000** will bring together the most important telecom players from across the whole region.

Americas Telecom 96 attracted more than 19,000 visitors, telecommunications professionals who came to see the latest technology.

If you have to make one choice for the next millenium, make sure it's the wise choice: **TELECOM AMERICAS 2000**.

A Canadian Grouped Pavilion is organized with the encouragement of the ITU-COM by DP Expos Services Inc.

For more information, contact DP Expos Services Inc., tel.: (514) 871-3838. *

Momentum Building for U.K.'s Largest Construction Show

BIRMINGHAM, U.K. — May 21-25, 2000 — Held every two years at the National Exhibition Center, **Interbuild** is the U.K.'s largest trade exhibition for the building and construction sector. In its 105th year, **Interbuild** will fill over 52,000 metres next year. This represents a significant growth over the 1997 show (the 1999 event was moved forward to next spring), a direct reflection of the upswing in the construction market in the U.K.

In 1997, **Interbuild** attracted over 90,000 visitors including contractors, subcontractors, manufacturers, suppliers, agents, distributors, merchants, private professionals, consultants and government officials. Exhibitors came from 24 countries, displaying the products of 1,450 manufacturers.

Interbuild is an all-encompassing trade-only fair with product-specific halls for: The Bathroom Show, incorporating Ceramic Tiles; Building Interiors and Flooring; The Electrical Show; The Domestic Heating and Plumbing Show; Doors, Windows and Facades; Structural Building; Total Lighting; Plant, Tools and Woodworking; Pipelines; Civil Engineering; and Building Services.

Canadian companies will be

spotlighted in a Canada Pavilion organized by **Unilink**, of Kingston, Ontario, and supported by the Canadian High Commission in London and Ontario **Exports Inc.** The pavilion will be located in Hall 4, the International Hall/Door Windows and Facades (featuring wood products). Participation includes a highly targeted pre-show direct mail publicity campaign and a reception for U.K. buyers hosted by the High Commission.

To exhibit, contact Canadian representative for **Interbuild**, Anne Heath, Unilink, tel.: **(613) 549-0404**, e-mail: ah@unilinkfairs.com

For further information on **Interbuild** and opportunities in the British market, contact Jason Kee, Commercial Officer, Canadian High Commission, London, tel.: **(011-44-0) 20 7258 6664**, fax: **(011-44-0) 20 7258 6384**, e-mail: jason.kee@dfait-maeci.gc.ca, internet: www.infoexport.gc.ca/uk *



Canadian Environmental Trade Officers Featured at Globe 2000

VANCOUVER, BRITISH COLUMBIA — March 22-24, 2000 — The Canadian Trade Commissioner Service (TCS) will be a major presence at **Globe 2000**, the sixth biennial conference and trade fair on developing the business of the environment.

Accompanied by foreign business representatives, TCS environmental trade officers from over 40 markets, will be on hand to meet with participants at this important event.

An added feature of **Globe 2000** will be Canada's Clean Development Mechanism and its Joint Implementation Office. These two displays will give visitors an inside look at how to turn climate change into viable business opportunities. Look for further details, including a complete list of the trade officers that will be attending **Globe 2000** and how you can meet with them, in a future issue of *CanadExport*.

For more information, contact Sherrill Owen, Department of Foreign Affairs and International Trade, tel.: **(613) 996-1758**. *

Market Reports

DFAIT's Market Research Centre produces a full range of sectoral market studies to help Canadian exporters identify foreign markets. Currently, over 500 reports are available in 25 sectors ranging from agri-food/equipment and automotive to consumer products, forest industries, plastics, space and tourism. The reports are available through the Enquiries Service's FaxLink **(613-944-4500)** or on the Internet at www.infoexport.gc.ca

Environmental Mission to Morocco Next Month

Canadian participants in a mission last November confirmed Morocco's tremendous need, as well as the potential market available to the Canadian environmental industry.

With this in mind, another Canadian environmental mission will visit Morocco February 21 to 23 (see *CanadExport*, December 1, p. 14).

Although recruitment is winding up, interested manufacturing companies are still welcome.

For information, contact Lucie Tremblay, Maghreb and Arabian Peninsula Division, DFAIT, tel.: **(613) 944-6590**, fax: **(613) 944-7431**, e-mail: lucie.tremblay@dfait-maeci.gc.ca *

Hong Kong Event Keys on Information Technology with Canadian Pavilion

HONG KONG — March 16-19, 2000 — The Consulate General of Canada in Hong Kong, in co-operation with Industry Canada, is organizing a Canadian Pavilion at the **Hong Kong Information Infrastructure Exposition & Conference 2000 (HKII 2000)**. Consistent with the show's theme, the Pavilion will highlight Canada's world-recognized e-commerce, multimedia and education information technology (IT).

Some 60,000 visitors are expected to attend this major event, which is one of many activities being undertaken by Canada as part of the Industry Canada-Hong Kong Information Technology and

Broadcasting Bureau Memorandum of Understanding on IT co-operation.

Canada exported over \$250 million of information and communications technology (ICT) products and services to Hong Kong in 1998. A further \$75 million was re-exported through Hong Kong to China.

The current Hong Kong government-business Cyberport initiative, budgeted at \$2.4 billion, focuses on the development of e-commerce and multimedia content. And, education IT is among the most promising areas of opportunity, as the Hong Kong education system shifts its program delivery from a textbook-based, teacher-centred one to a more

interactive and learner-oriented approach. The government has committed \$750 million to implement a five-year strategy to promote the use of IT in schools. Similar commercial opportunities exist for network operators, facility providers, OEM manufacturers, software developers and consulting service providers.

For more information on the show, visit the HKII 2000 Internet site at hkiexpo.tdc.org.hk/. For information on the Consulate's plans for HKII 2000 and for IT business opportunities in Hong Kong, contact Neil Clegg, Trade Commissioner, Canadian Consulate General, Hong Kong, tel.: **(011-852) 2847 7414**, fax: **(011-852) 2847 7441**, e-mail: cana.datrade.hkong@dfait-maeci.gc.ca *

A Look Ahead to the Year 2000

Continued from page 3

It was a very enlightening experience for me. Above all I was very impressed by the number of doors we were able to open for our exporters in the Japanese market.

As you know, these missions have been extremely successful. So, we'd be foolish to ignore them. The Team Canada concept truly demonstrates what can be achieved when governments and businesses work together.

With the Prime Minister's encouragement, we are considering a new mission for the fall. As for the exact

destination and time, this is now being discussed with our provincial counterparts and other key participants. Details will be posted on our new, revamped Team Canada Web site, which will be launched soon.

So these are some of the ways we're constantly striving to assist both new and experienced Canadian exporters: It's all at the one-stop shop, Team Canada Inc!

CanadExport: Thank you Minister. *

Key Sources of International Trade Assistance and Information

- Team Canada Inc
tel.: **1-888-811-1119**
Internet: exportsource.gc.ca
- InfoExport
Internet: www.infoexport.gc.ca
- Department of Foreign Affairs and International Trade
Internet: www.dfait-maeci.gc.ca

Enquiries Service

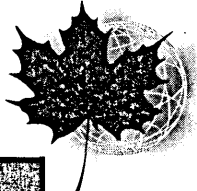
DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling **1-800-267-8376** (Ottawa region: **944-4000**) or by fax at **(613) 996-9709**; by calling the Enquiries Service FaxLink (from a fax machine) at **(613) 944-4500**; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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A Road Map to Opportunities in China and Hong Kong

Dept. of External Affairs
Min. des Affaires extérieures
OTTAWA

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The following is the first in a series of regular articles on China.

At the Annual General Meeting (AGM) of the Canada-China Business Council last November, International Trade Minister Pierre Pettigrew announced the release of the year 2000 edition of the *China and Hong Kong Trade Action Plan*.

This document identifies for Canadian firms the important opportunities, as well as the challenges and constraints, of the Chinese marketplace. It also outlines the services available through Canada's Trade Commissioners in our five missions in the region.

"This is our comprehensive strategy for Canadian commercial partnership in this key region, a strategy which I am confident will bring benefits and success to Canada and to China," Minister Pettigrew said during his keynote address to the AGM.

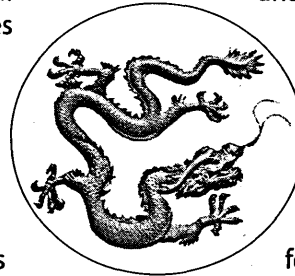
The *Action Plan* includes sections

on the business environment, a description of regional markets, sector profiles — agri-food and fisheries, construction, education, electrical power, environment, forestry, information technologies, natural resources and transportation — a focus

on cultural and health industries and financial services, as well as contacts both in Canada and abroad.

The *Trade Action Plan* is updated regularly following broad public and private sector consultations.

For more information or to obtain a copy, contact DFAIT's Enquiries Service, tel.: 1-800-267-8376 — (613) 944-4000 in the Ottawa region — fax: (613) 996-9709, e-mail: enqserv@dfait-maeci.gc.ca. A copy can also be downloaded from the Internet in html or PDF formats at: www.dfait-maeci.gc.ca/china/trade-e.asp *



Small Miramichi Software Firm Scores Big in First-ever Export... to the U.S.

Vital Knowledge Software Inc. won select vendor status from the New Hampshire Department of Education — beating out 27 American competitors, including Microsoft and IBM.

As a result, the New England state is purchasing US\$200,000 worth of Teachers' Tech Tutor™ — a software package developed by Vital to help

educators understand and apply information technologies in their classrooms.

How does a team of five people, which never before sold its product outside of New Brunswick, get to compete with multinational giants — and win — in the tough U.S. market?

Continued on page 11 — Vital Knowledge

Vol. 18, No. 2 —
February 1, 2000

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(see brochure inside)

Canada

Is your company interested in long-term business opportunities in Asia, Africa, the Middle East or Latin America? Does your company have over \$1 million in annual revenue?

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CIDA-INC

and Business Opportunities



ing build-operate-transfer (BOT) infrastructure projects.

With over 20 years of experience, CIDA-INC can provide your firm with advice and funding on a cost-shared basis for expenses related to studies

and a project's actual implementation.

For more information, contact CIDA-INC, tel.: (819) 953-5444, fax: (819) 953-5024, Internet: www.acdi-cida.gc.ca/inc (includes success stories). *

Canadian Learning Centre in Ukraine Celebrates First Anniversary

Just one year ago (January 27, 1999) a new generation of Canadian Education Marketing Centres were officially opened in Kyiv and in Ivano Frankivsk. They are located at the Canadian Embassy and The International Centre



Outside the Ukrainian-Canadian Business Centre in Ivano Frankivsk (left to right): Anatoliy Furda, Deputy Director of the Centre; Mario Houle, DFAIT; Dr. Gilles Seguin, DFAIT; and Alexander Pasichnyk, Director of the Centre.

of Privatisation, Investment and Management, in Kyiv and at the Ukrainian-Canadian Business Centre in Ivano Frankivsk.

The Canadian Learning Centre (CLC) is a new prototype designed to promote Canadian expertise, learning technologies and online study at Canadian universities, colleges, language schools, and career colleges. Among its many features, the Centre showcases Canada's SchoolNet system, the Virtual University-Small Medium Enterprises (VUSME) — it involves Confederation College and the University of Calgary — and leading edge technologies (hardware and software) provided by private sector companies.

While the CLC is physically located in key centres in Ukraine, plans are being developed by the private sector partners to expand the network into other establishments, including leading universities like the University of Kyiv-Mohyla Academy.

The opening of the CLC in Ukraine coincided with Canada and Ukraine signing a Memorandum of Education Cooperation, which provides a framework to stimulate international activities between the two countries. *

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ISSN 0823-3330

canadexport

Did you know that...

- in 1998, Canada's exports of services to the United States were \$27.7 billion, or 60.3%, of Canada's total services exports. Canadian services imports from the U.S. were \$32.6 billion, or 61.7%, of total Canadian services imports.
- in 1998, Canada's exports of goods and services to the United States were \$297.2 billion, or 80.7%, of Canada's total exports. Canadian goods and services imports from the U.S. were \$266.2 billion, or 74.7%, of total Canadian imports. *

With one of the best health care systems in the world, Canada is in a prime position to contribute to medical information and education in developing countries. And with even remote villages today sporting satellite dishes, the medium is already in place.

That's where PentMed Systems Inc. of Ajax, Ontario, comes in. Drawing its expert pool of more than 20 consultants and technicians from its parent company, the Pentranic Group, the young company — established in 1998 — has taken steps to capitalize on these trends and opportunities.

"Ventures such as our international telehealth projects demonstrate that Canada has much more to offer besides wood and coal," says Tim Patterson, Managing Director of PentMed. Specializing in telemedicine technology, the company provides video conferencing systems for medical professionals around the world. "Our goal is to keep physicians practicing in their homelands instead of relocating to industrialized countries, and, ultimately, to save lives," explains Patterson.

Participation pays good dividends

To help boost his company's profile and attain its objectives, Patterson joined the Team Canada trade mission to Japan last September.

"Our status as a Team Canada participant gave us added credibility — particularly with foreign companies not familiar with us. It just made a huge difference in our manoeuvrability," he says. "We've since been approached by interested Japanese investors and I am confident we will see concrete results in the region down the road."

But Patterson's Team Canada participation also paid some unexpected — and timely — dividends. While in Japan, he was able to meet with International Trade Minister Pierre Pettigrew and his Policy Advisor André Albinati, who were able to further the negotiation of a major agree-

ment with the European Union (EU).

The mega-project — which also involves at least four Canadian medical centres — will provide content, consultation and continuing medical

education to at least eight countries across the globe, from Asia to South America.

ment with the European Union (EU).
 nies like ours get to meet others in the same boat, compare notes and do business together," says Patterson.

Ontario Telemedicine Tech Company Gets Top Treatment at Team Canada Mission

ment with the European Union (EU).
 nies like ours get to meet others in the same boat, compare notes and do business together," says Patterson.

Strong support from DFAIT

But he was also shocked by some of the media reports. "They often gave the wrong perspective of the mission. Making the same level of contacts on our own would have cost hundreds of thousands of dollars," he admits. "The trip was worth every penny."

An export commodity

What's in store for PentMed Systems? According to Patterson, the implications of telemedicine technology are wide — on a humanitarian level as well as economic.

"Not only does Canadian know-how raise health standards worldwide, as a vital export commodity, it is also a sound investment in the national economy," he explains. "Exporting our intellectual property makes money for Canadian consultants and hospitals, creating jobs at many levels. But it is also our social responsibility — as Canadians — to bring these basic necessities to developing countries."

"I also had the opportunity to outline the EU project — particularly its repercussions at the provincial level — to some of the premiers, and to Robert Wright, Deputy Minister for International Trade," Patterson adds. "During one of those meetings it was decided that I should speak at a seminar, and the Team Canada staff quickly reorganized the agenda to accommodate me. My presentation generated a lot of attention and interest."

Patterson has nothing but praise for the helpfulness of the Department of Foreign Affairs and International Trade (DFAIT) and Canadian embassy staff while in Japan. "They assisted with the EU project and worked very hard to set up meetings — notably Gilles Séguin, Senior Education Marketing Strategist at DFAIT, who also participated in some of our sessions."

And like many other Team Canada participants, PentMed benefited tremendously from networking with other entrepreneurs. "Smaller compa-

For more information on PentMed Systems Inc., contact Managing Director Tim Patterson, tel.: (905) 428-7020, toll-free North America: (1-800) 207-4090, fax: (905) 428-7023, e-mail: tim.patterson@pentserv.com, Internet: www.pentserv.com

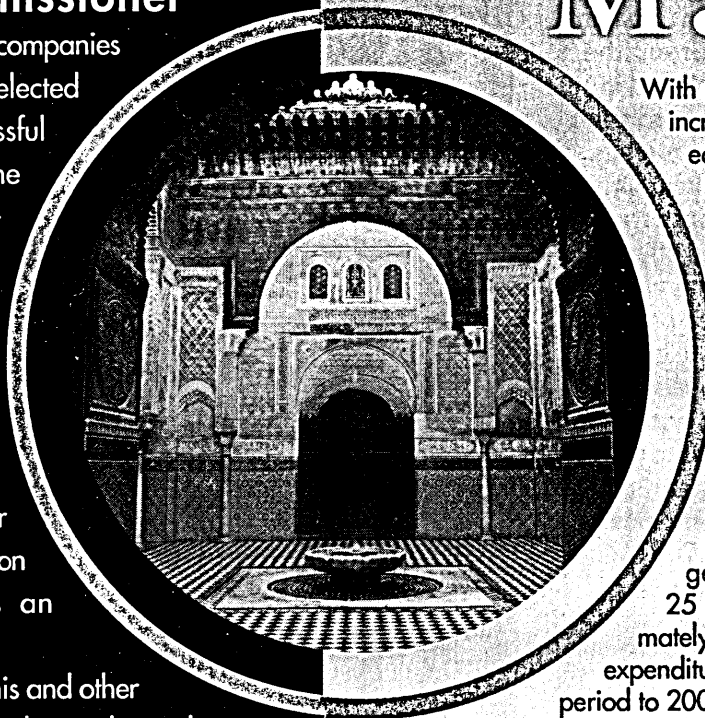
IRAN

The Trade Commissioner Service

helps Canadian companies that have researched and selected their target markets. Successful companies concentrate on one foreign market at a time, moving on to the next only after succeeding in the last. To help you select which market you should target, the Market Research Centre and the Trade Commissioner Service have prepared over 500 market reports. This section of *CanadExport* provides an overview of one report.

For more information on this and other reports or if you want to know how the Canadian Trade Commissioner Service can help you get results in international markets, visit us at

www.infoexport.gc.ca



The Electrical Market

With demand for electrical power increasing by approximately 7.5% each year, the effort to match supply and demand over the next few years will be a challenge for the Iranian government. To manage this projected increase in demand, the government outlined measures to increase power generation in its five-year development plan (1995-2000). These measures include the expansion of the country's installed generating capacity from 25 gigawatts (GW) to approximately 35 GW with a \$29.5 billion expenditure to take place over a 10-year period to 2005. Funds will be concentrated

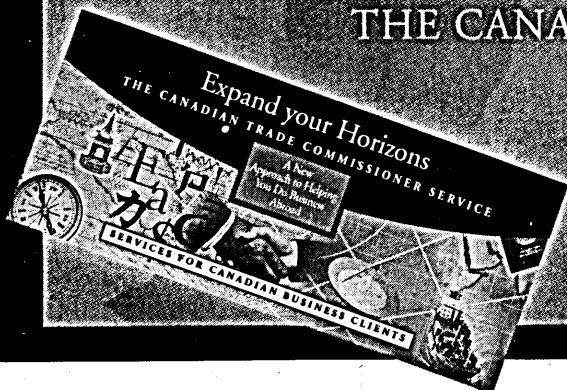
on several hydroelectric plants currently under construction or in the planning process.

Opportunities

Opportunities for Canadian companies to supply equipment and services lie in several ongoing power projects. These projects are intended to increase the hydroelectric generation

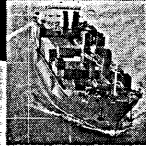
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... capacity by 8,000 MW and ... thermal and combined-cycle power generation capacity by 3,500 MW. Moreover, 23 new hydroelectric and 11 thermal generation power plants are

- Shirvan combined-cycle power plant (1,000 MW).

Proposed Privatization

Iran is currently restructuring its national electricity industry. The

for more than 20 years. Suppliers of equipment and services have also been increasingly active pursuing contracts during the past three years. Canadian companies wishing to access the Iranian market are encouraged to contact the Commercial Section of the Canadian Embassy in Tehran.

Electricity Generation in Iran (MW)

Power Plant Type	1997	1998
Coal	11,685	12,400
Gas-turbine and combined-cycle	8,896	9,422
Hydro	1,999	1,999
Diesel	677	616
Total	23,257	24,437

Source: Tavanir Management Organization. *An Introduction to Iran Electric Power Industries*, May 1999.

See Potential?

For a list of Iranian trade shows, and to learn more about opportunities, read the full report, "The Electrical Power Market in Iran," prepared by the Market Research Centre. The report is available online at

www.infoexport.gc.ca

... planned for construction by 2005 while several diesel-fired plants are being converted to natural gas.

... parallel, the Iranian Ministry of Energy and the Iran Power Development Company (IPDC) are considering build-operate-transfer (BOT) arrangements for the



... following power generation and transmission projects:

- Lal combined-cycle power plant (1,000 MW),
- Ghazvin combined-cycle power plant (1,100 MW),
- Parez Sar combined-cycle power plant (1,000 MW),
- Tabriz combined-cycle power plant (1,000 MW), and

Iranian government is considering allowing greater private sector participation in electricity supply and removing restrictions on foreign ownership. Also, plans to privatize the Tavanir Company, the state-owned power generation and transmission company, are under review by the government.

Canadian Involvement in Iran's Electrical Power Sector

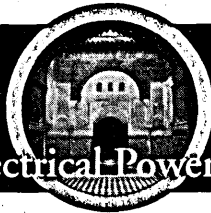
Canadian presence in Iran's electrical power sector is increasing. Canadian consulting engineering firms have been active in the market

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Complete report at

www.infoexport.gc.ca



The Electrical Power Market

➔ Access our market studies

Denmark, which ranks fifth in the world with respect to Information Technology (IT) penetration, represents a sophisticated and dynamic market.

Denmark's geographic location (between Scandinavia and Continental Europe), its large international airport and its transport and telecommunications infrastructure are important parameters in making it one of

solutions have recently been introduced in connection with corporate and institutional applications.

The Canadian Embassy maintains an up-to-date contact database of Danish telecom buyers and distributors and is ready to assess the market potential for your specific product and/or service.

Overview of Danish Informatics and Telecom Opportunities

Market profile

The Danish IT and Telecom Business sector is comprised of some 10,000 companies, but the country is a net importer of IT. The European Information Technology Observatory (EITO) estimated the Danish Informatics and Telecom market at US\$9.2 billion in 1998 and US \$9.5 billion in 1999.

In terms of Informatics and Telecom as a percentage of GDP, Denmark ranks equally high with 2.9 per cent — well above the 2.3 per cent average for Western Europe. The annual growth rate of the IT market in Denmark has been approximately 8 per cent (Western European average growth is 7.2 per cent).

There is consistently and continually a strong demand for IT solutions in Denmark. Due to high labour costs and Denmark's dependence on international trade there is a constant demand for software solutions and tools aimed at improving efficiency, automation and communication.

Many Canadian software firms find doing business in Denmark relatively straightforward, perhaps because most Danes fluently speak and write English.

Europe's best locations for product distribution.

Internet and other services

The Danish Internet market is dynamic and is growing at a rapid pace. Up to 68 per cent of all Danish companies have Internet access, and 25 per cent of all households had access by the end of 1998.

In a country of only 5.1 million inhabitants Internet access was sold last year to the tune of US\$142 million. This Internet market is expected to enjoy annual growth rates of between 20 and 30 per cent up to the year 2002.

In principle, there is a market in Denmark for practically every type of software — except administrative software packages for the corporate market. Two Danish companies, Damgaard/Axapta and Navision, dominate this market. The Canadian Embassy in Copenhagen can do a market assessment for your specific product.

The Danish Telecom market is dynamic with new services being continuously offered in both corporate and consumer markets. Wireless

Canadian successes

Canadian software firms that have enjoyed success in Denmark include Mobile Data Solutions, Arrix Canada, ACL, Corel, Jetform, Cognos, MGI, Softimage, Discreet Logic, MKS, Hummingbird and Alias.

Major trade fair

In terms of local trade shows, the annual Datacom & Connectivity Show, called *Netværk & Telecom*, is highly recommended. *Netværk & Telecom 2000* is slated for June 2000.

For more information on this market, contact David Horup, Business Development Officer, Canadian Embassy, Copenhagen, tel.: (011-45) 33 48 32 58, fax: (011-45) 33 48 32 21, e-mail: david.horup@dfait-maeci.gc.ca *

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IFInet offers you access to thousands of business opportunities financed by international financial institutions (IFIs) in over 130 emerging and developing countries. You will find information on projects financed by IFIs, work undertaken by Canadian consultants with IFIs, and a list of Canadian International Development Agency (CIDA) projects. Business guides for exporters are also available. Don't miss the "International Capital Projects" section.

The Information and Communications Technology (ICT) market in Sweden accounts for 6 per cent of GNP, making Sweden a highly computerized society. Products emphasize ergonomics, environmental concerns, and worker safety.

with 40 per cent of which were international. Over 10 per cent of banking customers do their banking on the Internet, while 25 per cent of stock trades are taking place on-line. The goal is to effect 95 per cent of public procurements through electronic data

wireless LAN, third-generation wireless, and exploitation (both platform and content) of Internet, multimedia and virtual reality.

Other opportunities exist in integration of geomatic solutions — remote sensing, global positioning system (GPS) and geographic information system (GIS) — in the exploitation of broadband and digital TV, as well as tools and utilities that can offset professional shortages, and aid small and medium-sized enterprise growth.

Major Canadian presence

Established Canadian firms in Sweden include Ad Opt, Arkipelago Interactive, Cognos, Corel, Critical Mass Productions, CRS Robotics, Datamirror, Devtek, FastLane Technologies, Groupe Informission, Hummingbird, JetForm, Leitch Technology, Mitel, Moore Paragon, Newbridge Networks, Nortel, Perle Systems, SR Telecom, Technor, and Telecom Advanced Systems.

Dozens more Canadian companies have some market presence through direct sales, agents or distributors.

For more information, or to obtain full market reports, contact Robbin M. Battison, Business Development Officer, Canadian Embassy, Sweden, tel.: (011-46-8) 453-3013, fax: (011-46-8) 24-24-91, e-mail: robbin.battison@dfait-maeci.gc.ca Internet: www.canadaemb.se *

Sweden Informatics and Telecom

Market Overview

As English is widely used in the world of business in Sweden, Canadian companies can easily navigate the business culture. Sweden is not only a good test market, with a tradition of accepting the latest high-technology products, but it has always been an early adapter of high technology, and devotes 3 per cent of GNP to R&D.

ICT is an expanding market in Sweden, with recent annual revenue increases of over 25 per cent, and recent profit increases of over 40 per cent. With more than 60 per cent of the country's ICT production being exported, Swedish companies are very open to partnerships with complimentary companies, and Sweden often acts as a marketing and services hub for Scandinavian and Baltic markets.

Market profile

Sweden has a very liberal, competitive telecom market, with one of the lowest tariffs in the world. Some 34 per cent of Swedes use the Internet — 15 per cent over the age of 50 — while 30 per cent use mobile phones.

Purchases over the Internet amounted to \$400 million in 1998,

interchange (EDI) by year end 1999.

Sweden also possesses a strongly evolving technical capacity in cryptography, multimedia and virtual reality.

Opportunities

Sweden offers opportunities for Canadian companies in many domains, including legacy-based solutions, industrial automation, EDI and e-commerce, mobile Internet and wireless application protocol (WAP),

New Site of Canadian Consulate in Düsseldorf Officially Opened

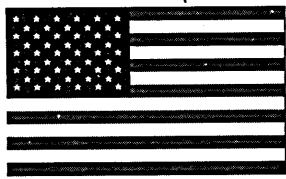


Official ribbon-cutting ceremony (left to right): Canada's Ambassador Gaëtan Lavertu, Canada's Minister for National Revenue Martin Cauchon, and the Mayor of the city of Düsseldorf, Joachim Erwin.

Canada's Minister for National Revenue, Martin Cauchon, Canada's Ambassador to Germany, Gaëtan Lavertu, and Joachim Erwin, Lord Mayor of the City of Düsseldorf, participated in the official opening of the new premises of the Canadian Consulate in Düsseldorf.

With the reorganization of post responsibilities in Germany, the Düsseldorf Consulate now covers the following sectors: health, plastics,

Continued on page 16 — New Site



The U.S. Connection

The U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division (URT). For information about articles on this page, contact URT by fax at (613) 944-9119 or e-mail at commerce@dfait-maeci.gc.ca. For all other export enquiries call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

Canadian Culture Shines in Pittsburgh

Every two to three years, the art world casts its eyes upon Pittsburgh, a city whose reputation for contemporary art is as strong as the steel castings from which the city first prospered. The *Carnegie International*, established in the late 1880s, and widely regarded as North America's premier contemporary art exhibition, regularly draws art enthusiasts from across the country and world to the city. The *International* happened to coincide with the November 1999 ACSUS (Association for Canadian Studies in the United States) biennial conference in Pittsburgh.

The Canadian Consulate General in Buffalo staged a multi-faceted cultural program at the ACSUS conference, which brought a wonderful array of visual and performing art and artists to Pittsburgh. Minister for International Trade Pierre Pettigrew, one of the featured speakers, set the tone for this conference with his presentation, *The Changing Faces of Canada*, which focused on the economic aspects of culture.

Celebrating the historic establishment of Nunavut on April 1, the Consulate, in association with Judith Varney Burch of Arctic Inuit Art in Richmond, Virginia, mounted exhibitions of Inuit art at the ACSUS confer-

ence and at the Four Winds Gallery, a prestigious Pittsburgh gallery specializing in native arts. Inuit sculptor, George Arlook, gave a special carving demonstration at the Polar World Hall



Judith Varney Burch, owner of Arctic Inuit Art of Richmond, Virginia, discusses Inuit sculpture with Minister Pettigrew (left) and Consul General Mark Romoff (Buffalo).

of the Carnegie Museum of Natural History. Arlook was part of the original consulting team when the Museum first established its exhibition in the early 1980s.

A number of the conference sessions were devoted to culture and cultural policy, including a special panel series sponsored by the Canada-US Fulbright Association and funded by USIA (United States Information Agency). This panel launched a series of academic discussions and cultural policy research, which will culminate in a special joint publication between the *Canadian Review of American Studies* and the *American Review of Canadian Studies*.

Capping the ACSUS conference was a special one-night performing arts showcase, featuring the work of four internationally renowned Canadian ensembles, Stuart McLean and the Vinyl Café Orchestra, Carmen Romero and the Candela Flamenca, Matapat: Music and Dance of Québec, and the Barra MacNeils. ❖

Franklin the Turtle Captures Hearts at LA Festival

The Canadian Consulate General, the Museum of Television and Radio, and Air Canada co-sponsored two animated workshops at the Eighth International Children's Television Festival in Los Angeles, last November, showcasing Sheridan College graduate and adjunct professor Brenda Clark. Clark is best known for her illustration of the



Franklin the Turtle series of books and the animated television series on the character.

The creation of former Ottawa resident Paulette Bourgeois some 16 years ago, Franklin books have sold over 25 million copies. The lovable Canadian character now presides

Continued on page 9 - Franklin

Accessing Pre-shipment Finance through CCC

The Progress Payment Program (PPP) helps small and medium-sized companies overcome the difficulties in arranging pre-shipment financing on export sales. The Canadian Commercial Corporation (CCC) now has agreements with 17 financial institutions to provide access to pre-shipment financing through lines of credit covering production costs for particular export sales.

With CCC's involvement and expertise in providing trade solutions, financial institutions will normally be prepared to provide funds beyond a Canadian exporter's regular line of credit.

Who can use PPP?

Canadian companies with sales of \$50 million or less and in good standing with their principal bank.

Looking to Do Business with the U.S. Federal Government?

Opportunities are just a key stroke away at the Internet site (www.gsa.gov) of the General Services Administration (GSA), which facilitates purchases by the U.S. government — "the world's largest consumer" — and the Electronic Posting System site (www.eps.gov). More GSA opportunities are listed on the site of the Canadian Embassy in Washington, D.C. (www.canadianembassy.org), and periodically in *CanadExport*.

How does PPP work?

- A financial institution flags exporting clients who may qualify for PPP and refers them to CCC.
- CCC assesses the risk and approves the exporter's application.
- The financial institution performs its own assessment and if acceptable grants the exporter a project line of credit to cover the cost of the export sale.

Franklin

— Continued from page 8



over a multimillion-dollar empire that includes 30 books, a hit TV show, videos, and an array of merchandise from Franklin bed sheets to puzzles.

This two-day event afforded an excellent opportunity to spotlight Sheridan College. Pamphlets and information were displayed at the event highlighting the College as well as the talent and creativity of Canadian animators and illustrators. It was also an occasion to draw the attention of American audiences to the stellar reputation Canada has established in children's books, television and entertainment.

The representatives of the Museum praised this successful, well-attended program, which was most appreciated by the children as well as parents looking for schools for their budding artists. The Museum said that based on the success of this program, it plans to incorporate a Canadian component in the Festival on an annual basis, and is looking forward to working with the Consulate to develop new ways to showcase the best of Canada in children's entertainment. *

- CCC then issues a disbursement order allowing the exporter to draw on the line of credit.
- The goods or services are delivered to the foreign buyer as per the contract terms.
- CCC receives payment from the foreign buyer and reimburses the financial institution for the line of credit.
- If the exporter defaults, CCC completes the contract and pays down the line of credit.

Credit line limits

Credit lines are limited to \$2 million per transaction for up to two years. With special approval, credit lines can be increased.

CCC is the Government of Canada's official export sales agency. It provides Canadian exporters with a range of export sales, consulting, contract management and access to pre-shipment financing services to help them win sales on better terms in a wide variety of markets around the world. *

Upcoming Home Furnishing Mission to North Carolina

A Spring 2000 marketing mission to High Point, North Carolina, entitled "Five Years in Five Days", has been organized by the Canadian Consulate General in Atlanta, the Department of Foreign Affairs and International Trade (DFAIT), Industry Canada and provincial trade offices.

The April 4-9 mission features a visit to the International Home Furnishings Market or High Point, the largest furniture show in the world (see the September 15, 1999, issue of *CanadExport*, p. 10).

For more information, contact Bill Stolz, Canadian Consulate General in Atlanta: tel.: (404) 532-2017, fax: (404) 532-2050, e-mail: william.stolz@dfait-maeci.gc.ca or your local International Trade Centre. *

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities. To view a selection of IBOC's current trade opportunities, simply visit the Internet site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

MOROCCO — Landfill preparation project for the city of Meknès — The Urban Community of Meknès currently operates an open dump, located within city limits. The conditions associated with this dump pose major health and environmental problems. All the studies carried out on the dump have recommended its closure. The site for the new landfill is located 6 km north of the city, on clay

International Business Opportunities Centre

soil. An access road needs to be developed to allow waste collection vehicles (some 200 a day) to reach the site in question. Consequently, a 7-metre-wide paved road needs to be built along a 3-km distance. The land is crisscrossed by power lines, which will need to be relocated. The landfill site will be surrounded by a wire fence. This will be a state-of-the-art operation, with waterproof cavities where the waste will be compacted and then covered. All necessary steps will be taken to eliminate any adverse impact that operation of the landfill will have on the environment. Closing date: **April 3, 2000**. Contact Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 19991230-04618.

GHANA — Financial Assistance - Loan for Intravenous IV Solutions Plant — EPISTLE Consortium Ltd. is looking for funds, loans and financial assistance to start a project for the manufacturing of the Intravenous IV Solutions plant in Ghana. The manufacturing facility will cost about \$1.1 million, including building construction, equipment purchase and installation, utilities, materials and supplies. A copy of the business plan is available. Closing date: **March 15, 2000**. Contact: Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 19991208-04359.

SWITZERLAND — Swiss Restaurant and Conference Centre - Partnering —

The Fassbind Hotels, a Swiss group with hotels in Lausanne, Geneva and Berne, will open a new four-star hotel in downtown Lausanne in 2001, featuring several restaurants, 190 rooms, a patio, underground parking, boutiques, a fitness area, three panorama elevators and a 1,000-seat congress area. At this stage, planning of the interior is still open and can be adapted to the needs of the partner. For the operation of the restaurants and the conference centre, a co-operation in whatever form with an experienced Canadian partner is sought. Closing date: **March 17, 2000**. Contact: Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 19991215-04498.

THAILAND — Shifting Cultivation Stabilization Pilot Project — The government has received a loan from the Asian Development Bank towards the cost of this project. A mailing list of potential bidders is being drawn up for invitations for the following items: construction equipment, consultant services, and vehicles and materials. Closing date: **March 15, 2000**. Contact: Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 19991213-04399.

SINGAPORE — Third Rail High-speed Ramps — Singapore MRT Ltd. is looking for suppliers and manufacturers interested in participating in a competitive bidding process for the supply and delivery of third rail high-speed ramps. Closing date: **March 10, 2000**. Contact: Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 19991123-04142.

IBOC Trade Opportunities — Find out more at www.iboc.gc.ca



Quick Facts

Since it opened in 1995, IBOC has contacted more than 21,000 Canadian companies and has responded to more than 13,500 inquiries from foreign buyers.

Thanks to IBOC, more than 7,500 Canadian firms have been in contact with foreign buyers, resulting in over 1,500 matches.

IBOC's sourcing experts use a variety of databases as well as a large network of business contacts across the country to identify Canadian companies of all sizes.

IBOC is jointly operated by the Department of Foreign Affairs and International Trade and Industry Canada, with special co-operation from Agriculture and Agri-Food Canada. It is the sourcing centre for Team Canada Inc.

Vital Knowledge Software Inc.

Scores Big in U.S.

—Continued from page 1

Government resources there to help

"To begin with, we participated in an Export Awareness seminar organized by Industry Canada, which opened our eyes to opportunities in the U.S.," explains Vital President Michael Cormier. "New England was identified as our natural market because of its large population base and geographic proximity — just a day's drive away and close to major centres such as New York, Boston and Philadelphia."

Vital also took part in the Export Partnering Program and sought advice from Trade Team New Brunswick and the International Trade Centre (ITC) in Moncton. "By taking advantage of these government resources, we developed a solid market entry plan for New England," says Cormier.

"Then, basically, we went knocking on doors. Our first visit was to Boston where staff from the Canadian Consulate General assisted with qualifying our identified leads and suggesting the best approaches. We were actually totally unaware of the expertise and guidance available to Canadian companies around the world through the Trade Commissioner Service [TCS]."

With the help of the TCS, meetings were set up with potential distributors and staff from the Department of Education Technology Training in Connecticut and New Hampshire.

At the right place at the right time

As it happens, the New Hampshire Department of Education was active-

ly developing a professional development plan for its teachers. Vital's timing couldn't have been better.

"We presented the product and demonstrated our understanding of the common problems facing the educational community around the globe in making technology integration practical and beneficial to teachers. They expressed keen interest in



our unique CD/Internet solution and we left them with full documentation for further evaluation."

Within weeks, Vital was invited to bid on a request for proposal for technology training for New Hampshire's 14,000 plus teachers.

"We put a lot of effort into our response, creating a very significant document that clearly proved our capability of delivering a comprehensive package to meet their needs. Our product is excellent, but we knew that as a small company, from a small town, in a small province, we needed to get a lot of mileage from our proposal.

"After several weeks that seemed like years," Cormier admits, "we were notified that our bid was successful. When we found out we had won over the big guys, we were ecstatic. It's gratifying to know that our product was chosen solely on the basis of quality and value, not on the size of the company or marketing dollars."

Build on success

Securing the approval of a state department of education will undoubtedly be helpful in current negotiations with other states such as Massachusetts, Florida and Texas.

Is Vital looking out for new markets beyond the U.S.?

"Very soon," says Vital Vice-President Nola Chiasson, "although our plate is full for the time being. The next step is to continue to build credibility and a name for ourselves south of the border to facilitate introducing some of our other products and services.

"But technical training is in demand all over the world," she says, "and there is definitely an international market out there for us. When the time is right, we will pursue partnership opportunities with software developers or publishers in other countries. That seems to be the most cost-effective approach."

In the meantime, the company — which received the Best Educational Product prize at the 1998 New Brunswick Multimedia Awards ceremony, and carries the endorsement of the New Brunswick Teachers' Association — is in the process of doubling its team of writers and programmers to 10, as a result of its activities in the U.S.

For more information about Vital Knowledge Software Inc., contact company President Michael Cormier, tel.: (506) 773-8108, fax: (506) 778-6708, e-mail: vital@nbnet.nb.ca, Internet: www.vitalknowledge.com *

Two New *Knowledge Cafés* Planned

Since Crossing the Pond was founded, more than 250 companies and associations from the information technology industry have participated in *Knowledge Cafés* held in Ottawa, Toronto, Calgary and Vancouver. Opinions are unanimous: small and medium-sized enterprises appreciate this simple yet dynamic way of obtaining useful advice and suggestions that will help them fast-track their European expansion.

The Crossing the Pond partners are now planning something different by organizing two *Knowledge Cafés* in the agri-food industry, in co-operation



CROSSING + THE POND

with Agriculture and Agri-Food Canada, the Canadian Food Exporters Association and the Atlantic Canada Export Club. The first *Café* will be held on the morning of February 22, at the

International Food and Beverage Show in Toronto. The second will be in Halifax on February 25, also in the morning.

Five European countries will be represented at these *Cafés*: the United

Kingdom, France, Germany, Italy and the Netherlands. If you are thinking of doing business in Europe and would like to learn more about penetrating the European market, make it a point to attend the upcoming *Knowledge Cafés*.

For more information, fax your business card to (613) 995-6319 (c/o Véronique Duhamel). Don't forget to visit the Internet site at www.crossingthepond.com

Crossing the Pond is a Team Canada Inc partnership co-founded by the Department of Foreign Affairs and International Trade, Grasset|Fleisher Solicitors (Toronto) and CIBC. *

Canada Hosts World Mines Ministries Forum and Mining Millennium 2000

TORONTO, ONTARIO — March 5-10, 2000 — Mines ministers and senior government officials from mining jurisdictions around the world, mining company executives and representatives of non-governmental organizations will gather in Toronto for the World Mines Ministries Forum (March 10).

The backdrop for the Ministries Forum is Mining Millennium 2000 (March 5-10), one of the most important international mining conventions planned for the new millennium. This will be an unprecedented event that will recognize and celebrate the

Continued on page 16 - World Mines

Government, Private Sector Team up to Promote Food Exports to Asia

In co-operation with regional and provincial offices in Alberta, British Columbia, Ontario and Quebec, an Asian Food Journalists Mission has been organized by Agriculture and Agri-Food Canada (AAFC) and DFAIT's posts in Hong Kong, Taiwan, Singapore and the Philippines.

On behalf of Lyle Vanclief, Minister of Agriculture, Hong Kong-based Trade Commissioner Neil Clegg presented the Excellence in Partnership Award to Derek Galpin, Managing Director-Asia, Canadian Airlines International (CAIL), for its support.

In collaboration with AAFC, Hong Kong will organize a cross-Canada seminar program on Asian Food Market Opportunities in March. Hong Kong will also host Hong Kong

Sweets Expo Asia 2000 (June 27-29) and the Hong Kong International Health Food, Healthcare Products & Fitness Equipment Exhibition (July 7-9).

For more information on the above programs or other food activities in this market,

contact Neil Clegg, fax: (011-852) 2847-7441, e-mail: canadatrade.hkong@dfait-maeci.gc.ca *



Canadian Trade Commissioner in Hong Kong, Neil Clegg (right) presenting the Excellence in Partnership Award to Derek Galpin, Managing Director-Asia, Canadian Airlines International.

Looking for Export Opportunities?

Make sure you are registered in the WIN Exports database, which is used by trade commissioners abroad to promote your company's capabilities to foreign buyers. Fax your request for a registration form to 1-800-667-3802 or (613) 944-1078. Or call 1-800-551-4946 (613-944-4946 from the National Capital Region).



ASEAN Construction Engineering and Building Products Mission Set for March

SINGAPORE, PHILIPPINES, VIETNAM — March 9-25, 2000 — An Association of Southeast Asia Nations (ASEAN) trade mission focusing on construction engineering and building products is being organized by the Toronto International Trade Centre (ITC) and Canada Mortgage and Housing Corporation (CMHC).

The mission starts out in Singapore (March 9-12) with export matchmaking sessions with buyers and sellers, meetings with government and private-sector officials, including the Singapore Housing Development Board, Singapore Construction and Industrial Development Authority, and Singapore Contractors Association Ltd., as well as a number of site tours and visits.

In Manila (March 13-21), mission delegates will have the opportunity to participate in WorldBex, one of the region's leading architectural and building products trade shows. Options are available for both solo

and shared booths. In addition to the trade show, a number of other events have been organized, including export matchmaking sessions, as well as joint venture and technology transfer matches and meetings with government and private-sector officials, including the National Housing Authority, Housing and Urban Development and Coordination Council, Philippine Institute of Architects, and major distributors.

The mission ends in Ho Chi Minh City (March 22-24) where delegates will again take part in matchmaking sessions, site tours and meetings with government officials, including representatives of the new Special Operating Agency, which was created to guide Vietnam's efforts to establish a market-based economy. Delegates will

also be treated to a special presentation by Richmond Hill's BuildTech International of its Showcase Distribution Model, an innovative approach to explore and penetrate the Vietnamese market. BuildTech, which signed a memorandum of understanding with the Agency, has established a facility in Ho Chi Minh City to offer services to prospective Canadian exporters and importers.

For more information, or to register, contact CMHC, Carol Kerley (416-218-3345), Kathy Tangorra (416-218-3343), fax: 416-250-3203, the Toronto ITC, Lynn Fisher (416-973-5063), Alan Ballak (416-952-4771), or Laurie D'Souza (OEI) (416-325-6514). *

Vietnam's Premier Agricultural and Agri-food Trade Show Growing Strong

HO CHI MINH CITY — May 18-20, 2000 — Canadian agriculture and agri-food companies with an interest in expanding their export markets to Vietnam are invited to participate in Agro Mart 2000, the only international trade exhibition devoted to agriculture, agri-food and food processing in Vietnam.

With a proven track record for creating business success, Agro Mart represents an excellent opportunity for Canadian exporters in the agriculture and agri-food sector to generate a market entry strategy or expand current market operations.

This annual show, organized through Jaarbeurs, Holland, has attracted over 500 companies from 17 countries since 1991. A survey from Agro Mart '99 showed that an

overwhelming majority of exhibitors and visitors plan to participate again in Agro Mart 2000, with 84 per cent of exhibitors rating their new business contacts both in Vietnam and elsewhere in the region as excellent, good or satisfactory.

The Canadian Consulate General in Ho Chi Minh City invites Canadian agri-food companies, as well as breeding, processing and packaging specialists to join in an official Canadian representation at this important show. If a trip to Vietnam is not possible this year the Consulate can display your company's promotional material, including videos, brochures and samples.

Agro Mart 2000 will give Canadian companies access to emerging opportunities in this prominent economic

sector, which is in ever-increasing need for foreign technology and expertise in this area. In addition, the rising living standards and consumer purchasing power in Vietnam has created a growing market for imported food and beverage products.

Agro Mart 2000 is expected to attract some 12,000 visitors, including a large percentage of managers with decision-making and purchasing authority.

For further information, contact Bonny Berger, Trade Commissioner, Canadian Consulate General, Ho Chi Minh City, tel.: (011-848) 824-5025, fax: (011-848) 829-4528, e-mail: bonny.berger@dfait-maeci.gc.ca or Carolyn Knobel, Trade Commissioner, Southeast Asia Division, DFAIT, tel.: (613) 995-7662, fax: (613) 944-1604, e-mail: carolyn.knobel@dfait-maeci.gc.ca *

Time to Plug into Morocco's Telecom 2000

CASABLANCA — April 4-7, 2000 — The 1st International Telecommunications Trade Fair of Morocco — **Maroc Telecom 2000** — slated for the Casablanca International Fairgrounds, is organized by Fairtrade, the Germany-based professional organizer of top international telecommunication trade shows in the Middle East, North Africa, Europe and Central Asia.

To make sure that **Maroc Telecom 2000** will profit from all available local know-how, contacts and expertise, Fairtrade is co-operating with Forum 7, the leading Moroccan advertising agency experienced in organizing communication events in Morocco.

All original equipment manufacturers (OEMs) and service providers playing a vital role in the market are expected to exhibit at the show, including Alcatel, Arabsat, Arianespace, Ericsson, France Telecom, Iridium, Marconi, Motorola, PanAmSat, Philips, Portugal Telecom, Siemens, Sofrecom, Telecom Italia, and Spain's Telefónica.

Held in conjunction with the show will be the **Maroc Telecom Forum**, where exhibitors can present their newest products, technologies and services. It will also provide an ideal platform for dialogue between regional senior government officials and top international telecommunication project developers, specialists and advisers.

Vast potential

With a fast-growing communications industry, Morocco fills a gap between Europe and America because of its ideal "geostrategic" location linking Africa to the Arab world.

Morocco's national company, Maroc Telecom, has managed to connect that country to Europe and North America via submarine fibre-optic cables and satellite networks through Intelsat and Arabsat.

With one of the largest telecommunications networks in Africa, Morocco features a 5.5-per-cent tele-

density — a three-fold growth over the last six years. Maroc Telecom increased the number of fixed networks from only 250,000 fixed lines in 1982 to 1.5 million by mid-1999.

Mobile networks are also expected to increase dramatically now that the second GSM-license was awarded to Médi Telecom, a Consortium of Spain's Telefónica, Telecom Portugal, the second-largest Moroccan bank BCME, and Afriquia. The number of mobile lines are expected to increase rapidly from 116,000 last July and 200,000 early this year to 2.5 million by 2004 and 6 million by 2014.

In addition to heavy investments, Maroc Telecom is going to improve both quality and service. US\$700 million are being invested by Médi Telecom from 2000 to 2014, with half of that amount being spent in the first year alone of the 14-year licence contract.

International financing is also well under way. The National Office of Telecom Regulation (ANRT) is receiving ECU5 million from the European Commission and the World Bank reserves, a share of US\$100 million out of the global loan of US\$350 million for telecommunication purposes.

ANRT has also allocated a MAD450-million (about \$70 million) investment towards linking more than 80 per cent of the country's towns to the existing network.

These facts and figures support this international communications exhibition, which will serve as a platform for all local and international service providers, OEMs, the Moroccan business community and private telecom service end users.

For more information on the show, or how to participate, contact Asmae Amrouche, Commercial Officer, Canadian Embassy, Morocco, tel.: (011-212-7) 67 28 80, fax: (011-212-7) 67 21 87, e-mail: asmae.amrouche@dfait-maeci.gc.ca ✪

Momentum Building for CanAsia Buyer's Housing Forum

VANCOUVER — February 22-25, 2000 — Canadian building products and interior finishing suppliers and manufacturers have an excellent opportunity to meet with potential Asian buyers at **CanAsia Housing 2000**.

Canadian exhibitors and participants will be able to present their products and services to some 300 delegates from across Asia — including Japan, China, Korea and Taiwan — who will talk about the needs in their respective countries.

In addition to one-on-one meetings, the Forum — sponsors include Canada Mortgage and Housing Corporation (CMHC) and JETRO — will offer hands-on workshops and demonstrations on new technologies and the latest in architectural designs as well as tours of new projects and facilities.

For more information on the event, or how to participate, contact Forum organizers Trade Works International Ventures Ltd., tel.: (604) 844-1965, fax: (604) 844-1893, Internet: www.CanAsiaHousing.com, or Nellie Cheng, CMHC, tel.: (604) 666-8064, fax: (604) 666-3020, e-mail: ncheng@cmhc-schl.gc.ca ✪



BAHRAIN — March 27-29, 2000 — The fourth Middle East Geosciences Exhibition and Conference (Geo 2000) will be held at the Bahrain International Exhibition Centre.

In addition to the participation of leading international oil companies such as Chevron, Shell, Elf and Texaco, the event is fully supported by the Gulf states' national oil companies, Saudi Aramco, BANOCO, PDO, ADNOC and the Kuwait Oil Company.

International market leaders in the geosciences industry will be presenting the latest technology needed to guide oil and gas exploration in the 21st century. In addition, over 200 companies will be exhibiting with

Bahrain Gearing Up for Middle East Geosciences Show

national pavilions from France, the U.K. and the U.S.

The show will also feature a high-level conference — entitled New Millennium: New Horizons — that will address the latest issues facing the oil and gas exploration industry in the Middle East. More than 300 abstracts have already been submitted by geosciences professionals from all over the world.

High-level delegations from the Gulf national oil companies are also

expected to attend, as well as those from The American Association of Petroleum Geologists and The European Association of Geoscientists & Engineers.

For more information on the event or how to participate, contact Canadian representative UNILINK, in Kingston, Ontario, tel.: (613) 549-0404, fax: (613) 549-2528, e-mail: info@unilinkfairs.com ✪

ExpoCHACRA 2000: Farming Technology, Agro-industry and Biotechnology in Action

ROSARIO, ARGENTINA — March 16-19, 2000 — Canadian farm equipment and agri-business technology are well suited to meet the needs of the growing Mercosur agricultural market. From field preparation and livestock management to grain harvest, handling and storage, the ExpoCHACRA 2000 trade show seeks out new technologies that your com-

pany can supply to the Argentine market.

ExpoCHACRA 2000 is the ninth national and fourth international edition of the biggest open air show in the world with farm machinery at work. Recognized as the most important agricultural exhibition in the country, attendance at the show is expected to be close to 300,000 visitors, of which 85 per cent are directly related to agricultural activities in the

country, and more than 400 companies with stands at the show. ExpoCHACRA 2000 is an ideal vehicle for Canadian firms to gain further insight into the domestic agricultural activity.

For more information, contact Alfred Durhack, Manitoba Trade, Winnipeg, General Co-ordinator, tel.: (204) 945-1722, e-mail: adurhack@gov.mb.ca, or Catherine Gosselin, Trade Commissioner, Argentina, Uruguay, Paraguay, Department of Foreign Affairs and International Trade, tel.: (613) 996-5549, fax: (613) 943-8806, e-mail: Catherine.Gosselin@dfait-maeci.gc.ca, or visit the ExpoCHACRA Web site at www.expochacra.com ✪

Canadian Stand at National Hardware and Building Products Show

CHICAGO — August 13-16, 2000 — Make your reservation today to exhibit as part of the Canadian National Stand at the largest trade fair in the Western hemisphere dedicated to the hardware, do-it-yourself and building products markets. The National Hardware and Building Products Show, being held at

Chicago's McCormick Place, features 3,000 exhibitors with attendance of over 70,000 industry professionals from over 100 countries.

For more information, contact Monique Deschamps at Kadoke Exhibition Services, tel.: (613) 241-4088. ✪

Market Reports

DFAIT's Market Research Centre produces a full range of sectoral market studies to help Canadian exporters identify foreign markets. Currently, over 500 reports are available in 25 sectors ranging from agri-food, equipment and automotive to consumer products, forest industries, plastics, space and tourism. The reports are available through the Enquiries Service's FaxLink (613-944-4500) or on the Internet at www.infoexport.gc.ca

Chicago Software Association Partnering Conference

The Canadian Consulate General in Chicago is co-sponsoring the Chicago Software Association's (CSA) Partnering Conference on April 27, 2000, at the Palmer House Hilton in Chicago. Canadian software companies seeking partnerships can make short presentations at this event. Additionally, an educational morning will be held for Canadian companies earlier in the day to learn more about the Midwest marketplace.

This will be the fourth year that the Chicago Consulate has co-sponsored

the CSA's Partnering Conference. In past years, 10-15 Canadian companies have participated.

Interested Canadian software companies should contact Michael Muth by March 25, 2000, at tel.: (312) 616-1870, ext. 3365, fax: (312) 616-1878, e-mail: mike.muth@canada.com. Since this is an increasingly popular event for software companies, contact the Chicago Consulate as soon as possible. *

New Site of Canadian Consulate in Düsseldorf Officially Opened

— Continued from page 7

chemicals, fish products, industrial machinery, agriculture and agri-food, mining, metals and minerals, oil and gas, and industrial automation and instrumentation. The Consulate is also responsible for market access issues for all of Germany.

"There are many Canadians living, studying and travelling in and through this part of Germany," noted Ambassador Lavertu, "and the new Consulate offices are now centrally located and

adequately staffed to ensure that their interests and concerns are properly addressed."

Headed by Consul and Senior Trade Commissioner, John Schofield, the Consulate is now located at Benrather Strasse 8, D-40213 Düsseldorf. Telephone, fax and e-mail remain the same: tel.: (011-49-211) 17 21 70, fax: (011-49-211) 35 91 65, e-mail: ddorf@dfait-maeci.gc.ca *

World Mines Ministries Forum and Mining Millennium 2000

— Continued from page 12

achievements and future of mining worldwide.

Few industries have experienced such rapid globalization as the minerals sector. This globalization has brought with it a wide range of challenges for governments and mining companies. A primary objective of the World Mines Ministries Forum, which will include a plenary session and a series of interactive workshops, is to allow participants the opportunity to discuss these challenges, to share ideas and solutions and to develop and evaluate policy approaches to specific issues.

For more information about the World Mines Ministries Forum, contact John Gammon, tel.: (705) 670-5877, fax: (705) 670-5818, e-mail: john.gammon@ndm.gov.on.ca; and for Mining Millennium 2000, contact Patricia Dillon, tel.: (416) 978-5252, fax: (416) 978-4820, e-mail: pdillon@ecf.utoronto.ca *

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling 1-800-267-8376 (Ottawa region: 944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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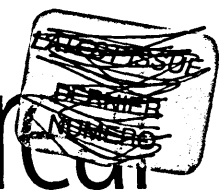
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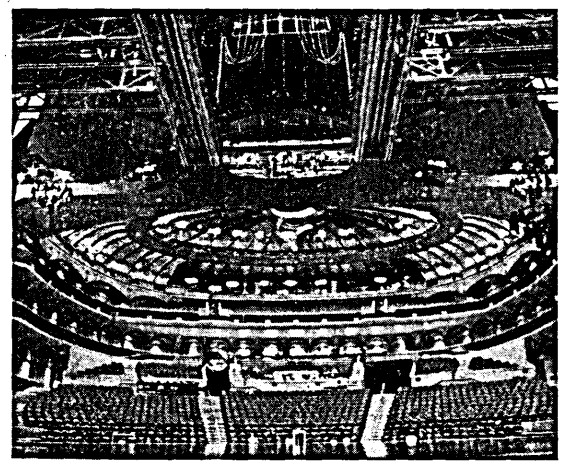
Montreal Engineering Firm Breaks into U.S. Market

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The engineering firm of Dupras Ledoux was not new to its field either in Canada or abroad when it entered the United States market, but it was in the U.S. that its recent masterpiece brought it the biggest kudos, along with its biggest challenge to date.

representatives of the owners of Bellagio all came up to Montreal," André Dupras, President of the Montreal firm, said, "to get a feel for who we were, and they went away more than



Cirque du Soleil's theatre "O" in the Bellagio Hotel in Las Vegas.

It all began in 1994-1995, when Dupras Ledoux took on the mechanical and electrical engineering work for the studios and offices of the new head office of the famous Cirque du Soleil in Montreal.

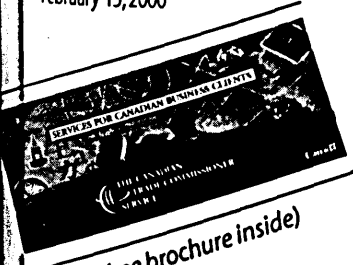
When the decision was made to set up a permanent show facility for the Cirque in the Bellagio Hotel in Las Vegas, Cirque management suggested that the American architects responsible for the work contact Dupras Ledoux.

satisfied. Of course, we were very happy as well, since we had landed the contract."

"The engineers, architects and rep-

Continued on page 7- Montreal

Vol. 18, No. 3 - February 15, 2000



(see brochure inside)



Airport Opportunities Taking Off in China

by Jordan Reeves

The Airport Development and Commercialization Seminar, which took place last December in Montreal, provided Canadian companies with a flight plan for doing business in China.

Jointly organized by the Department of Foreign Affairs and International Trade (DFAIT) and Quebec's Ministry of Industry and International Trade, the seminar attracted 51 Chinese delegates, mainly from regional airports,

Continued on page 3 - Airport

Founded in 1992, the Iran Canada Business Council (ICBC) today operates across Canada within the framework of the Alliance of Manufacturers & Exporters Canada, the nation's leading business network.

ICBC — in conjunction with the Alliance, the Department of Foreign Affairs and International Trade, and the Canadian Embassy in Tehran — organized a highly successful trade mission last February to investigate

- Iranian delegation to Globe 2000 (environment): Vancouver, March;
- Iran Oil Show: Tehran, April;
- Iran Agricultural Show: Tehran, May;
- Iranian delegation to the World Petroleum Conference and National Petroleum Show: Calgary, June;
- Third Iranian Edible Oil Refiners and Importers Mission to Canada: Summer;
- 26th Tehran International Trade Fair: Tehran, October.

For more information on ICBC, contact the Iran-Canada Business Council, c/o Alliance of Manufacturers & Exporters Canada, tel.: (905) 568-8300, ext. 229; fax: (905) 568-8330, e-mail: osigvaldason@acres.com ✪

Iran-Canada Business Council:

Promoting Trade and Investment

Drawing on the resources of the Alliance, the purpose of ICBC is twofold: to promote and support trade and investment between the two countries; and to advise the Canadian government on issues pertaining to trade and economic relations with Iran.

The Council, which is chaired by Dr. Oskar Sigvaldason, President of Acres International Limited, is composed of 26 leading Canadian companies and organizations.

Canada's largest market in the region

Iran is Canada's largest market in the Middle East, with trade between the two countries currently exceeding \$1.2 billion annually. According to Sigvaldason, Iran's economic potential is huge. "With the world's largest deposits of zinc, second largest of gas and copper, and fourth largest of oil, Iran is becoming a major link with Central Asian republics," he says.

new opportunities in Iran. Made up of 31 companies which were already doing business with Iran or visiting for the first time, it was the largest Canadian business delegation to travel to Iran in more than 20 years.

Doreen Ruso, Vice-President, International Trade Development at the Alliance, says the mission further developed "the excellent economic and commercial co-operation between Canada and Iran in areas of trade, investment and technology transfer."

ICBC events for 2000

Upcoming trade promotion activities this year include:

- Iranian delegation to the Canadian International Farm Equipment Show: Mississauga, February;
- Telecommunications and geomatics trade missions to Iran: February;
- Iranian delegation to the Prospectors' and Developers' Association Annual Convention: Toronto, March;

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Changes to Ivory Coast Phone Numbers

The telephone numbers in Ivory Coast have increased by two digits in front of the former six.

Here are the new numbers for the

Canadian Embassy in Abidjan (Trade Section): tel.: (011-225) 20.21.20.09, fax: (011-225) 20.22.05.30, (011-225) 20.21.77.28 (general number). ✪



Airport Opportunities

Taking Off in China

— Continued from page 1

airlines and municipal and provincial planning bodies. Chinese volunteers from Concordia University's International Aviation MBA Program also attended to provide support as interpreters.

The seminar was designed to show the Chinese how airports can make money — Canadian companies in attendance had much the same objective. With more than 40 new airport-related projects planned for China over the next five to ten years, China is a lucrative market for Canadian airport-related consulting, engineering and construction services, as well as equipment and information technology.

Seminar sponsor Bombardier Aerospace, which signed a \$170-million contract for the sale of five CRJ200 aircraft to Shandong Airlines last November, conducted tours of its Canadair Regional Jet production facilities.

Other Canadian sponsors, such as SNC Lavalin and Aviation Strategies International, chaired discussion groups on topics ranging from air cargo development and customer service enhancement to airport project financing and other topics.

Decentralizing leads to opportunities

The seminar was timed to coincide with the ongoing decentralization of control over Chinese regional air-

ports. The Civil Aviation Administration of China is gradually transferring authority to local governments. However, some of them have expressed impatience with the pace of the transition.

Airport authorities in Dalian, for example, must wait until they assume complete control of their airport before they will be able to secure the required financing for development. The story is much the same for other



Chinese passengers have consistently chosen Xiamen Airport terminal, designed by Toronto firm B+H Architects International Inc., as one of the country's best.

regional airports in China, although a number of airport construction projects have already been completed over the last few years.

Some Chinese delegates expressed a desire to attract new business such as cargo distribution and an increase in the number of transiting passengers, even if it means competing with regional airports in neighbouring provinces.

A representative from the Province of Shandong said that there were many airport-related business opportunities in China. For example, at some of the northern airports, fog can cause flight delays of up to two days in winter, but food and accommodation services for stranded passengers are in short supply.

An industry set to soar

The aviation industry in China is forecast to grow at an annual rate of 15 per cent until 2010, by which time its air traffic volume will be the fourth largest in the world. According to Chinese government sources, traffic increased from 30 million passengers in 1990 to more than 100 million in 1995, representing an average annual growth rate of more than 25 per cent.

Air freight movement is still relatively small but is growing at rates exceeding those of passenger travel. With such increases, the need for improved infrastructure is acute.

That is why the Civil Aviation Administration of China has changed gears in recent years. Rather than focusing on increasing the number of airplanes in service, the emphasis is now on improving infrastructure and training capabilities. The need for better training for pilots and maintenance personnel will provide joint venture opportunities for Canadian firms in the near future. In addition, a number of airport expansion plans require the updating of civil aviation monitoring and control systems.

For more information on airport-related opportunities in China or for a list of projects under way or anticipated, contact Jordan Reeves, China and Mongolia Division, DFAIT, tel.: (613) 996-7256, fax: (613) 943-1068, e-mail: jordan.reeves@dfait-maeci.gc.ca ✪

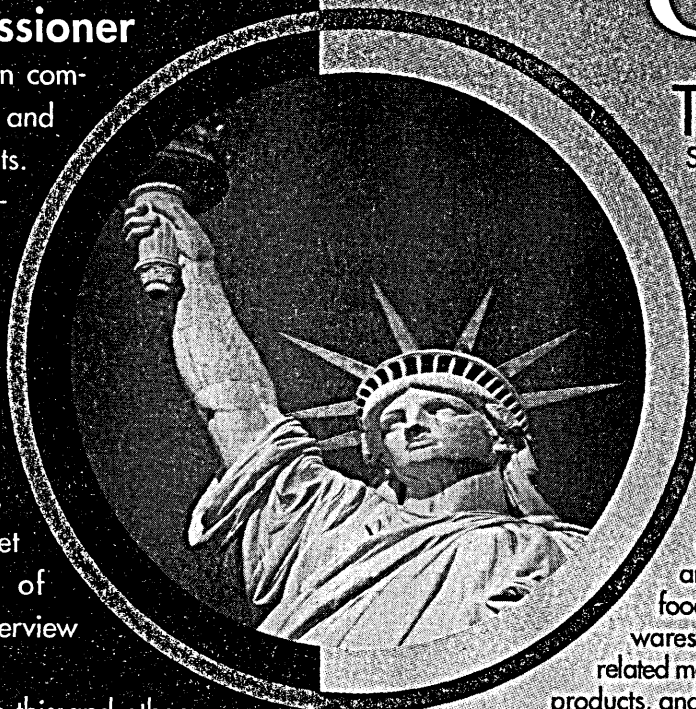
THE UNITED STATES – The Giftware and Craft Market

The Trade Commissioner Service

helps Canadian companies that have researched and selected their target markets. Successful companies concentrate on one foreign market at a time, moving on to the next only after succeeding in the last. To help you select which market you should target, the Trade Commissioner Service has prepared over 500 market reports. This section of *CanadExport* provides an overview of one report.

For more information on this and other reports or if you want to know how the Canadian Trade Commissioner Service can help you get results in international markets, visit us at

www.infoexport.gc.ca



There is no doubt that the United States offers one of the best export markets for Canadian giftware and crafts. It is nearby, easy to access and offers many opportunities because of its vast and vital retail environment. Under the general heading of giftware many niche markets can be identified and targeted more specifically, children's products, collectibles, crafts, aromatherapy products, furniture and home accessories, gourmet foods, "green" merchandise, housewares and kitchen products, museum related merchandise, outdoor and garden products, and stationery and party goods.

Trends

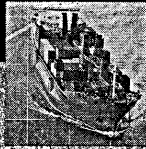
Among the products expected to make significant market gains in the next few years are products directed at the aging population; products that promote fitness, health and general wellness; products that are ecologically sound; spiritual products; and educational products. Currently, the number-one

HELPING YOU LEARN FROM EXPERIENCE. OURS.

THE CANADIAN TRADE COMMISSIONER SERVICE

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

See insert for your Giftware and Craft Market contacts in the United States



Over 500 market reports in 25 sectors available at

www.infoexport.gc.ca

Giftware and Craft Market

end in the United States is gardening. Therefore, garden-related products, especially if they are unique, should sell well.

Distribution

Most giftware lines in the United States are sold through sales representatives, who can offer constant exposure of a product in a specific market. Beyond the obvious retail outlets (gift shops, for example), there are many other ways of distributing giftware and crafts in the United States: mail order catalogues, television home shopping channels, corporate gift specialists and Internet

Retailing on the Internet

The Internet has had a dramatic impact on the giftware and craft market, allowing even the smallest company to get into direct retailing. Consumers are purchasing more soft goods, such as crafts and giftware, than hard goods on the Internet. Learn more about the opportunities that the Internet has opened up to businesses by obtaining a copy of the full report entitled *National Giftware and Craft Market Study for the United States*.

"It was a stunning holiday season on the Internet. Sales climbed more than 300% from last year to as much as \$12 billion (U.S.), surpassing expectations they would double."

R. Beck, Associated Press
January 13, 2000

Opportunities

Although there are opportunities for selling giftware and crafts throughout the United States, it is easier and more manageable for Canadian companies to focus their initial efforts in a few, specific areas.



Depending on the type of products you have to offer, certain regions might yield the most results for the effort. Learn more about which region you could target first by obtaining a copy of the full report entitled *National Giftware and Craft Market Study for the United States*.

shopping (see box).

Throughout the country, there are annual trade shows, which are great places for Canadian companies to meet U.S.-based retailers and potential sales representatives. There are also permanent market centres that are open for business every day. Sales representatives exhibit in these permanent showrooms, and many of these markets allow companies to have a temporary exhibit.

Keep up to date

New Directions is a quarterly newsletter about the U.S. market and is designed specifically for the giftware and craft industry. It covers industry trends and has a calendar of events geared to Canadian exporters. For a complimentary subscription, fax your request to Doreen Kilbride, DFAIT, at (613) 944-9119 or call her at (613) 944-6566.

See potential?

To order your complimentary copy of the *National Giftware and Craft Market Study for the United States*, call DFAIT's Enquiries Service at 1-800-267-8376 or (613) 944-4000. The full market study is also available on-line in the Consumer Products section of the Trade Commissioner Service's Web site at www.infoexport.gc.ca

www.infoexport.gc.ca

Could this be your market?
Complete report at
www.infoexport.gc.ca



The Giftware and Craft Market

➔ Access our market studies

You've done your research and have targeted the market where you see the most potential. You are about to visit the market and ask our office abroad to identify the right people with whom to meet.

market and can't set up the appointments yourself, the TCS can help you find the best possible candidates to fulfill this role.

In most markets we have selected qualified third parties who will enter

ments for you, it is done on an exceptional basis (therefore you shouldn't expect more than a day's worth of appointments the next time, or from other posts).

For some markets, you may have difficulty setting up appointments directly with senior government officials and/or private-sector top executives. The TCS can troubleshoot on your behalf to enhance your chances of meeting with these people.

For more information on the Canadian Trade Commissioner Service, see the enclosed brochure. To find the list of third party service providers in your target market, visit our Internet site: www.infoexport.gc.ca

The Canadian Trade Commissioner Service Additional Services that Clients Find Useful but not Essential

Our office provides you with a Key Contact Search, which includes the contacts you should meet according to your needs. These people could be buyers, distributors, partners, agents, importers, government officials, or industry associations.

Now you must decide whether you need to set up an extensive set of meetings — say over a two-day period — or whether you only need a few meetings with one or two contacts. Once you decide which scenario best meets your business needs, these appointments can be set up by you or you can turn to The Canadian Trade Commissioner Service (TCS), for assistance.

If you require an extensive program of appointments in your target

into a contracting agreement with you to set up a series of appointments. These service providers are companies that we work with regularly and that we trust fully. Our role is to identify the best service providers to respond to your needs.

On the other hand, you may only require a few appointments, which, for some reason, you can't arrange on your own. Since a small business program would not be of interest to local service providers, the TCS can set up one or two appointments on your behalf. You should, however, understand that if we make a few appoint-



The Canadian Trade Commissioner Service (TCS) Core Services

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

Additional Services

- Appointments and Meetings
- Logistical Support
- Participation in Events
- Temporary Office or Display Space
- Business Support Services *

Overview of Information and Communication Technology Opportunities in Norway

Although a small country with only 4.4 million people, Norway is among the world's advanced countries when it comes to information technologies.

According to the European Information Technology Observatory (EITO), Norway's total market for Information

and Communication Technology (ICT) products in 1997 reached US\$9.4 billion and US\$8.7 billion in 1998.

As a percentage of GDP the ICT sector accounts for approximately 5 per cent while 32 per cent of the population have PCs. About 500 000 PCs were sold in 1998 and about the same num-

ber was expected to be sold in 1999.

According to estimates approximately 40 per cent of the population have access to the Internet either at home or through work.

Norway has the highest ISDN penetration for private homes in Europe. About 60 per cent of the population have mobile phones, ranking number two in the world after Finland.

Wireless solutions and applications are very hot at the moment — both for mobile and Local Area Network purposes. There are also good oppor-

Continued on page 8 - Information

—Continued from page 1

Canadian engineering genius shines in U.S.

That is how Dupras Ledoux's services came to be retained by the American architects in charge of building a hotel that was to include a theatre for the Cirque.

"It was the most complicated project we had ever taken on," admitted Dupras, who was awarded a US\$20-million contract for the installation of lighting, air, plumbing and other systems for the US\$50-million theatre.

Known as "O", the new facility, which was completed in late 1998, was designed to provide two micro-climates within the theatre: one for the spectator area, with a constant temperature of 72° F and a humidity level of 30 per cent, and another for the "stage" area, which features a swimming pool used by the performers, with a temperature of 84° F and a humidity level of 45 per cent.

"Our greatest feat," Dupras stated with pride, "was managing to create the two micro-climates side by side within the same room, without any physical barrier between them."

Other daring innovations

Challenges are not new to the consulting firm of Dupras Ledoux, which was founded 40 years ago, and has a staff of 35.

"We work in one field only, that is, mechanical and electrical engineering for buildings," explained Dupras. "We deal with ventilation, air conditioning and heating, lighting, telecommunications, Internet, alarm systems, fire protection systems — in short, everything that makes a building work."

The firm has completed a number of projects in Montreal itself, including

the electrical and mechanical systems for Ex-Centris on St. Laurent (which has a theatre where each seat has a fresh air outlet) and Phase IV of the campus of the Université du Québec at Montreal, the first building with desks equipped with air induction systems.

Consulting Engineer for its work on the "O" project in Las Vegas.

This does not mean that the consulting firm now intends to sit on its laurels.

"We are already the only ones who use photo-realistic lighting simulation. One project in the works involves

Montreal Engineering Firm Breaks into U.S. Market



André Dupras,
President of
Dupras Ledoux

How does this small firm succeed in landing these types of contracts?

"Word of mouth — we get recommendations from architects and developers in Montreal who have come to know us,"

said Dupras. "That was how we were recommended in 1995 for the mechanical and electrical engineering work in a hospital in Russia and for six technical secondary schools (each comprising 26 buildings) in Cameroon, where we used computerized construction plans for the first time."

Recognition and new challenges

It comes as no surprise that, a few months ago, Dupras Ledoux's creativity and achievements were recognized when it was selected to receive the most prestigious engineering award in Canada, the Schreyer Award, from the Association of Consulting Engineers of Canada and *Canadian*

simulating the effect of outside lighting on the interior of a building," indicated Dupras, who has always sought ways to enhance comfort and improve resource performance.

Believing that government assistance was only for large Canadian corporations, Dupras had never sought such support.

"But as a result of the interview for this *CanadExport* article," Dupras pointed out, "I now realize that government programs are actually aimed at small businesses such as Dupras Ledoux. I therefore intend to contact the International Trade Centre in Montreal to find out how the trade commissioners could help us to more effectively promote our expertise abroad through, for example, the computerized WIN Exports network, of the Department of Foreign Affairs and International Trade."

For more information on Dupras Ledoux, contact its president, André Dupras, at (514) 381-9205, fax: (514) 381-1350, Internet: www.dupras.com *

Looking for Export Opportunities?

Make sure you are registered in the WIN Exports database, which is used by trade commissioners abroad to promote your company's capabilities to foreign buyers. Fax your request for a registration form to 1-800-667-3802 or (613) 944-1078. Or call 1-800-551-4946 (613-944-4946 from the National Capital Region).



The X-Port Files



by Scott Shepherd, President and Chief Executive Officer, NORTHSTAR Trade Finance Inc.

The SME export finance edge

There is a story about two girls who were out hiking in my home province, British Columbia.

They were crossing a brook when a frog jumped out of the water and said, "Kiss me and I'll turn into an export banker."

One girl promptly picked up the frog and threw him into her knapsack.

"Aren't you going to kiss him?" the other girl said.

"Are you kidding?" the first said. "Export bankers are a dime a dozen. But a talking frog will fetch millions in the export market."

I am not sure that we export bankers actually do go for as little as that. I do believe taking the time to familiarize yourself with export finance can be the best investment you'll ever make.

I'd like to cast some light on the subject from my vantage point as someone who runs a small business myself, one which happens to be focused on assisting new and growing Canadian exporters by financing their buyers abroad.

NORTHSTAR Trade Finance only has a couple of dozen employees. But as a team we have impact beyond our numbers. That comes from having established close working relationships with some very major banks, Bank of Montreal, Royal Bank of Canada, and HSBC Bank Canada. And on February 15, National Bank of Canada added its name to the roster of our supporters. Together, these institutions provide us with over \$300 million of capital to assist entrepreneurs with a global vision.

At any given moment, NORTHSTAR has credit extended to companies in

countries that can range from Chile to China to Iceland, and points in between.



Scott Shepherd,
President and Chief
Executive Officer,
NORTHSTAR

That means we are involved in a wide range of business relationships, and economic situations. Each and every one is different. And yet there are some universal lessons to be learned from them that I believe are of interest to *CanadExport* readers.

In the months to come, I will be giving you my export banker's take on several key

trends and developments. I'll be tackling topics such as the review of the Export Development Corporation's mandate currently being examined by a Senate committee. I'll take a look at what to make of burgeoning

prospects worldwide when Canada's exports are focused more than ever on the U.S., and how to take advantage of new electronic commerce options available to exporters.

I will also be examining some broader subjects, like how to position your company in the export finance cycle, and what a small exporter needs to know to work smoothly with large lenders.

There is a lot to discuss. In all, Canada's banks provided \$66 billion of credit facilities to exporters in 1996. Credit unions also provide a range of export financing options, and insurance groups, factoring companies and government agencies also have key roles to play.

All these players put any number of other choices on the exporter's menu.

Not to fear! All of this can be made palatable, and I'll be back soon with a few choice morsels to digest.

In the meantime, please contact me with queries or comments at s.shepherd@northstar.ca Internet: www.northstar.ca ✪

Information and Communication Technology Opportunities in Norway

— Continued from page 6

tunities for data-warehousing solutions, E-Commerce, and Linux application products.

Due to the topography and the great distances, distribution in Norway is much more costly than in the other Nordic countries. Largest distributors are CHS Electronics, Ingram Micro, Computer 2000, Getronics, Actebis, and Merkantildata (Norway).

It is very easy for Canadian companies to do business in Norway. English is widely used, and market is easy with minimum of red tape. Norwegians are very straight forward and

direct in their business dealings.

Canadian market leaders like Cognos, Corel, Newbridge and Nortel Networks have their own offices in Norway. Numerous other Canadian companies are selling through their agents and distributors.

For more information on opportunities, contact Bjorn J. Hanssen, Business Development Officer, Canadian Embassy, Oslo, tel.: (011-47) 22 99 53 00, fax: (011-47) 22 99 53 01, e-mail: bjorn.hanssen@dfait-maeci.gc.ca ✪

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities. To view a wider selection of IBOC's current trade opportunities, simply visit the Internet site at www.iboc.gc.ca/leads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

JAMAICA — Pharmaceuticals and Medical Sundries — The Health Corporation Limited of Kingston, a government-owned company with responsibility for procurement, warehousing and distribution of pharmaceuticals and medical sundries on behalf of the government, invites sealed bids for the period of March-April 2000. The bidding documents are

available by submitting a written application. Closing date: **March 31, 2000**. Contact: Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 19991117-04062.

VENEZUELA — Emergency Housing for Venezuela — Last December Venezuela suffered what is being called "The Natural Disaster of the Century." Extensive rains over a prolonged period of time caused mud and rock slides in different parts of Vargas State (the Venezuelan coast north of Caracas) and flooding in other areas to the east and west of Caracas. The government will be co-ordinating housing solutions for all families left

homeless, through the Ministry of Infrastructure via Fondo de Desarrollo Urbano (Urban Development Fund - FONDUR) and the Consejo Nacional de la Vivienda (National Counsel for Housing - CONAVI). Canadian companies are invited to express their interest in providing low-cost housing. Closing date: **April 18, 2000**. Contact Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 000117-00166.

SINGAPORE — Wheel and Noise Dampers for Trains — The Singapore MRT Ltd. is looking for potential Canadian suppliers or manufacturers who may wish to supply and deliver Wheels and Noise Dampers for use on Electric Multiple Unit Trains. Cost: SGD 25.75 per set (approx. \$22.30). Closing date: **April 7, 2000**. Contact Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 000117-00192.

IBOC Trade Opportunities — Find out more at www.iboc.gc.ca ✪

Opportunities in Morocco

Morocco has launched a vast number of ambitious projects to develop its infrastructure, which is for the most part inadequate to meet the needs of an emerging economy.

Projects involve water and electric power supply, expansion of ports and airports, as well as roads, highways and dams. These programs, the cost of which is estimated in the hundreds of millions of dollars, are being or will be financed by the Moroccan government or international stakeholders and may involve commercial concessions or privatization.

As an example of the work in ques-

tion, it is estimated that over 50 major dams will be built by the year 2020, at the rate of two dams a year between now and 2010, and three a year between 2010 and 2020.

The commercial section of the Canadian Embassy in Rabat has drawn up a list of major infrastructure projects being planned in the various industry sectors in Morocco.

To obtain a copy of the list, contact Leopold Battel, Commercial Counsellor, tel.: (011-212-7) 67 28 80, fax: (011-212-7) 67 21 87, email: leopold.battel@dfait-maeci.gc.ca ✪



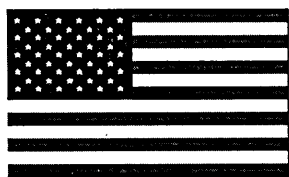
Quick Facts

Since it opened in 1995, IBOC has contacted more than 25,000 Canadian companies and has responded to more than 16,000 inquiries from foreign buyers.

Thanks to IBOC, more than 8,500 Canadian firms have been in contact with foreign buyers.

IBOC's sourcing experts use a variety of databases as well as a large network of business contacts across the country to identify Canadian companies of all sizes.

IBOC is jointly operated by the Department of Foreign Affairs and International Trade and Industry Canada, with special co-operation from Agriculture and Agri-Food Canada. It is the sourcing centre for Team Canada Inc.



The U.S. Connection

The U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division (URT). For information about articles on this page, contact URT by fax at (613) 944-9119 or e-mail at commerce@dfait-maeci.gc.ca. For all other export enquiries call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

guild.com: A Premier Internet Destination for Fine Arts and Crafts

April 1999 marked the unveiling of www.guild.com, the worldwide centre on the Internet for the discovery, exploration, and purchase of the finest arts and crafts available.

[guild.com](http://www.guild.com) is the brainchild of Toni Sikes, founder of the Guild. "There is so much extraordinary art work available. Unfortunately, many people don't have access to it," notes Sikes. She goes on to point out that now, through [guild.com](http://www.guild.com), anyone, anywhere, can view and purchase the work of thousands of the world's most exciting artists.

In developing [guild.com](http://www.guild.com), Sikes assembled a team of the top talent in the fields of art, craft, Web development, graphics, retail and e-commerce. "In order to make this site successful, all of the components had to be exceptional and work well together," says Sikes. [guild.com](http://www.guild.com) benefits from the curatorial expertise of Michael Monroe, past Executive Director of the American Craft Council and former Curator-in-Charge of the Smithsonian Institution's Renwick Gallery.

All of the artists whose work is on [guild.com](http://www.guild.com) appear by invitation only, and Sikes makes it clear that the

selection team is keen to increase Canadian representation on the site. Regardless of price or medium, the work is reviewed and selected by an advisory panel headed by Michael Monroe. "Quality is the absolute, uncompromising criterion for selection. From there, we look for breadth and range of work. Our ultimate goal is to offer the highest quality selection of hand-crafted objects available anywhere," says Monroe. Over 1,400 of the finest artists and galleries in the field have been invited to be a part of

[guild.com](http://www.guild.com). As a result, the site has an incredibly comprehensive body of work in all major media, at prices ranging from \$75 to \$50,000.

Once visitors have found that perfect piece, they simply place it in their Shopping Basket for purchase. Every order will come directly to [guild.com](http://www.guild.com), and order fulfillment will be handled by the artists themselves.

As well as showing the work of artists, the site includes an electronic wing devoted to galleries, museums and art events.

"[guild.com](http://www.guild.com) will pave the way towards greater exposure. It is far more than a premier shopping venue. It is an educational site, a resource guide and an adventure," says Sikes.

For more information, contact Paula Cosby, tel.: (608) 227-4152, fax: (608) 227-4179. ★

The two articles on this page are extracts from New Directions, a quarterly export newsletter for the Canadian craft and giftware industries, written by Dana Boyle of the Canadian Consulate General in Minneapolis.

New Internet Wholesale Sales Vehicle

The progressive Internet site www.wholesalecrafts.com which currently markets only American and Canadian artists, was designed as an inexpensive way for retailers to meet with artists and suppliers. President and Founder Nancy Vince, says that they currently feature over 200 artists and

have enrolled 2,100 retail buyers — all of whom are carefully screened. "And we are receiving new buyer members at a rate of around five new stores per day!"

Wholesale buyers find artists by entering virtual trade shows on the

Continued on page 11 - New Internet

Check the Business Section of the Canada-U.S. Relations Home Page at www.dfait-maeci.gc.ca/geo/usa/business-e.asp ... for valuable information on doing business in and with the United States.

After making sales in Canada and several Middle East countries, FSI International Services Ltd. set its sights on the lucrative but

prospect of asking the client for much more money up front. And under Russian law, you are required to deliver the equipment to Russian

insured bank guarantee, but there was still a shortfall that had to be addressed. We worked out a deal with FSI and our banking partner, the Toronto-Dominion (TD) Bank in Calgary. FSI received the project line of credit, produced the equipment and shipped the goods to Russia. The line of credit was repaid by the Russian buyers through a letter of credit."

Bruce Stephen, Client Relationship Manager at TD's Calgary commercial branch, says the deal illustrates what the bank is aiming for in its work with small and medium-sized businesses.

Selling in Siberia

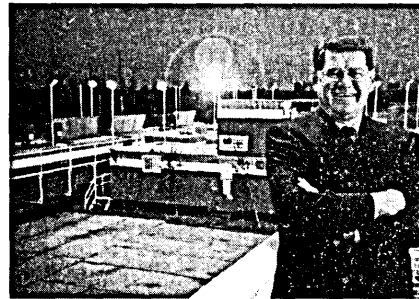
Calgary Company Uses Canadian Commercial Corporation's Payment Plan to Clinch \$3.1-million Sale

challenging Russian market. The Calgary-based company signed a \$3.1-million contract for a turnkey brine plant with JSC Chernogor-neft, a large oil producer in West Siberia, in November 1997.

President Richard Ball soon discovered that the Russian language and the Siberian climate weren't the only hurdles his company faced. "Payment conditions have changed in export markets," says Ball. "Most clients want to hold on to their money as long as they possibly can. For this sale, we were faced with the

soil within 180 days of receipt of any contract payments."

The Progress Payment Plan (PPP) proved to be ideally suited to the FSI/Chernogor-neft deal, as Canadian Commercial Corporation's Mark Surch explains. "The buyer had provided an advance payment secured by an Export Development Corporation-



Richard Ball, President, FSI International Services Ltd., Calgary, Alberta.

"We're looking for innovative solutions for our customers," says Stephen. "We strive to use programs like PPP that can help fuel growth for small companies, especially on

export projects that may have not been possible otherwise." *

Looking to Do Business with the U.S. Federal Government?

Opportunities are just a key stroke away at the Internet site (www.gsa.gov) of the General Services Administration (GSA), which facilitates purchases by the U.S. government — "the world's largest consumer" — and the Electronic Posting System site (www.eps.gov). More GSA opportunities are listed on the site of the Canadian Embassy in Washington, D.C. (www.canadianembassy.org), and periodically in *CanadExport*.

New Internet Wholesale Sales Vehicle

— Continued from page 10

site and, after receiving information on the artists, they place their orders directly with the artists. It's ideal for artists who do not yet have Internet sites of their own, as they can refer interested buyers to their page on wholesalecrafts.com. "Many of our artists are using it for this purpose," explains Vince.

Until now, wholesalecrafts.com has specialized in contemporary crafts. A visit to the site these days, however, will show that they are moving into traditional and country looks, as well.

Wholesalecrafts.com has made it very easy for stores to join, and they are reaching out to attract the best

and brightest retailers in the United States. What's especially nice is that participating artists are encouraging their existing galleries and other retail accounts to sign up in order to browse the site.

This Web site is definitely worth a visit at www.wholesalecrafts.com. From the Home Page, just select the "I Am An Artist" option and tour the site. If you would like additional information, contact Nancy Vince, tel.: 1-888-427-2381, fax: (614) 436-0242, e-mail: nancy@wholesalecrafts.com *

Poland has demonstrated the most impressive commitment to environmental protection of all the former Warsaw Pact countries. It has the region's most aggressive program of investment in the environment, worth over US\$1.4 billion annually (1.3 per cent of GNP), and has progressive environmental regulations.

The Ministry of Environment, Natural Resources and Forestry estimated that the implementation would require approximately 22 billion zlotys (US\$8 billion in 1996 dollars or US\$6 billion at current exchange rates) for these improvements. The World Bank, however, estimates that Poland's total cost of complying with

expenditures, while water protection accounted for 37 per cent and waste management for 9 per cent.

Growth and trends

Polish companies are facing many pressures and incentives to invest heavily in environmental protection, such as:

- EU-based environmental standards are being imposed on industries and are, in large part, being enforced;
- energy and other input costs are rising rapidly, making waste minimization an important issue; and
- Polish exporters trying to compete in the EU want to appear modern and environmentally responsible. As a result, an increasing number are acquiring the ISO 9000 designation.

Poland's privatization process is also stimulating the demand for environmental equipment and services. Companies being privatized must evaluate their existing performance and prepare business plans for future development. Environmental protection is an integral part of these plans, since plants must be brought up to newer standards or face increasing fines.

Government policies are shifting away from the application of end-of-pipe technologies toward more progressive programs to prevent pollution and minimize waste. These measures could open up good prospects for Canadian products and services.

For more information on this market, contact Ewa Gawron-Dobroczyńska, Commercial Officer, Canadian Embassy, Warsaw, tel.: (011-48-22) 629-80-51, fax: (011-48-22) 622-98-03, e-mail: wsaw-td@dfait-maeci.gc.ca ✪

Poland Environmental Sector

Market Overview and Opportunities

Environmental situation

Poland's decline in manufacturing activities has corresponded to a reduction in environmental pollution. However, Poland still suffers from some of the most severe environmental problems in Central and Eastern Europe.

Two of the most polluted areas in Europe — Upper Silesia and the Black Triangle (Central Europe's brown coal depression) — are located in the southern region of Poland. Considerable environmental damage has occurred in the past and continues to take place. Damage includes the contamination of water and soil and the deterioration of air quality.

The Polish government's 1994 National Environmental Policy Program to the Year 2000 was developed as an ambitious plan to implement medium-term policy objectives. Its main goals are to reduce environmental pressures on the air, water and soil; develop waste treatment and disposal facilities; develop water resources; and expand and/or enlarge nature conservation areas.

EU environmental standards could reach US\$35-50 billion.

Market size

Estimates of market size vary considerably from source to source, since there is no standard definition of what products and services make up the environmental market.

According to a study by the German environmental consulting firm of Helmut Kaiser Unternehmensberatung, the Polish environmental technology market is one of the most dynamic in Central and Eastern Europe, averaging an annual growth rate of 8 per cent. The market was worth DM 5.4 billion (US\$3.1 billion) in 1996, and should reach DM 13.8 billion (US\$7.9 billion) by 2010 (based on the 1997 annual average exchange rate of DM 1 = US\$0.58).

No equivalent information is available for the environmental services market. However, total environmental expenditures in 1995 amounted to US\$13 billion. Spending on air protection accounted for 53 per cent of total



Finland is one of the most networked countries in the world, a highly technology-oriented society and a global information technology leader by almost any measure. Early adoption of high-tech products is characteristic of the market.

A land of firsts

With a penetration rate of over 60 per cent, Finland is the world's largest user of mobile telephones. As the first country to have more wireless than land-line subscribers, the density of its land-lines is one of the highest in the world.

Finland has also the largest number of Internet-connected computers per capita, and is the global leader in electronic banking transactions per capita.

WAP-based information and entertainment services via mobile phone are available, and more sophisticated ones are being introduced. For example, secure banking and trading of shares are being piloted and will be available to users early this year.

Finland has long been one of the world's least regulated telecommunications environments, a major factor behind the highly advanced industry and market. A large number of operators has always been characteristic of the Finnish market and the competition has had a beneficial impact on technological know-how, and has increased the variety of services available.

Finland is also one of the five lowest-cost countries in terms of tele-service rates, especially the rates of mobile phone and data transmission services.

The Finnish telephone network is 100-per-cent digital with extensive use of intelligent network technology. New technologies are adopted early, which offers opportunities to suppliers with leading-edge products.

For example, Finland was the first country in Europe to take the ATM technology into commercial use, and the first IP communications network incorporating the Internet and the

traditional telephony was introduced in Finland.

Also first in the world, third-generation mobile network licences were granted in Finland, and the network is expected to be operational in early 2002, at the latest.

this offers opportunities for Canadian companies aiming at being part of a growing market.

Major competition

The flagship of the Finnish telecommunications industry, Nokia, is a

Finland Information Technology Market Overview

Opportunities

A high level of infrastructure and an active approach to implementation of new technologies and applications create ample opportunity for leading-edge Canadian products. Currently, for example, work geared to developing the information society is going on in areas such as cultural and information products and services, electronic transactions and electronic learning environments.

Import climate is receptive and the high technical standards and advanced structure of the market and industry allows foreign companies to use Finland as test and pilot platform for new products, systems and services.

Also, Finland's role in the advancement of information technologies in Russia and the Baltic countries offers Canadian firms a solid opportunity to gain a foothold in these emerging markets.

Last but not least, Finnish firms are constantly seeking partners and alliances for global markets. Especially in an area such as mobile Internet communications where they have technology leadership even globally,

global leader in the development and production of mobile, fixed and IP network systems. There are several other small and medium-sized Finnish companies specializing in advanced telecommunications products.

Finland has an increasing number of highly innovative software houses, and the industry is growing rapidly. Data security and cryptography, software products for mobile environments, embedded software for new platforms, new media, edutainment and Internet infrastructure products are among the software industry's strength and growth areas.

For more information, contact Karita Huotari, Business Development Officer, Canadian Embassy, Finland, tel.: (011-358-9) 171 141, fax: (011-358-9) 601 060, e-mail: karita.huotari@dfait-maeci.gc.ca, Internet: www.canada.fi

Sign up for Environmental Mission to Saudi Arabia and Bahrain

SAUDI ARABIA AND BAHRAIN — April 29-May 3, 2000 — The Canadian Embassy in Riyadh, Saudi Arabia, is planning a mission for companies with environmental technologies and products for the petroleum and petrochemical industries.

On the first two days, mission participants will have targeted meetings at Saudi Aramco, the country's state-owned oil company, and SABIC, a major international petrochemical group in Saudi Arabia's Eastern province. There will be a matchmaking reception with other local companies and a briefing on doing business in Saudi Arabia and the Gulf.

On the last three days, mission participants will attend the biannual Third Specialty Conference on Environmental Progress in the Petroleum and Petrochemical Industries in the

neighbouring island country of Bahrain, jointly organized by the Saudi Section of the Air and Waste Management Association and the Bahrain Society of Engineers.

Interested companies may submit abstracts for non-commercial presentations that highlight advanced products or techniques. Topics include air quality, emission monitoring, environmental assessments and audits, hazardous waste, industrial and wastewater management issues, oil spill response, and remediation technologies.

A concurrent exhibition will offer companies commercial exposure to an audience of engineers and environmental professionals. But simply attending the conference will be a valuable networking opportunity for companies interested in entering the

Saudi and Gulf environmental markets.

Saudi Arabia is one of the world's largest oil producers and has developed a large petrochemical industry. While environmental protection is generally low, high population growth and rising awareness are increasing demand for environmental products and services.

The mission will be a useful follow-up for companies that have discussions with the small Saudi delegation expected at GLOBE 2000 in Vancouver. Other Canadian Embassies have also indicated a willingness to assist companies with follow-on events elsewhere in the Gulf, if requested.

For more information about the mission, contact Steven Goodinson, Second Secretary (Commercial), e-mail: steven.goodinson@dfait-maeci.gc.ca

For more information about the Conference, consult the Bahrain Society of Engineers Internet site: www.mohandis.org/ ★

Upcoming All-sector Training Mission to Saudi Arabia

SAUDI ARABIA — April 13-23, 2000 — Skills and Knowledge Canada (SKC), a public/private partnership between Loyalist College of Applied Arts and Technology and Polaris Educational Planners Inc., is organizing a trade mission to Saudi Arabia to promote Canadian training capacities.

Destinations will include Riyadh, the capital and largest city; Jeddah, the Kingdom's second-largest city; and the Eastern Region, including the cities of Dammam, Al Khubar and Dhahran.

The mission will be the first of its kind to concentrate exclusively on the corporate training market, and is open to providers of training for all sectors.

Profiles of all participating Canadian organizations will be sent to the top 500 companies in Saudi

Arabia prior to the trade mission. Each Saudi company will be able to seek out representatives of Canadian organizations with whom they would like to meet privately. SKC will pre-schedule the private meetings.

Canadian participants will be provided with background information on the specific training needs of the Saudi organizations they will meet. As well, SKC will share with all participating Canadian organizations insights about the Saudi corporate training market, including local business practices and customs. If requested, SKC will also assist Canadian organizations in the negotiation and execution of contracts.

Saudi Arabia is in the process of implementing a human resource development policy to nationalize its

workforce. A preliminary needs assessment already suggests there are significant opportunities for Canadian training providers.

For more information, contact Pat Bradley, Training and Development Account Manager, Loyalist College of Applied Arts and Technology, Belleville, tel.: (613) 969-1913, ext.2506, toll free: 1-877-887-8223, fax: (613) 966-5945, e-mail: pbradley@loyalistc.on.ca, Internet: www.loyalistc.on.ca or Steve Lichty, Executive Director, Polaris Educational Planners Inc., Orillia, tel.: (705) 325-0122, fax: (705) 325-1638, e-mail: polaris@mail.transdata.ca, Internet: www.polaris.on.ca ★

SINGAPORE — April 11-14, 2000 — Canadian agri-food producers and exporters are invited to participate at Food & Hotel Asia 2000 in the 360m² Canadian Pavilion.

The pavilion can accommodate a large number of companies interested in reaching up to 20,000 trade buyers — food stores, hotels, institutions — expected at the 12th venue of this fair which, over the years, has established itself as a premier food and drink event in Asia.

The 1998 show attracted 42 Canadian companies and organizations active in the agri-food sector, giving them an excellent way to expand their business in Asia, and meet the right buyers. Canada's agri-food exports to the countries of Southeast Asia are now close to \$400 million.

Participation in Food & Hotel Asia will enable your firm to benefit not only from the support of the trade

Get a Taste of Asia at Food & Hotel Asia 2000

staff of the Canadian High Commission in Singapore, but will also give you an opportunity to discuss business conditions and market opportunities in neighbouring countries with many trade officers from other Canadian diplomatic missions in Southeast Asia who will attend the show.

The Trade Section of the Canadian High Commission, Singapore, is offering a comprehensive package, *Exhibiting Made Easy*, designed to help Canadian companies participate on a cost-sharing basis in this event.

In addition to the extensive support provided abroad by the network of the Canadian Trade Commissioner Service in Asia, the International Marketing Division of Agriculture and

Agri-Food Canada is playing a lead role in the development and implementation of successful trade strategies and activities overseas.

For more information on Food & Hotel Asia 2000 or how to participate, check the Internet site <http://ats.agr.ca/fha2000> or contact Colin Campbell, Marketing and Trade Officer, Agriculture and Agri-Food Canada, in Edmonton, tel.: (780) 495-4186, fax: (780) 495-3324, e-mail: campbellc@em.agr.ca or Jackie Draper, First Secretary (Agriculture and Food) ASEAN Region, Canadian High Commission, Singapore, tel.: (011-65) 325-3229, fax: (011-65) 325-3294, e-mail: jackie.draper@dfait-maeci.gc.ca *

Canadian Pavilion to Promote Canadian Construction Industry in Czech Republic

BRNO, CZECH REPUBLIC — April 16-20, 2000 — CSA Czech Airlines, CTA Czech Tourist Authority, in co-operation with the Canadian Embassy in Prague and the Czech Canada Information Centre (CCIC), invite you to participate in the Canadian Pavilion at the fifth IBF 2000 International Building Trade Show.

With an attendance last year of 88,000 international visitors from 22 countries, over 1,100 exhibits on 54,000 square metres, this is the Czech Republic's largest annual trade fair for architectural engineering and construction technologies. In 1999, firms from across the Czech Republic and 132 companies from around the world, including Canada, took part in the show.

IBF is considered the largest construction trade fair in Central and Eastern Europe, ideal to meet with potential business partners and initi-

ate business between local and international companies.

This year, a unique concept has been set up for your participation in the Canadian Pavilion. There will be a special opportunity for Canadian construction professionals at IBF 2000. CSA has reserved special airfare rates for Canadian exhibitors and visitors to the fair. The airline will fly you directly to the Czech Republic, and CTA will help you plan your travel and business itinerary with an option for an extended stay in Prague. For participants in the Canadian Pavilion, show organizers are offering a special package for those who are planning to display their products and services in an individual exhibition booth. CCIC is offering a "catalogue participation" option, and the Canadian Embassy, with an information stand, will serve as a base for Canadian companies and visitors.

Canadian companies wishing to participate in this event may be able to obtain financial assistance under the Program for Export Market Development. For details, contact your local International Trade Centre.

For more information on IBF 2000 or to reserve space for your exhibition, contact Eva Zdanska, Project Manager, BVV a. s., tel.: (011-420-5) 4115 2888, fax: (011-420-5) 4115 2889, e-mail: ezdanska@bvv.cz Internet: www.bvv.cz/ibf

To further discuss program and market options, contact Eliska Grycova, Commercial Officer, Canadian Embassy, Prague, tel.: (011-420-2) 7210 1800, fax: (011-420-2) 7210 1894, e-mail: eliska.grycova@dfait-maeci.gc.ca Internet: www.dfait-maeci.gc.ca/-prague/

Further information in Canada can be obtained from Mirjana Sebek - Heroldova, CTA, tel.: (416) 363-9928, fax: (416) 363-0239 or CCIC, tel.: (416) 249-6170, fax: (416) 249-2401, e-mail: ccic@canoemail.com *

Team Canada Follow-up Seminars: Revisiting Japan

The Department of Foreign Affairs and International Trade (DFAIT), in co-operation with provincial governments, JETRO, and the International Trade Centres, will be organizing seminars across Canada on business opportunities in the Japanese market. These events will give you the opportunity to hear first-hand information from a variety of sector specialists from Japan. All locations, dates and key contacts are listed below.

VANCOUVER, BC — February 28, 2000 —
Contact: Kevin Regan, tel.: (604) 844-1924, fax: (604) 660-2457, e-mail: kevin.regan@gems6.gov.bc.ca

CALGARY, ALB. — March 1, 2000 —
Contact: Dave Corbett, tel.: (780) 422-5488, fax: (780) 427-1700, e-mail: dave.corbett@gov.ab.ca

WHITEHORSE, YUKON — March 3, 2000 —
Contact: Linda MacDonald, tel.: (867) 667-5753, fax: (867) 393-6944, e-mail: linda.macdonald@gov.yk.ca

YELLOWKNIFE, NWT — March 6, 2000 —
Contact: Terry Lancaster, tel.: (867) 873-7360, fax: (867) 873-0563, e-mail: terry_lancaster@gov.nt.ca

REGINA, SASK. — March 7, 2000 —
Contact: Brenda Hawryluk, tel.: (306) 787-9335, fax: (306) 787-6666, e-mail: bhawryluk@sasktrade.sk.ca

SASKATOON, SASK. — March 8, 2000 —
Contact: Shannon Johnstone, tel.: (306) 975-6735, fax: (306) 975-5334, e-mail: johnstone.shannon@ic.gc.ca

WINNIPEG, MAN. — March 10, 2000 —
Contact: Sean Hogan, tel.: (204) 945-1639, fax: (204) 957-1793, e-mail: shogan@gov.mb.ca

These seminars are aimed at Canadian companies interested in penetrating the Japanese market. Participants will learn from Japanese private sector specialists and Canadian embassy officials, about direct information on current Japanese market trends; Canadian and provincial trade development assistance programs and activities; strategies to break into the Japanese market; as well as intellectual property rights issues in Japan.

Each afternoon portion will be dedicated to one-on-one meetings with a variety of Japanese market specialists covering the IT, health, building products and construction, electrical power and alternative energy, environment, fisheries, aerospace and automotive sectors. ★

ENVEX 2000: Environment Opportunities Abundant in Korea

SEOUL, SOUTH KOREA — June 26-29, 2000 — The 22nd International Exhibition on Environmental Technologies, ENVEX 2000, is the best trade show in its field in Korea. Last year's edition attracted 132 companies from 13 countries, and almost 30,000 visitors.

Korea offers interesting environmental business opportunities mainly because of the US\$30 billion to be spent on public environmental infrastructure over the next five years. ENVEX 2000 represents an ideal chance to meet local partners, such as agents, manufacturers or potential clients.

Canadian companies can learn more about the Korean environmental market, and ENVEX 2000, by contacting the Canadian Embassy in Korea. The Embassy will organize a national pavilion if a minimum of five companies confirm their interest by March 1.

Contact Jean-Philippe Linteau, Trade Commissioner, tel.: (011-82-2) 3455-6161, fax: (011-82-2) 755-0686, e-mail: jean-philippe.linteau@dfait-maeci.gc.ca ★

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling **1-800-267-8376** (Ottawa region: **944-4000**) or by fax at **(613) 996-9709**; by calling the Enquiries Service FaxLink (from a fax machine) at **(613) 944-4500**; or by accessing the DFAIT Internet site at **www.dfait-maeci.gc.ca**

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March 1, 2000

**Businesswomen
in Trade**
(See supplement inside)

Canada

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Call for Applications Canadian Awards for International Cooperation 2000

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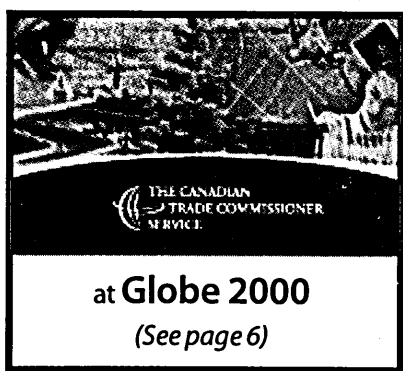
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the following categories:

- improvement of physical infrastructure or improvement of social infrastructure;
- advancement of technical capabilities or co-operation in research and development;
- sustainable development of natural resources or protection of the environment;
- provision of transport



Awards will be presented in

equipment, transport services
Continued on page 2 - Canadian Awards

Sweden: Environmental Sector Market Overview and Opportunities

A new Environmental Code came into force in Sweden on January 1, 1999. The Code increases pressure on the polluter, and a new system with regional environmental courts enforces these environmental regulations.

Sweden has achieved a reputation of having a strong environmental com-

mitment, as initially evidenced when Stockholm hosted the first international UN Conference on Human Environment in 1972.

The market drivers for this sector are shifting from environmental regulations and economic instruments to industrial commitments (ISO14000,

Continued on page 9 - Sweden

You are invited on behalf of the Alliance of Manufacturers & Exporters Canada and the Canadian International Development Agency (CIDA) to join us for the two International Development Days to be held in Canada this year. The first will be in St. John's, Newfoundland, April 12-14, and the second in Saskatoon, Saskatchewan, September 17-20.

Come and find out what's new in Canada's international development program, and how your firm can participate and benefit. Take part in

and other international agencies. Attend the reception and gala dinner, where the Minister of International Cooperation will present this year's prestigious Canadian Awards for International Cooperation. Participate as a sponsor or an exhibitor to enhance your corporate profile and promote your products and services.

For more information, contact Treena Adhikari, tel.: (905) 568-8300, ext. 249, fax: (905) 568-8330, e-mail: treena_adhikari@the-alliance.com or Jackie Coleman, tel.: (709) 772-3227, fax: (709) 772-3213, e-mail: coleman.jackie@cbsc.ic.gc.ca

International Development Days 2000

development Agency (CIDA) to join us for the two International Development Days to be held in Canada this year. The first will be in St. John's, Newfoundland, April 12-14, and the second in Saskatoon, Saskatchewan, September 17-20.

private one-on-one meetings with senior CIDA officials to discuss your specific areas of expertise and opportunities. Visit informative workshops which will bring you up to date on how to win more work from CIDA, international financial institutions

Canadian Awards for International Cooperation 2000

—Continued from page 1

or other capital equipment promoting the development of a sustainable industrial base;

- gender equality achievement;
- successful international youth internship programs;
- effectiveness in communicating development issues; and
- demonstration of corporate social, ethical and environmental performance.

These prestigious awards will be presented by the Minister for International Cooperation at a gala dinner on September 18, during the

International Development Days 2000 event in Saskatoon, September 17-19. (See article above)

Applications for the 2000 competition must be received no later than June 16, 2000.

To receive an application form, or for more information, contact Treena Adhikari, Alliance of Manufacturers & Exporters Canada, tel.: (905) 568-8300, ext. 249, fax: (905) 568-8330, e-mail: treena_adhikari@the-alliance.com

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canadexport

A Chilean town, based on new urban principles, is being built from scratch — in collaboration with a small Newfoundland company.

The fledgling community, Primavera — complete with parks, schools, commercial areas and recreational facilities — is located just outside Temuco, Chile's fastest-growing city. Housing for its inhabitants will consist of 840 wood homes, crafted by Cottlesville-based Highland Homes Ltd.

With sales expected to reach 150 units per year by mid-2000, and revenue for Highland Homes calculated at \$30 million over six years, the development project is right on schedule. The first 25 homes are nearing completion, as is the community's school, which is already gearing up for its first classes in March.

Embassy helps open doors

According to Rex Philpott, President of Highland Homes, the company's impressive achievements in Chile are largely due to good government backing.

"It was Canadian Embassy staff in Santiago that first brought us to the attention of a Chilean landowner who was looking into Canadian homes and development expertise," explains Philpott. "In fact, their assistance has been absolutely critical in the success of this project.

Ambassador Lawrence Lederman is one of the biggest reasons that we are still in the country and plan to expand our development sphere there.

"Commercial officers Randy Harwood and Patricio Canete — our original contact and a specialist in the field of construction and housing — have provided invaluable advice as well," adds Philpott.

The project also received financial assistance from the Atlantic Canada Opportunities Agency (ACOA).

And then came Team Canada

Following a year and a half of prolonged negotiations, an agreement in Chile was reached during the Team Canada 1998 trade mission to the region.

"We were able to finally get the

interest to the local media attention that was focused on Team Canada. "The trade mission was very effective in promoting our company by turning the spotlight on us and what we can provide."

Newfoundland Company

Builds on Team Canada Participation

deal off the ground, with the help of Team Canada," says Philpott. "Our participation in the high-profile delegation greatly contributed to

Opening up new opportunities

Besides tripling the current staff at Highland Homes to 15, the Chilean project has created jobs throughout Newfoundland in related sectors, including window, door and floor manufacturing. And, according to Philpott, opportunities keep evolving for Canadian companies — for instance, to deal with water and sewer needs.

"Most interesting has been the recognition of our sawmilling expertise by the Chilean government," he says. "Our plans include introducing sawmill operations as a key step in expanding our development capabilities and to address the continent's housing

shortage. We are breaking new ground in Chile in the realization that an under-utilized resource they already have can also be a very inexpensive and effective building material."

For more information on Highland Homes Ltd., contact company president Rex Philpott, tel.: (709) 629-7565, fax: (709) 629-7158, e-mail: rexphilpott@netscape.net



Highland Homes in Primavera, Chile.

speeding up the pace of our talks, enabling us to sign a memorandum of understanding during the trip. We subsequently jointly developed the project with our Chilean partners."

Primavera has created quite a stir in Chile, says Philpott. "It seems that we hit on a substantial need in the real estate market down there. Crowds of people drive across the site every day asking for information on the project."

He attributes the phenomenal



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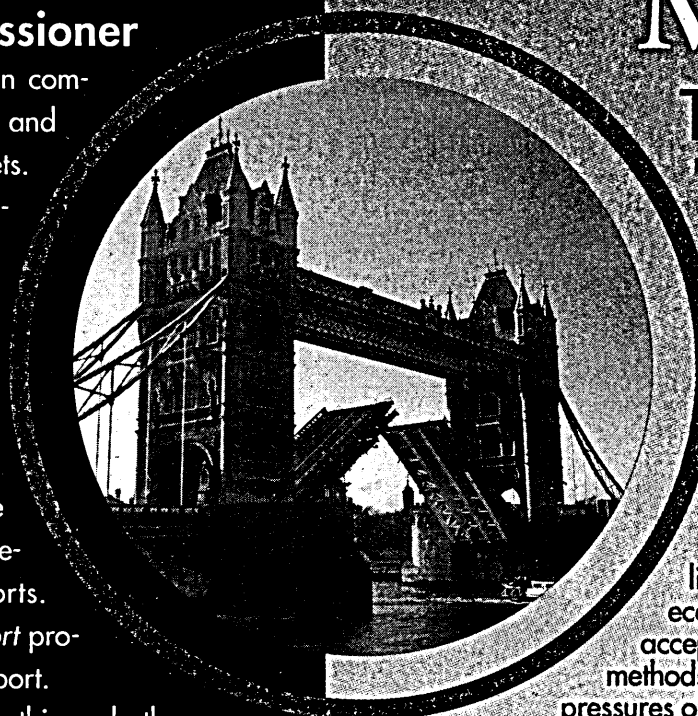
THE UNITED KINGDOM

The Trade Commissioner Service

helps Canadian companies that have researched and selected their target markets. Successful companies concentrate on one foreign market at a time, moving on to the next only after succeeding in the last. To help you select which market you should target, the Market Research Centre of the Trade Commissioner Service has prepared over 500 market reports. This section of *CanadExport* provides an overview of one report.

For more information on this and other reports or if you want to know how the Canadian Trade Commissioner Service can help you get results in international markets, visit us at

www.infoexport.gc.ca



— The Environmental Market

The United Kingdom's environmental sector has changed dramatically since the late 1980s. Over the last ten years most of the basic services — water supply, sewerage, waste disposal — have been privatised. Tough new legislation has forced operators to invest heavily in raising the standard of the country's infrastructure, in meeting stringent pollution control limits and in finding more economic and environmentally acceptable alternatives to existing methods of waste disposal. Market pressures of the last decade remain and are intensifying in most sectors.

Water and waste water

This sub-sector offers many opportunities to Canadian exporters. Legislation forced the water utilities to invest \$85 billion during the 1990s. Over the next five years another \$20 billion has been committed to tackle

HELPING YOU LEARN

THE CANADIAN

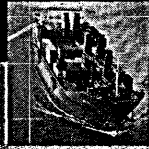


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See insert for your Environmental Market contacts in Europe



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Environmental

problems such as lead in drinking water, cryptosporidium, river and coastal water pollution and rehabilitation of the water supply network and sewerage system.

Solid waste

The United Kingdom generates at least 400 million tonnes of waste annually. Over 80% of this goes to landfill, the remainder is recycled or incinerated. Rising landfill taxes, combined with a lack of sites and tougher pollution controls, are forcing waste management companies to find other options. Similarly, forthcoming legislation on emissions specifies limits that are beyond the capabilities of existing incinerators. Hence, there is growing interest in recycling and in composting which have not been regarded as serious options until recently.

Air pollution

This area is poised for growth in the United Kingdom following the introduction of the European Union Integrated Pollution Prevention and Control Directive. The Directive is much broader than current national legisla-



tion and applies to all industrial installations built since October 1999. Beginning in 2007, all installations built before October 1999 will have to conform to it as well. Implementation of the Directive is expected to increase the value of the air pollution monitoring sector to approximately \$430 million by 2005.

Canadian companies are active in most sectors of the U.K. market, typically in areas that have shown recent growth or are set for development (water and waste water treatment, air pollution, contaminated land remediation, recycling, etc.). While their businesses are very different, what most have in common is that they are not working alone. Many have appointed distributors; others are in alliances with manufacturers, consultants or contractors; and some have U.K. subsidiaries, licensees or sales offices. Few consider doing it alone to be an option.

To learn more about the many opportunities in the United Kingdom market, take a look at *The Environmental Market in the United Kingdom*, a full report prepared by the Canadian High Commission in London and the Market Research Centre of the Canadian Trade Commissioner Service.

www.infoexport.gc.ca

Could this be your market?
Complete report at
www.infoexport.gc.ca

The Environmental Market

➔ Access our market studies



 THE CANADIAN
TRADE COMMISSIONER
SERVICE

Helping you learn from experience. Ours.

Members of the Canadian Trade Commissioner Service will be attending Globe 2000 this March 22-24 in Vancouver. We cover all environmental products and services and can help Canadian companies at Globe discover business opportunities in more than 50 markets abroad.

Canadian companies are invited to meet with us during the trade show. Sign up for a meeting at the Department of Foreign Affairs and International Trade's booth in the Canada Pavilion.

The Canadian Trade Commissioner Service

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www.infoexport.gc.ca

This month 10,000 participants, global business leaders, senior government officials and decision makers from over 70 countries will convene in Vancouver for the 6th biennial GLOBE 2000, North America's leading conference and trade fair dedicated to developing the business of the environment.

"The global market for environmental technology and services is expanding," says Dr. John Wiebe, President and CEO of the GLOBE Foundation. "This new world market is a powerful economic engine, attracting billions of dollars in investment and creating thousands of jobs. For these reasons, GLOBE produces the conditions to help Canadian business capitalize on expanding opportunities, and opens up global markets in a sector where Canadian companies have a proven capacity to excel."

The central message at GLOBE 2000 — that global environmental problems are business opportunities and only through business can solutions to the world's environmental problems be found — is the backdrop for three core Conference themes:

Energy and Climate Change: Market Forces of the Millennium; Corporate Environmental Strategies: Risks,

designed to help both the global environment and the Canadian economy by establishing links between

GLOBE 2000

Unparalleled Access to International Environment Markets

Realities and Returns; and Global Markets For Environmental Solutions.

At the trade fair, environment technology and service companies will showcase their wares for an international buying audience unparalleled in North America. The business of the environment is now a world market force generating an estimated \$US 600 billion in trade each year. GLOBE '98 participants tapped into \$460 million worth of that business and it is fully expected that GLOBE 2000 will break this record. The GLOBE series of events is the cornerstone of GLOBE Foundation initiatives

Canadian suppliers and foreign buyers of environmental products and services.

For more information, contact Globe Foundation of Canada in Vancouver, tel: (604) 775-7300, fax: (604) 666-8123, e-mail: info@globe.apfnet.org Internet: www.globe.ca

The Canadian Environment Industry Association

The Canadian Environment Industry Association (CEIA) will be very active at GLOBE 2000, with a booth promoting the services and benefits offered to member companies.

With sponsorship from the Department of Foreign Affairs and International Trade, Industry Canada and Environment Canada, CEIA is also organizing a partnering service which will pair Canadian companies and foreign delegates with mutual interests.

As well, members of the Association have identified and encouraged the attendance of key delegates from priority markets.

Visit the CEIA booth to find out how you can become part of this dynamic association.

For further information, contact the Canadian Environment Industry Association (CEIA/ACIE), tel.: (613) 236-6222, ext. 3, fax: (613) 236-6850, Internet: www.ceia-acie.ca

Swedish Delegations Visit Halifax and GLOBE 2000 (Vancouver)

A Swedish delegation drawn from both industry and government authorities will be visiting GLOBE 2000 in Vancouver, March 22-24. The delegation is interested in Canadian technology and practises for restoring contaminated sites.

Sweden and Canada have similar climates and geological conditions, but while developments in this sector are still emerging in Sweden, Canada provides interesting solutions with proven results in northern climates.

Similar Swedish visits to Germany and the Netherlands resulted in business partnerships and technology imports from these countries to Sweden.

Another Swedish delegation — comprising environmental technology SMEs — will be exploring partnering opportunities with Canadian counterparts in Halifax, before also going on to GLOBE 2000 in Vancouver for further meetings.

For more information on these delegations, contact Inga-Lill Olsson, Business Development Officer, Canadian Embassy in Stockholm, e-mail: stkhm-commerce@dfait-maeci.gc.ca In Halifax, contact Solveig Madsen, Coordinator, Business Services, Nova Scotia Department of Environment, e-mail: madsensf@gov.ns.ca

It seems Canada's Environmental Technology Verification (ETV) program is not only in the business of helping suppliers market their environmental technologies. In what has become a rapidly expanding frontier, the program is now exporting its expertise, providing assistance to other countries that are developing similar programs.

The ETV program provides suppliers with third-party, independent assess-

Canada is helping China's State Environmental Protection Administration (SEPA) develop an ETV program. This Canadian International Development Agency-funded, Environment Canada-managed project is being carried out by the Ontario Centre for Environmental Technology Advancement (OCETA) and ETV Canada. The project's current phase will culminate with the signing of a memorandum of understanding by the two countries

Jersey as a precursor to reciprocity.

EC and ETV Canada are also collaborating with the U.S. Environmental Protection Agency's ETV Greenhouse Gas pilot program on the performance verification of Eastern Power's SUBBOR technology, an innovative Canadian approach to treatment of unsorted municipal solid waste (MSW) and the production of methane-rich biogas for electrical power generation.

Past graduates of Canada's ETV Program, with verification certificates in hand, have been venturing successfully into the international arena, including EcoWaste Solutions (EcoWaste Oxidizer for incineration of MSW); Soconag Inc. (SmartSoil, a PC platform, knowledge-based system to monitor and enhance biopile soil remediation and industrial composting); and Glytex Inc. (process to recycle aircraft de-icing and automotive anti-freeze glycol).

The ETV Program was developed by EC and Industry Canada in consultation with the Canadian environment industry. Launched in April 1997 by then-Minister of Environment Sergio Marchi, it is delivered by ETV Canada under license to Environment Canada.

For more information, visit ETV Canada's Web site at www.etvcanada.com, or contact John McMullen, President and CEO, ETV Canada Inc., tel.: (905) 336-4719, fax: (905) 336-4519, e-mail: mcmullen@etvcanada.com and Raymond Klicius, ETV Program Manager, Environment Canada, tel.: (819) 953-8717, fax: (819) 953-4705, e-mail: raymond.klicius@ec.gc.ca ❖

Canada's ETV Program

Exported Around the World



ment and validation of claims they wish to make about the performance of their technologies. ETV verification gives technology vendors a potent tool to help penetrate domestic and export markets. This same verification gives potential buyers the comfort that the technologies perform the way suppliers claim. "Especially in export markets," says John McMullen, President and CEO of ETV Canada, the program's private-sector delivery agent, "this government-backed verification provides the all-important evidence of the technology's proven performance at home."

Certain countries, such as the U.S. and Canada, have implemented ETV programs to help environmental industries commercialize their technologies in domestic and export markets. Others see themselves more as net buyers of technologies and regard ETV verification as a way of ensuring the technologies they are entertaining are sound. Everyone agrees that performance verification can speed up the introduction of new and innovative technologies.

at **Globe 2000** in Vancouver this month, creating the foundation for further collaboration between the two programs.

The Republic of Korea has an ETV program, modelled in large part after Canada's, and with its assistance. Representatives of South Korea's Environmental Management Corporation (EMC) recently visited officials of Environment Canada (EC), expressing an interest in formalizing the relationship between their respective programs. As a result, an MOU to this effect will also be signed at **Globe 2000**.

Numerous other countries, predominantly in Asia and Latin America, have also expressed interest. Several are actively developing programs and have been in touch with both EC and ETV Canada, seeking information and assistance.

Meanwhile, the reciprocity agreement which exists between Canada's and California's EPA programs is being put to the test, with each program receiving the first applications from graduates of the other. As well, joint verifications are under way with New



—Continued from page 1—

EMAS certifications, environmental reporting) and consumer awareness. There are a number of environmental labelling schemes available and materials recycling has been successfully introduced with sorting initiatives at the source for some years now.

A Swedish government program for sustainable development has allocated \$1.2 billion towards local investments to support ecological sustainability for the period 1998-2002. Applications amounting to \$400 million were distributed through the program in 1998, and \$300 million has been allocated for the period 1999-2001, leaving \$500 million still to be allocated.

Here is a breakdown on funding by project: Conversion to Renewable Energy Sources, 20.5 per cent; Waste Management, 10.2 per cent; Water and Sewage, 9.6 per cent; Remedial Measures, 9.5 per cent; Energy Efficiency/Energy Saving, 9.5 per cent; Traffic, 8.9 per cent; Nature Conservation/Biological Diversity, 6.3 per cent; Building Projects, 4.3 per cent; Support Measures, 3.2 per cent; Industrial Projects, 0.5 per cent; Multi-dimensional Projects, 17.4 per cent (www.hallbarasverige.gov.se/eng/index.htm).

Opportunities

Sweden is a net importer of environmental technologies, but is a world leader in Life Cycle Analysis (LCA) and related LCA-based environmental information systems, according to a recent Swedish government report.

Here is a list of opportunities for Canadian firms in environmental technologies and services:

Air: advanced industrial emission reduction technologies; measuring instruments; traffic emission prevention; indoor air quality improvement technologies.

Soil: technologies for soil remediation and related emerging sub-sectors.

Water: upgrading of waste water treatment facilities (first built in the 1960s); measuring instruments; groundwater protection.

Energy: technologies supporting renewable energy sources and energy efficiency.

There are many Swedish environmental consulting engineering firms with worldwide coverage. Swedish firms have developed expertise, know-how and technologies especially in waste water management and air pollution control. Regulations

Sweden: Environmental Sector Market Overview and Opportunities

Waste: innovative technologies for waste reduction/recycling and treatment of hazardous waste (tax on landfill implemented on January 1, 2000; proposed ban on combustible/compostable waste to landfill from 2002 and 2005 respectively).

Clean products and technologies: replacing those substances with damaging effects on the environment.

Market access issues

A Swedish partner is advisable — although English is widely spoken — when it comes to bidding documents, certifications, legislation and regulation issues, especially since environmental decisions are commonly taken on a local level (288 municipalities and 23 county councils).

Major competition

The majority of foreign environmental companies with representation in the Swedish market come from Austria, Denmark, Finland, Germany, the Netherlands, Switzerland, the United Kingdom and the United States.

and incentives for waste water and industrial air pollution were introduced in Sweden as early as the 1960s.

Useful Internet addresses

InfoExport: www.infoexport.gc.ca
Market Report: *The Soil Remediation Market in Sweden*

Swedish Environmental Protection Agency: www.environ.se/www-eng/enghome.htm

Sustainable Sweden, Government site: www.hallbarasverige.gov.se/eng/index.htm

Swedish Enviro Net: smn.environ.se/miljonat/english/index.htm

Invest in Sweden Agency, facts and figures: www.isa.se

Swedish Ministry of the Environment: miljo.regeringen.se/english/english_index.htm

For more information, contact Inga-Lill Olsson, Business Development Officer, Canadian Embassy, Stockholm, tel.: (011-46-8) 453 3019, fax: (011-46-8) 24 24 91, e-mail: inga-lill.olsson@dfait-maeci.gc.ca Internet: www.canadaemb.se ★

John McDermott, President, POPstar Communications, sat in the boardroom of the Hong Kong Canadian Consulate General relating how he had just raised US\$6 million for his burgeoning Internet-based communications enterprise.

in and multiply their existing investments in telecom or cable.

Smaller companies in hot pursuit
But the great property companies of Hong Kong are not the only ones interested in IT opportunities. Dozens

John McDermott was in Hong Kong just two weeks ago, working to finalize the terms of the potential investments. He returned to Vancouver Saturday night and got an e-mail Monday morning asking him to be back in Hong Kong Wednesday for

"This never would have happened 12 months ago," he says, remarking on the incredible growth in investing in anything IT (information technology) that has occurred in this entrepreneurial bastion.

McDermott and his company are one of a few forward-looking Canadian IT companies that have recognized that Hong Kong offers them what is arguably the hottest IT investment source in the world, and certainly the hottest in Asia.

Property tycoons on the IT trail

Ever since Richard Li, the entrepreneurial younger son of multi-billionaire Li Ka-shing, surprised the property tycoons with his deal with the Hong Kong government to build Cyberport, a futuristic IT centre and residential development, all of Hong Kong has focused on the wealth creation potential of IT. Li's company, Pacific Century Cyberworks, has increased 16 times in value since its launch last year, making Li a billionaire several times over.

The other property tycoons, not to be left out a second time, have launched one after the other their own cyber companies. Today, one finds New World Cyberbase, Hutchison's E-Commerce Resources, Sun Hung Kai's Advantage, Sino Land's Sino Technology and Henderson's I-cable enterprises. Each and every one of them looking for the next great IT idea that they can invest



Plug into

Hong Kong, the IT Investment Capital of Asia

of medium-sized firms that have already developed an IT or telecom niche are looking for business ideas to broaden their scope.

So Hong Kong also has CTI, a major long-distance provider and ISP, Distacom, owner of the Sunday mobile phone brand (that recently announced an investment in Canadian company SUMMEDIA), Champion Technologies (negotiating investments in two Canadian companies), ABC Data (announced a partnership and investment from Multiactive Software last month) and a variety of others, all seeking to add value to their businesses while investing in IT companies.

Room for Canadian companies

Canadian IT companies that come to Hong Kong are amazed by the level of interest in a wide range of IT applications — including e-business, communications, multimedia content — the range is endless. They are likewise impressed by the amount of capital available, and the speed with which deals can be done.

the official announcement of the deal.

He only had time to catch the mid-night Monday flight back to Hong Kong where the announcement was made to great press interest.

Quick IT mission to Hong Kong

Kevin Lynch, Deputy Minister of Industry, is leading an IT mission to the Hong Kong Information Infrastructure Expo (HKII 2000), March 16-19 (see *CanadExport January 17, 2000, p. 16*). This mission will give the 20 Canadian participants wide exposure to both potential partners and investors who are eager to expand their businesses throughout China and Asia.

Companies interested in tapping into this burgeoning market and reserving one of the few remaining spots should contact Neil Clegg, Trade Commissioner, Canadian Consulate General, Hong Kong, e-mail: Neil.Clegg@dfait.maeci.gc.ca

For more information, see the Consulate's Web site at www.canada.org.hk (click on Hong Kong, then on Canadian Pavilion at HKII2000). *

Looking for Export Opportunities?

Make sure you are registered in the WIN Exports database, which is used by trade commissioners abroad to promote your company's capabilities to foreign buyers. Fax your request for a registration form to 1-800-667-3802 or (613) 944-1078. Or call 1-800-551-4946 (613-944-4946 from the National Capital Region).



In France, as in Canada, the sporting goods business is occupying an ever-growing place in lifestyles and consumer interest. Sixty-eight per cent of French citizens are actively involved in at least one sport. The overall sports market in France is estimated at about US\$6.5 billion.

France's main suppliers in the sport specialty market. In 1998, French imports stood at over US\$1.3 billion.

As for Canada, during the same period it exported to France sports equipment (not including boats, sailing vessels and playground equipment) valued at over US\$9.7 million.

The leading stakeholders in the sports and recreation industry are optimistic about their future, with 80 per cent expecting increased sales in 2000. These indicators suggest that Canadian products could assume a larger market share.

Trade shows

The main commercial events in the sporting goods sector in France are:

- the Salon International de Grenoble, SIG PRO, the largest trade fair in France for winter sporting goods and fashions, from March 5 to 8, 2000;
- the twice-yearly European board-sports trade show, GLISSEXPO. GLISSEXPO-Hiver, was held in late January, and GLISSEXPO-Été will be held from September 2 to 5, 2000;
- the Salon du Cycle de St-Tropez, Roc d'Azur will be held in mid-October 2000;
- the Outdoor Trade Show, SIG OUTDOOR will be held in Grenoble at the end of August 2000;
- the Salon Nautique International (international boat show) will be held in Paris from December 1 to 11, 2000;
- Mondial du Deux-Roues (cycling), a show held every two years, will be presented in Paris from October 5 to 15, 2001.

For further information, contact Gisèle Aubut, Commercial Officer, Canadian Embassy in Paris, tel.: (011-33-1) 44 43 23 82, fax: (011-33-1) 44 43 29 98, e-mail: gisele.aubut@dfait-maeci.gc.ca Internet: www.amb-canada.fr

A Glance at the Sporting Goods Market in France

Trends and key indicators for the French market

France's geography offers some outstanding opportunities for practising sports: sea coasts for water sports, mountains offering the most extensive ski grounds in Europe, and a diversity of landscapes and climates for fans of hiking, mountain biking, mountaineering, whitewater sports, etc. All sports are practised there, but the easy winner in the French market is snow sports (52%).

The French spend an annual average of \$350 per household on sports industry products. It should be noted that marketing specialists are becoming increasingly interested in the "marketteen," that is, the commercial potential of the new youth market between the ages of 12 and 19, who are exerting growing influence on the sports products industry and the consumption of sports products.

The sports market covers several product families: clothing (45%), footwear (17%), equipment (32%), other (services, 6%).

China, Italy, Thailand, Vietnam, Indonesia and the United States are

This was comprised mainly of ski and snowboarding equipment, ice skates and in-line skates.

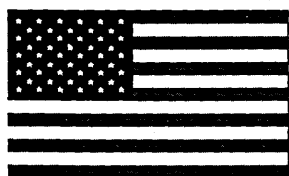
Distribution in the French market

Distribution is constantly evolving, and in recent years has undergone a transformation that has created more room for the chains and mail-order houses, which are particularly well established. The chains (36.7%) lead the way as distribution channels, closely followed by mail order (31.6%) and department stores (29.1%). The superstores (1.8%) and independents (0.1%) do not hold a significant market share, except for certain sporting goods.

In recent years there has been a significant drop in the share of sales held by equipment, to the benefit of textiles (sportswear), and above all, footwear (sport shoes), which is growing steadily, especially in small stores.

Good prospects for the future

Although there is substantial competition, the French sporting goods market, including footwear and clothing, offers growth potential for dynamic and innovative companies.



The U.S. Connection

The U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division (URT). For information about articles on this page, contact URT by fax at (613) 944-9119 or e-mail at commerce@dfait-maeci.gc.ca For all other export enquiries call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

The following success stories, contributed by Ann Garneau of the Canadian Consulate General in Los Angeles, have one important fact in common: the CEOs of both companies were participants in the Businesswomen's Trade Mission to Washington in November 1997 and the Los Angeles version in March 1999. Here's how they were able to maximize the opportunities offered by these two trade missions.

Patients in the U.S. Veteran's Administration (VA) Hospital in Los Angeles will be watching Healthtv programs developed and produced in Canada for practical advice on how to recuperate from heart surgery, how to live with cancer or how to deal with disease and surgery issues.

Healthtv programs, from The Health Television System Inc. (HTS) of Toronto, which answers the many health questions that concern patients, is available 24-hours-a-day via the Hospital's closed circuit broadcast system, just like the tourism channel you can dial up in a hotel.

The company negotiated agreements to provide its service to prestigious hospitals in Washington, D.C., Maryland, New York and Massachusetts last year, and has just concluded discussions to add the Greater Los Angeles Veteran's Administration Hospital to its client list.

Kathy Kastner, CEO and Director of Marketing of HTS, won these attractive contracts as a result of marketing undertaken during the Businesswomen's Trade Mission to Washington in November 1997 and her participation in the Los Angeles version last March.

"We found a warm and welcome reception to our business," explains Kastner. "Frankly, they were surprised

that this type of programming didn't already exist in the United States."

HTS filled the niche, providing a unique digitally produced TV programming and playback system

and reports from the company's quality assurance surveys.

"Acceptance by the VA Hospital confirms the universal appeal and effectiveness of our information

Healthy Start for Canadian Company in U.S. Hospital Market

designed to complement medical treatment by educating patients and their families. The programs offer coping strategies, practical quality-of-life

programming and our professional support service," explains Kastner.

The company, launched in Toronto in 1993, offers two programming options for in-hospital TV systems: a Parent Channel for maternity and pediatric units; and Healthtv for cancer, heart and general medical floors.

"Our digitally produced video content can be used in other IT applications and translated easily into print. HTS programs are well positioned for when video streaming becomes more available," says Kastner.

Kastner is now discussing alliances with several Internet-based companies — at least one of which was a contact made with the help of Brantley Haigh, Business Development Officer at the Canadian Consulate General in Los Angeles.

"HTS has established a solid base in a prestigious branch of the U.S. medical

Continued on page 13 - U.S. Hospital



advice for after-hospital recuperation, and cover questions related to common disease management.

Program content is vetted by a National Advisory Board — a joint commission of health-care specialists from Canada and the United States. Client hospitals also receive staff training to encourage their patients to use the HTS service, as well as newsletters with program updates

Shop & Supply the Globe

Opportunities for Businesswomen in International Trade

March 1, 2000

In this Issue

- Are you export ready? 2
- Top trade web sites 2
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- Build cross-cultural savvy 5
- How to access export financing 6
- Try a trade mission 8

Trailblazers Share

Export Benefits



Global Networking: Canadian women entrepreneurs and government officials participated in the Women's Economic Summit of the Americas, held in Buenos Aires in November 1999. L to R: Evmur Taraman, President of Northern Legacy; Ana Kessler, Minister of Small & Medium Enterprises, Argentina; Diane Vincent, Assistant Deputy Minister, Industry Canada; and Simone Desjardins, Senior Vice President, BDC.

They're fearless, they're fascinating and they're forging ahead. Canadian women exporters from coast to coast are making their mark. From an interactive whiteboard in the Office of the U.S. President to museum planning services in Hong Kong, their products and services are testimony that women indeed are leaping onto the global stage. And in many cases, they're even leading the pack with their innovations and initiatives.

We asked these pioneers "Why export?" Here are a few of their insights on why international trade is a carefully orchestrated part of their business growth:

- "Exporting has meant greater sales and more exposure of Northwest Coast art to other countries." **Nancy Nightingale, Khot-La-Cha Coast Salish Handicrafts, Vancouver, BC**
- "Survival. The Canadian market alone is too small to support our business. Exporting is the only way to make it." **Lee McDonald, Southmedic Inc., Barrie, ON**
- "Before exporting, we had access to 10% of the market; now that has increased to 50%." **Suzanne Lebel, Genomics One Corp, Laval, QC**
- "It builds confidence in your people's ability to make things happen on the homefront and to compete in the international market." **Moya Cahill, Pan-Maritime Energy Services Inc., St. John's, NF**

International Women's Day - Get Ready!

Special events for women business owners will be held across Canada on March 8 to celebrate International Women's Day. Check what's happening in your area by visiting www.infoexport.gc.ca/businesswomen/menu-e.asp for the detailed cross-country calendar.

Introducing Matchmaker™: Your Global Network

A new software program will soon be available online to provide you with trade connections including firms with services and products to buy or sell, Canada's Trade Consulates and other international business experts. Here's how it will work:

- You register as a Matchmaker user.
- You submit your profile and query.
- You receive an e-mail message containing matches in your target destination. These contacts will also receive your profile.

See page 3 for more

Why Trade? Why Export? Why Now?

The opportunities have never been better for women entrepreneurs to export. A host of public and private sector programs and resources exist to help you, whether you're just thinking of international expansion or experienced in the trade arena. In fact, Canada is in the forefront. From conducting landmark research on Canadian women exporters - the first of its kind in the world - to spearheading special trade missions for women, we are pushing the frontiers to expand global trade opportunities for women.

All this activity has revealed a key fact: the

secret to international success is contacts, contacts, contacts. This message was reinforced yet again by women exporters across Canada interviewed for this newsletter. Through these pages, we introduce you to some of the pioneers and share their exporting advice. For more detailed profiles and tips, be sure to visit our Businesswomen in International Trade web site at www.infoexport.gc.ca/businesswomen/menu-e.asp

The message from these Canadian women who've moved into global markets and triumphed is clear: Do your homework. The more

prepared you are, the more successful you'll be. That's why this newsletter also directs you to helpful resources.

Our goal here is to provide a snapshot that will help you shop and supply the globe and expand your business in ways you could only dream. Read, enjoy and save this...for information and inspiration.

JoAnna Townsend
JoAnna Townsend
 Director, Export Services for SMEs

"Think Big!" Exporting is becoming an integral part of the business world. Explore the **possibilities.**"



Nadja Piatka, President
Three Blondes and A Brownie Inc.
 Edmonton, AB
blonde1@home.com
 Year established: 1993
 Annual sales: \$3.5 million
 Target export market: U.S.

Description

'Fat Wise' cake and muffin manufacturer, supplying more than 800 McDonald's outlets in Canada and 220 Safeway grocery stores.
www.threeblondes.net

Why export?

"I have a 'why not' attitude. I don't see why we can't make it in the U.S. We've been supplying successfully for six years to McDonald's here in Canada, meeting the highest levels of quality assurance."

Program used

Food Processing Development Centre (FPDC) in Leduc, AB

Results

"It's been an integral part of our establishment in the food market, giving us access to a staff of experts who advise us on everything from stabilizing ingredients to packaging to shelf life. They have a wealth of knowledge. If we have a challenge, they have the facilities to test things. A wonderful learning experience!"

What I think

"It's hard for a small food company with a good product, heart, sincerity and passion to compete with multinationals that have R&D resources at their disposal. There are not a lot of places to go to find information and experts to assist you. Twenty years ago, a small company like ours would not have survived. But with services like FPDC, a small company can take market share and make it against the giants. Now we have some supports."

Export advice

"Test your product in your own market first and iron out the wrinkles because there's a greater cost when dealing with other countries." ■



Elaine Cowan, President
Anokiwin Training Institute Inc. and Anokiwin Employment Solutions
 Winnipeg, MB
cowane@anokiwin.com
 Year established: 1995
 Annual sales: \$2.5 million
 Target export markets: U.S., Mexico, Australia, New Zealand, Developing Countries

Description

100% Aboriginal-owned and operated private training and employment businesses, providing customized training for Aboriginal students and employers as well as corporate human resource strategies for hiring qualified Aboriginal people. www.anokiwin.com

Honours

1999 Canadian Woman Entrepreneur of the Year Start-Up Award

Export preparation

Participation at Canada-U.S. Women's Trade Summit, 1999

Results

"CIDA (Canadian International Development Agency) heard and saw us at the Summit and invited us to develop an HR program for developing countries. The networking and connections were incredible... and the networking is still continuing."

What I think

"I attended the Summit hoping to make linkages with other Aboriginal organizations in the U.S. I had more people contact me than I expected from other countries as well. I had no idea there was so much opportunity out there! I know for a fact that, if I had not attended, I would not have considered exporting. Since then, we are focusing on export preparation."

Next steps

"I could probably move forward now with the contacts I've made, but I want to make certain I'm 100% ready to export and prepared to respond." ■

Canadian Woman Entrepreneur of the Year Awards

The search is on...The Canadian Woman Entrepreneur of the Year Awards honour women's efforts and innovations in developing their businesses. The 2000 ceremony will be held in Toronto in November. Contact **Barbara Caldwell** at channelview@attglobal.com or (613) 531-9282 to apply for the Export Award category.

FPDC – Food Processing Development Centre

WHAT IT IS: A fully-equipped pilot plant and product development lab facility run by Alberta Agriculture, staffed with food scientists and engineers, to help Canadian companies develop new food products for domestic and global markets.

WHAT YOU GET: Technical consultation through to pilot plant product development from concept to market testing.

WHO QUALIFIES: Food processors in Canada.

INFO: www.agric.gov.ab.ca/ministry/org/fpdc or Robert Gibson, Projects Manager, at (780) 980-4866 or robert.gibson@agric.gov.ab.ca

Are you Prepared to Export?

Carefully examine these five areas to assess if your firm is ready to tackle the export market:

- ✓ **Management Commitment:** Does your senior management understand the benefits and costs of exporting? Are you committed to clear goals for export market development, willing to devote significant time and capital, and prepared to give the market development time to take effect?
- ✓ **Success in the Canadian market:** Do you have a proven Canadian market-tested product or service? Is there sufficient cash flow to support both your export and domestic operations?
- ✓ **Financing your Export Activity:** Does your firm have a sound financial position, a financial plan to cover the export market development costs and sufficient funds to fully develop the export market?
- ✓ **Market Identification:** Have you selected a specific export market?
- ✓ **Market Entry Strategy:** Have you created a written export market development plan? Does it include specific quantifiable objectives in the short and medium terms?

For more export information, visit these web sites:

- Team Canada Inc: www.exportsource.gc.ca
- Businesswomen in Trade Export Readiness Diagnostic: www.infoexport.gc.ca/businesswomen/assess-a.asp
- Industry Canada Export Readiness Diagnostic: www.strategis.ic.gc.ca/SSG/sc01071e.html

Trade missions work! Here's how two entrepreneurs entered the lucrative U.S. market after participating in two Canadian Businesswomen's Trade Missions - to Washington in 1997 and to Los Angeles in 1999.

"International business is **exciting** and fun. It changes the way you think and the **dynamics** of how you do it."



Kathy Kastner, CEO
The Health Television System Inc.
Toronto, ON
parenttv@aol.com
Year established: 1993; Years exporting: 3

Description

Develops and produces health programming for in-hospital television stations, delivers staff training to encourage patient viewing and collects data on usage.
www.healthtvsystem.com

Trade mission results

The company won attractive contracts to provide its services to prestigious hospitals in Washington, D.C., Maryland, New York, Massachusetts and L.A. as a result of marketing undertaken at the missions.

What I like

"The U.S. market is very upfront. They make quick yes-or-no decisions. We found a warm and welcome reception to our business. Frankly, they were surprised that this type of programming didn't already exist in the U.S."

Export advice

"Be tenacious, bold and daring; as a trade tip, try approaching a trade publication in the U.S. for suggestions on potential partnerships. It worked for us."

Check out The U.S. Connection in this issue of *CanadExport* for more on Kathy's firm.



Gwen McKay, President & CEO
Skills for You
Fredericton, NB
gwen.mckay@amulet.nb.ca
Year established: 1995; Years exporting: 1

Description

Delivers e-learning solutions through a catalogue of over 300 web-based courses for corporate training, professional development and general education.
www.skillsforyou.com

Trade mission results

"Washington was a good opportunity to test the American market and get competitive intelligence. L.A. opened the door to a gurgling pot of IT market intelligence and links in the Silicon Valley. We now have two strategic partners in California."

What I think

"We're often intimidated by the idea of going into another country, but it's not difficult. Other markets are overwhelmingly supportive and interested in what we're doing."

Export advice

"Take time to build relationships with strategic partners. Look for synergy and a gut feel from the initial meeting that you can work with the person."



Martine Blue, President



Monique Dallaire, Vice President

Company: Kinga Inc.
Location: Ste-Anne-de Bellevue, QC
kinga@sympatico.ca
Year established: 1998
Exports to: U.S., Australia and New Zealand

Description

Produces giant-sized board games for kids that enhance verbal exchange and communication.

Program used

ViaSource

Assessment

"It opened our eyes. The panel of experts was very supportive and gave us constructive feedback and advice on a market study, distribution channels, copyright and trademarks as well as other resources to contact. A great program that I definitely recommend to others!"

Export advice

"Networking is the key to meet the right people and stay energized. Go to as many events as you can and connect with people in your industry who'll give you good tips, like names of distributors and reps."

Export Tip

Pay your dues. Work with trade associations, trade commissioners, officers and consulates and take advantage of government programs. PEMD is an excellent program to get funding to find new markets. *Paula Ushman, President, Paula Ushman Ltd., Blackstock, ON (Recipient of the 1996 Woman Entrepreneur of the Year Award for International Competitiveness)*



Meet Your Matchmakers

Matchmaker™ - the brainchild of Donna Messer, President of ConnectUs Communications, and Kerry Wicks, President of Mediastats Inc./MedialAB® - was conceived after these two entrepreneurs met at the first-ever trade mission for women to Washington, DC, in 1997.

Merging Donna's networking expertise and Kerry's technology smarts, the software, now in beta test, aims to fill the gap for an ethical match-up program that represents a win-win for all parties.

Information:
Donna Messer
(905) 337-9578
dmesser@interlog.com



ViaSource

WHAT IT IS: A national network of local teams, spearheaded by Royal Bank, to help small business owners access expert advice about marketing, law, finance, exporting and technology.

WHAT YOU GET: A free, 1-1/2 hour, confidential consulting session to discuss a business challenge or issue.

INFO: Contact a small business specialist at Royal Bank or visit www.viasource.com

Export Tip

"Make it simple to do business in the U.S. Use a U.S. address or postal box on all marketing materials, and have a U.S. price list and bank account. And because shipping and handling is one of the most challenging cross-border issues, use the expertise of a broker and trade officers. As entrepreneurs, we may be good at making deals but we may not be detail people."

Barbara Mowat, President, Impact Communications Ltd., Abbotsford, BC

"There's an international dimension to everything in business. Whether your field is plastics, IT or whatever, define your goals and commit to excellence. If you want to be the best, that will lead you to international trade, which means you'll make a bigger contribution to the community and the world."
Gail Dexter Lord, President, LORD Cultural Resources Planning & Management Inc.

Prepared Exporters



Janice Tanton, President
Janice Tanton Studios Inc.
Burford, ON
JanTanton@aol.com
 Annual revenues: \$400,000
 Time exporting: 6 months
 Exports to: U.S.

Description

Produces consumer products such as limited edition prints, calendars and collector plates for the giftware industry based on the artwork of Janice Tanton and other Canadian artists. www.janiceanton.com

Programs Used

NEBS (Buffalo, 1999) and PEMD (Atlanta, 2000)

Benefits

"NEBS was good for fleshing out

what we had learned in theory by providing the touchy-feely experience of things like border crossing and warehousing. It gave us the confidence to believe we were in fact ready to export. The face-to-face meetings with trade commissioners who provided specific information about suitable representatives, for example, were also invaluable. PEMD gave us a measure of financial security in approaching foreign markets by taking the risk out of exhibiting for us at the Atlanta Gift Show."

What I think

"NEBS is an excellent program and a real eye-opener, whether you're just beginning to think about exporting or you're ready to take the next step. PEMD is easy to apply for and it's really valuable for anyone not able to put forward the capital to develop a trade show presence in foreign markets."

Export advice

"Read as much as you can and talk to your local trade commissioner and other women exporters. Finding a good customs broker who can walk you through things is imperative." ■



Dana Peebles, Director & Owner
Kartini International Consulting Inc.
Toronto, ON
kartini@interlog.com
 Annual revenues: Under \$500,000
 Export sales: 20%; Years exporting: 4
 Exports to: Asia and Latin America

Description

Consulting firm specializing in gender equity and adult basic education that provides direct services such as training, research and project management for organizations like CIDA and USAID.

Programs used

Businesswomen's Trade Mission to Washington (1997), Canada-U.S. Women's Trade Summit (1999) and NEXSA mission to Argentina (1999)

Benefits

"I was a new business back in '97,

so the Washington mission was very much a learning experience and taught me how to think like a business. The '99 Summit was of tremendous benefit in terms of widening my contacts and it led me to getting an intern for my business expansion. The NEXSA Mission to Argentina in the fall of '99 was very useful. The Embassy set up 12 meetings for me and I now have the potential to do business with 10 of the people I met."

What I think

"Trade missions provide contacts and information you wouldn't find elsewhere. I got a great deal out of the NEXSA program and am totally enamoured with Argentina. There's huge potential there for Canadians in all sectors."

Export advice

"The earlier you sign up for a trade mission, the better, in order to do your background and research. Don't expect the Canadian Embassy to do everything for you. And I can't emphasize enough the importance of personal contact in international trade. You can do all the market research you want, but people respond better to a face. Then use the Internet as a follow-up tool. Follow up can be the hardest part because you get too busy with the day today work. Set aside one hour each day or week to be systematic." ■

NEBS — New Exporters to Border States

WHAT IT IS: An export education program about the U.S. market, run cooperatively by Team Canada partners, to increase the number of active exporters to the U.S.

WHAT YOU GET: Practical export information and first-hand exposure, through trade missions, to markets in U.S. border states.

INFO: John Kern - U.S. Business Development Division, DFAIT
 (613) 944-8823 Fax: (613) 944-9119
john.kern@dfait-maeci.gc.ca www.dfait-maeci.gc.ca/geo/usa/nebs-e.asp

NEXSA - New Exporters to South America

WHAT IT IS: A unique approach to trade missions which offers training and preparation in Canada, followed by a five-day customized program of appointments in the host country to introduce small and mid-size Canadian companies to growing South American market opportunities.

WHAT YOU GET: Targeted one-on-one appointments with agents, key contact with decision-makers or partners selected with the guidance of experienced commissioners and networking opportunities.

INFO: Leslie Scanlon - South America Division, DFAIT
 (613) 944-2419 Fax: (613) 943-8808
leslie.scanlon@dfaitmaeci.gc.ca www.infoexport.gc.ca/nexsa-e.asp

Export Tip

5 Participate in trade missions - sectoral ones are the best - but be sure to ask if there's a matchmaking component and work at establishing your own matches. **Bianca Battistini, President, Can-Am Export Services Inc., Deauville, QC**

4 When moving into new countries, bring a Canadian government representative with you to meetings to increase your credibility and show that the government is behind you. At times, this can open doors. **Moya Cahill, President, Pan-Maritime Energy Services Inc., St. John's, NF**

Do Your Homework On-Line

A convenient new tool - The On-Line Trade Mission - is being developed to help you prepare for a trade mission and maximize the return on your participation. In one easily accessible web site, the OITM combines everything that's needed to communicate with other participants, officials and even counterparts in the mission's target country. Info: Elizabeth Lahey of DFAIT at (613) 992-8050 or visit www.infoexport.gc.ca/oltm-mcel

Can't travel? Go virtual!

With just a click of your mouse, you can experience a real trade mission before making an investment of time and money. Access the Virtual NEBS at www.insanetech.com/virtualnebs. Coming soon: a CD-ROM of a full mission for those unable to attend because of cost or location.

"It is important to keep in touch
with your children and family during your travels."



Gail Gabel, President & CEO
ESI Environmental Sensors Inc.
Victoria, BC

ggabel@esica.com
Exports to over 35 countries
Annual sales: Approaching \$5 million
Export sales: 95%; Years exporting: 26
Biggest markets: Europe, Japan, Americas

Description

High-tech electronic engineering company, specializing in the design, manufacture and distribution of environmental sensors and instrumentation used in the precise monitoring of water, its presence and movement.

www.esica.com

Programs used

IRAP (1995) & Team Canada
Trade Mission to South America (1998)

Results

"IRAP gave us technical advice, financing and contacts. We received IRAP funding at a crucial point in our technology development: we were doing leading-edge research in areas that most outside funding sources didn't understand. During the Trade Mission to South America, I learned about customs and import regulations and the MERCOSUR trade association in S.A., and have done at least \$200,000 of business there since 1998."

What I think

"IRAP is one of the most effective, if not the best, government programs supporting science and technology in the country. It's well publicized, well managed and extremely fair...and the level of expertise of the people helping you is first class."

Export advice

"Find a mentor...and it doesn't have to be a woman. There are many opportunities to find out who is doing what in your community. Organizations like IRAP have 'can do' people, who can put you in touch not only with government specialists, but other excellent contacts." ■



Lee McDonald, President & CEO
Southmed Inc.
Barrie, ON

lmcDonald@southmed.on.ca
Exports to 45 countries; Export sales: 60%
Num. Employees: 60; Years exporting: 16
Biggest markets: U.S. and Europe

Description

Designs, manufactures, assembles and distributes high-quality medical anaesthetic components.

www.southmed.on.ca

Honours

1997 Canadian Woman Entrepreneur of the Year Award for International Competitiveness, 1998 Business Women's Network Leadership Award

Trade missions attended

Team Canada Trade Mission to South

America (1998) and Business Development Mission to Italy (1998)

Results

"It worked. The face-to-face contact with players was invaluable and the interpreters provided as part of the missions made every interaction possible. I also gained a lot of market intelligence from the Canadian Consulates, as well as knowledge about the business practices in these countries."

What I think

"I don't see business as being gender specific. For me, it's important to see a true representation of business across sectors. These missions exposed me to Presidents and owners of companies with far more exporting experience, from whom I learned a great deal...even just talking on the plane."

Export advice

"Factor the cost of maintaining family ties into your budgets as an integral part of the cost of international business. Phone and e-mail often, and even budget for more expensive airfares to give you the flexibility to get home earlier. Remember, your children will be all right as long as they are kept informed and their world remains stable. Have someone at home who can maintain the stability of the household." ■

Experienced Exporters

Export Tip

Be very aware of culture and knowledgeable about how business is done in other countries. When they see that you educated yourself, they'll respect you. **Rossana Magnotta, Executive Vice President, Magnotta Winery Corp, Vaughan, ON (Recipient of the 1999 Woman Entrepreneur of the Year Innovation Award)**

Pay attention to differences in culture, even between Canada and the U.S. The U.S. is more pragmatic and fast-paced in decision-making. Be prepared to act quickly on market opportunities there. **Dr. Dorothy Riddle, President & CEO, Growth Consultants Inc., Vancouver, BC**

How to Build Your Cross-Cultural Savvy

1. Learn how history and religious beliefs influence business practices in your target markets. Customs may dictate different roles for men and women; so opt for more conservatism and formality.
2. Put deliverables in writing and be more explicit than usual when dealing across cultures.
3. Build in contingencies. Add in a third more time than you'd expect when negotiating in a new market, since relationship-building is important. And include a large margin to cover extras.

From **Cross-Cultural Training for Businesswomen in Exporting**, a 1999 seminar series sponsored by Export Development Corporation. Call 1 800 850-9626 for information on other programs.

IRAP — Industrial Research Assistance Program

WHAT IT IS: A nation-wide network of Industrial Technology Advisors (scientists and engineers) who help small and mid-size businesses with R&D activities to turn good ideas into commercially viable products and services.

WHAT YOU GET: Access to technical assistance, resources and facilities, and marketing, management and financial services, including cost-shared financing of innovative technical projects.

WHO QUALIFIES: Incorporated small and mid-size companies with demonstrated technical experience.

INFO: National Research Council 1 877 994-4727
www.irap.nrc.ca/IRAP/Web/IRAPcomm.nsf/Home

Team Canada Trade Mission

WHAT IT IS: A partnership between business and governments that targets specific business sectors for missions to selected countries in order to help Canadians increase their global trade by opening doors for new business development.

WHAT YOU GET: Access to foreign political and business leaders, assistance in accelerating business deals to the contract closure stage, and contacts with other Canadian companies in similar markets.

WHO QUALIFIES: Canadian manufacturers or service companies with a proven track record of exporting or investing in region visited or a proven capacity to undertake offshore exporting or collaboration.

INFO: **www.tcm-mec.gc.ca/what-e.asp**

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"It's a roller coaster ride but it's
the **best ride** you'll ever take."



Catherine Karnes Munn,
President
Catherine Karnes Munn Collection
Fredericton, NB
knobhill@nbnet.nb.ca
Annual sales: \$3.6 million
Export sales: 10%
Years exporting: 4
Export markets: U.S., Japan

Description

Wholesale giftware manufacturing company - producing 1,000 framed limited edition prints and other products.

www.karnes-munn.com

Programs used

NEBS, NEXOS (Japan)

Results

"I learned a lot about customs and regulations from NEBS. It covers the basics. You come back from these programs so motivated and inspired. They make you realize there's a path and if you follow it, you can do it."

Lesson learned

"You can't expect to take the U.S. on in one chunk. Block it off in regions and give it two years. It takes time to build a market there."



Suzanne Goupil, President
ABRAFAB Inc.
Drummondville, QC
abrafab@qc.aira.com
Annual sales: \$5 million
Export sales: 35%
Years exporting: 4
Export market: U.S.

Description

Specialty abrasives manufacturer for the metal and aerospace industries. www.abrafab.com

Programs used

NEXPRO, PEMD, Women's Trade Missions (Washington, Los Angeles, Toronto)

Results

"NEXPRO was a good start to investigate and understand exporting. All these programs help very much because exporting requires large investments."

Export advice

- Use government support programs to go faster with less risk.
- Be organized and be prepared to suffer a defeat. ■



Robin Saunders, President
North American Speciality Papers Inc.
Hemmingford, QC
NASpeciality@msn.com
Annual sales: Over \$1 million
Export sales: 90%; Years exporting: 7
Export markets: Indonesia, Africa, Central America, Iceland, Fiji

Description

Paper manufacturer and broker.

Programs used

WIN Exports; Women's Trade Mission (Washington)

Results

"I didn't think people would source the WIN Exports database, but it's been pretty good. I've developed one contract and attracted leads for future business."

Lesson learned

"As entrepreneurs, we believe we can do it all ourselves but we can't. Use the trade commissioners and resources available."

Export advice

"Have endless energy and a positive attitude and do follow up." ■

NEXPRO — New Exporters Training and Counselling Program

WHAT IT IS: An innovative training program for small and medium-sized companies that possess export potential but lack exporting experience designed to help entrepreneurs broaden their knowledge of the export process, develop a realistic export plan and implement their own export strategy.

WHAT YOU GET: Workshop instruction, roundtable discussions, personalized on-site counselling and post-program implementation assistance.

INFO: Business Development Bank 1 800 463-6232 www.bdc.ca

NEXOS - New Exporters to Overseas

WHAT IT IS: A special educational program with missions that expose exporters to new markets in Europe, usually built around a national or international trade fair, in order to assist participants in deciding whether, and how, to pursue European markets.

WHAT YOU GET: Detailed information on market access and characteristics, customs procedures, shipping, distribution channels and currency regulations, thorough briefings on how to find agents or distributors, and seminars and workshops on strategies to achieve distribution and sales.

INFO: Emmanuel Skoulas - European Business Dev. Section, DFAIT (613) 995-6565; Fax: (613) 944-1008
emmanuel.skoulas@dfait-maect.gc.ca www.infoexport.gc.ca/nexos-a.asp

Export Tips

7 Don't be enticed by false incentives to locate in a particular geographic area. There may be a reason why no one is there. If it doesn't make sense for you to be there, don't go. **Andrina Lever**, President, Lever Enterprises, Toronto, ON, who served as Executive Director of the 1999 Canada-U.S. Women's Trade Summit.

6 Depending on your location, you might ask why you're shipping to Vancouver if it's cheaper to ship to Boston. Sometimes it's easier to export to a geographically closer market than to move across the country. **Barbara Orser**, Principal Researcher, Beyond Borders report.

Where to Go for Trade Financing

- Aboriginal Business Canada (613) 954-4064 www.abc.gc.ca
- Atlantic Canada Opportunities Agency 1 800 561-7862 www.aocaa.ca
- Business Development Bank of Canada (BDC) 1 888 463-6232 www.bdc.ca
- Canadian Commercial Corporation (CCC) 1 800 748-8191 www.ccc.ca
- Export Development Corporation (EDC) 1 800 850-9626 www.edc.ca
- Canada Economic Development (514) 283-6412 www.dec-ced.gc.ca
- Chartered banks and financial institutions

For a free copy of **The Definitive Guide to Exporting for Small Business** in Canada which includes an export financing and assistance directory, call Royal Bank at 1 800 769-2570

"Gender is a non issue. I go in not expecting to be treated any **differently** because I'm a woman."



Nancy Nightingale,

Owner/Manager
Khot-La-Cha Coast Salish Handicrafts
 North Vancouver, BC
khotla@ibm.net
 website : http://abc.gc.ca/traditions/frankfurt_96/english/khotla-e.html
 Years exporting: 10; Export sales: 30%
 Exports to: U.S., Europe, Australia, New Zealand, Japan

Description

Giftstore on the Squamish Nation Reserve featuring artwork and

crafts made by BC Aboriginal artists and crafts people.

Missions attended

Germany (1996); Canada-U.S. Women's Trade Summit (1999)

Biggest benefit

"The Germany mission was one of the steps leading me to become an international exporter. And by participating, I felt I was helping to pave the way for other Aboriginal businesses and artists.

Export advice

- Really research countries and areas for your product and don't just take advice from a couple people.
- Consider trade missions as part of your research.
- Get ready for an increase in demand for your product.
- Keep your eyes open to export opportunities on the Internet; there are all kinds of information and connections. ■



Nancy Knowlton, President & CEO
SMART Technologies Inc.

Calgary, AB
nancyknowlton@smarttech.com
 Annual sales: over \$50 million
 Export sales: 97%; Years exporting: 10
 Exports to 45 countries

Description

Develops software and hardware tools, such as an interactive whiteboard, that allow groups to access and share information to meet, teach, train and present. www.smarttech.com

Honours

1999 Canadian Woman Entrepreneur of the Year Export Award

Programs used

Western Economic Diversification, PEMD

Biggest benefit

"The Western Economic Diversification program worked nicely to support us in wage subsidies for three new graduates we hired to focus on exports."

Export advice

- Deal with distributors in every country; they know local nuances and can provide a smooth transition. Look for people who'll give your product 'mindshare', who have a good understanding of marketing – not just sales – and who have the financial stability to market your product and pay you.
- Meet with Canadian Embassy staff whenever you travel. Using the resources in place is absolutely essential. ■



Suzanne Lebel, President

Genomics One Corp.

Laval, QC

slebel@genomicsone.com

Years exporting: 3; Export sales: 95%
 Exports to 42 countries

Description

Develops and commercializes enabling Platform Technologies to drive discovery in genomics and therapeutics. www.GenomicsOne.com

Programs used

IDEA-SME (BDC), IRAP and Women's Trade Missions (Washington and Toronto)

Biggest benefit

"They helped us define our market strategy and create distribution networks all around the world. Super for our growth in general! And I was so impressed with the businesswomen I met at the trade missions. They became a model and an enormous

incentive to go ahead with my project."

Export advice

- Use the government programs and trade commissioners' knowledge. You gain time and money.
- Work with a specialist in market strategy to create the adequate distribution network...at the right place, at the right time and with the right people. It may cost a portion of your profit but it gives you a better chance to progress. ■

Export Tips

Having really good partners to work with, and being able to use agents around the world through partners, is critical.

Sturgess, President & CEO, Revolve Magnetic Bearings Inc., Calgary, AB

Go into women's networks and associations in foreign markets for contacts. You can start by visiting www.infoexport.gc.ca/businesswomen/menu-e.asp.

Marie Kaminsky, President, Malkam Consultants Ltd., Ottawa, ON

Do You Know?

Export Development Corporation (EDC) offers export receivables insurance that protects against 90% of losses when foreign buyers don't pay. It can also be used as collateral to get international financing from your bank. Information: 1 800 850-9626 www.edc.ca

How to Find Capital

Check out this practical guide to obtaining capital:

Beyond the Banks: Creative Financing for Canadian Entrepreneurs

by Allan Riding and Barbara Orser (Wiley, 1997) www.chapters.ca

Visit www.infoexport.gc.ca/businesswomen/menu-e.asp for more details on the exporters and programs featured in this issue

PEMD – Program for Export Market Development

WHAT IT IS: International business development program to increase export sales; it reduces the risks of entering a foreign market by sharing the costs of activities that small companies normally can't undertake alone.

WHAT YOU GET: The most common is help in implementing a simple marketing plan to penetrate an international market or financial support for preparing bids and proposals for major capital projects outside Canada.

INFO: Cathy White - Export Development Division, DFAIT
 (613) 996-8715 Fax: (613) 995-5773
 e-mail: cathy.white@dfait-maeci.gc.ca
www.infoexport.gc.ca/pemd-e.asp

WIN Exports – World Information Network

You can tap into export leads by registering in the WIN Exports database, used by trade commissioners abroad to promote the capabilities of Canadian exporting and export-prepared companies. Request a registration form by fax to 1 800 667-3802 or by calling 1 800 551-4946.

Experienced Exporters

Supplement – CanadaExport 7

"It's an **advantage** being a woman exporter and a **Canadian.**"



Gail Dexter Lord, President
LORD Cultural Resources
Planning & Management
Toronto ON
glord@lord.ca
 Years exporting: 15; Export sales: 80%
 Exports to: 17 countries

Description

International museum and cultural planning firm, with offices in Canada, the U.S., England, Europe and Asia. www.lord.ca

Why export?

"Right from the beginning, when we had nothing, we invested in an international approach. Clearly, Canada is a small market and we wouldn't be in business without exporting. International work is what we are and who we are."

Programs/services used
 PEMD, EDC

Results

"We used PEMD in the early days. It's very helpful when you're quite small and the costs of international marketing are prohibitive - for example, when you travel to be part of a bidding team or to exhibit at international trade shows. We use EDC a lot and value that because their insurance has allowed us to finance our line of credit with the bank. EDC staff are excellent to deal with - supportive and well informed."

Challenge

"Many cultures find it inconceivable that a president of a company would be a woman. Try to be understanding, don't impose your values and do take things with a fair bit of humour."

Export advice

"Talk to business people on airplanes. It's a great way to find out things, like names of good professional advisors and suppliers."

The last word

"As a woman, you are generally a good listener and that's the number one key to international work. Combine this with our natural modesty as Canadians who go out into the world with a genuine sense of wanting to learn how others do things...well, the opportunities are just huge and the advantages for us great." ■



Moya Cahill, President
Pan-Maritime Energy Services Inc.
St. John's, NF
mcahill@panmaritime.nf.ca
 Export sales: \$4 million
 Years exporting: 5; Export sales: 15%
 Exports to: South America

Description

Engineering firm specializing in offshore oil and gas industry

Honours

1994 Canadian Woman Entrepreneur of the Year StartUp Award; Top 40 under 40 (1998)

Mission attended

Team Canada Mission to South America (1998)

Benefits

"Very fruitful and a real educational experience. It increased my credibility and broadened my network both in South America and Canada and I picked up work. I continue to stay in touch with colleagues from the mission."

Export advice

"Work on an 'equal playing field' basis and don't focus on your gender. As soon as you start thinking and talking about gender, it makes the men you deal with uncomfortable. Focus on the business - on getting your message out and marketing."

What I think

"You can't beat the Team Canada Trade Missions. They're just excellent for networking - not only north-south in the case of the South America one, but also east-west in Canada. I recommend these missions to anyone. A tremendous opportunity to be exposed to Canada's capability in industry and reputation abroad! It makes you feel proud to be a Canadian."

Stay Connected

Join Women in International Trade - Ontario, the first Canadian chapter of the Organization of Women in International Trade (OWIT) with over 5,000 members worldwide. Info: Sandra Anstey, President at (416) 979-1792 or anstey@istar.ca or visit www.owit.org

Helping You Do More Business Across Borders

Check out The Business Women's Network Directory 2000 for profiles of 4000 business and professional women's organizations in the U.S.; Canada and internationally to facilitate your networking and marketing. Info: BWN at 202 466-8212 or visit www.BWNl.com

Contact

Supplement published by Export Services for Small & Medium-Sized Enterprises.

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How to Get on a Trade Mission

- Make yourself known to government officials, federally and provincially. Moya Cahill, Newfoundland
- Plug into different networks, whether it's the World Trade Centre in Montreal, the International Trade Centre in Toronto, or the Board of Trade in Vancouver. Bianca Battistini, Quebec
- Get involved in businesswomen's and industry associations and you'll find out about things. That's why networking is so important. Dana Peebles, Ontario
- Build business links and network if you're in the Aboriginal community because referral is how many Aboriginal businesses are often identified for participation in government programs. Beverley O'Neil, British Columbia
- Join your local Chamber of Commerce if you're outside urban centres and look at bulletins in local libraries and colleges. Barbara Mowat, British Columbia



Talk about a cross-continental connection! **Protocall 24-hour Call Centre Inc.** of St. John's, Newfoundland, has won a contract with the Silicon Valley branch of an Israeli-based company. That's a lot of diagonals across the world, but indicative of how business is no longer bound by geography, and proof that international trade can be won by assertive, savvy entrepreneurs with high-standard services to offer.

President Judy Reid employs 15 agents on "The Rock," with customers across Canada for whom she provides a specialized 800-service for catalogue orders, Help Desk technical support, Web-site e-mail response, and a host of other call-centre services. Plus, Protocall handles outgoing marketing — post-sales inquiries, Internet surveys, mailing lists and other ways to help businesses thrive. Reid sells efficiency and warmth, standard commodities in Newfoundlanders, and an asset in the telephone service "biz."

And she sells these assets with flair. As a participant in two businesswomen's trade missions to Washington in November 1997 and to Los Angeles in March 1999, she was looking for U.S. customers. In California, she found Trivnet.

The Silicon Valley company is a pioneer in e-commerce services providing a payment process for goods purchased on-line through a program called WISP — with Internet service

Affairs and International Trade in Ottawa, and the Canadian Consulate General in Los Angeles with focusing her marketing and sales promotion activities. Protocall is one of the growing

Newfoundland Business Lands New-found Business

provider — which allows shoppers the security of buying on-line without disclosing credit card information by simply entering their pre-registered user name and password.

"The California company and its Israeli parent is part of growing e-commerce opportunities. We provide 24-hour support services to WISP to guarantee trouble-free service to customers all over the world," says Reid.

Reid is a fan of the Canadian government's trade development services, crediting the advice she received from the local International Trade Centre in Newfoundland, the Export Services for Small and Medium-Sized Enterprises division at the Department of Foreign

number of call-centre businesses in Newfoundland and Labrador, a

province which offers the benefits of an accessible and educated work force, and communication capabilities that provide modern networks for industries looking to contract their call-centre services.

Her advice to other small businesses looking into the U.S. market: "Don't be afraid of taking the risk, and make use of the trade advice available from the export experts. With the Internet, you can offer a competitive product and operate from a home base in Canada where the cost of doing business is lower and the people skills are available."

Continued on page 23 - Newfoundland



ProtoCall
24 Hour Call Centre Inc.

Looking to Do Business with the U.S. Federal Government?

Opportunities are just a key stroke away at the Internet site (www.gsa.gov) of the General Services Administration (GSA), which facilitates purchases by the U.S. government — "the world's largest consumer" — and the Electronic Posting System site (www.eps.gov). More GSA opportunities are listed on the site of the Canadian Embassy in Washington, D.C. (www.canadianembassy.org), and periodically in **CanadExport**.

U.S. Hospital Market

— Continued from page 12

service," says Haigh. "We anticipate that other public and private hospitals will look at them seriously given their success with the VA. In fact, broad access to the full gamut of hospitals and clinics in the U.S. may become a reality via Internet distribution.

"This is a good example of a company with a credible, targeted product

that is well equipped to market its idea in the U.S. It spells success, and we are pleased to have helped HTS on the west coast."

For more information on HTS, contact Kathy Kastner, CEO, tel.: (416) 656-2402, fax: (416) 654-4068, e-mail: parentv@aol.com

Cancer patients in Costa Rica will soon be getting better treatment thanks to a new clinic to be built and outfitted by Canadian companies. An urgently needed cancer clinic is now on its way to Costa Rica through a contract signed between the Canadian Commercial Corporation (CCC), the Government of Costa Rica, and Cancer Care International (CCI).

President Miguel Rodriguez of Costa Rica, while in Canada on a two-day visit in early February, signed a letter of understanding with Douglas Patriquin, President of the Canadian

Commercial Corporation, to fully cooperate in the development of Costa Rica's first cancer care centre.

The signing followed a tour of the Toronto-Sunnybrook Regional Cancer

"We are delighted to be a part of the process of bringing a world-class cancer centre to Costa Rica," says CCC President Patriquin. "This is a knowledge-based project, and it

Canada Exports Health-care Knowledge to Costa Rica

Canadian Commercial Corporation

Shaping Trade Solutions for Canada's Exporters

A federal Crown corporation, the Canadian Commercial Corporation (CCC) partners with Canadian exporters to negotiate and win sales in difficult markets on favourable terms. It provides special access to U.S. defence and aerospace markets and specializes in trade to foreign governments and international organizations.

Whether bringing buyers and sellers together, acting as a prime contractor or working with small and medium-sized companies to win sales, CCC's access to specialized markets continues to open doors for thousands of Canadian companies doing business in over 60 countries.

For more information, contact CCC at tel.: (613) 996-0034, fax: (613) 995-2121, e-mail: info@ccc.ca Internet: www.ccc.ca

Centre. The Sunnybrook facility is the model upon which the San José facility will be designed.

"We are very eager to see this project move forward," says President Rodriguez. We have made great strides in health care in Costa Rica. Unfortunately, cancer is now the second leading cause of death in our country, and the hospital is urgently needed."

The Canadian Commercial Corporation worked with the Canadian Embassy in Costa Rica to bring the Costa Rican Government and Cancer Care International together. The US\$1.56-million contract is the first step in building a new US\$40-million cancer treatment facility in the Costa Rican capital of San José. Set for completion within two years, the medical centre project will include Canadian design, construction, medical equipment and technology transfer.

Cancer Care International is the Canadian company now undertaking the assessment and first phase of the project. "Canadian expertise in the area of cancer care is internationally recognized," says Katherine Jones, CCI's president.

reflects a major change in the nature of trade between our two countries which traditionally has been in areas such as wheat, fertilizers, paper and



Letter of understanding signing ceremony (left to right): President Miguel Rodriguez of Costa Rica; Canadian Commercial Corporation President Douglas Patriquin; Denis Thibault, Canada's Ambassador to Costa Rica; and Dr. Rogelio Pardo Evans, Costa Rica's Minister of Health.

electrical machinery. Bringing important health-care technologies and practices in cancer care and prevention to Costa Rica is not only important but will encourage even more trade for Canada in knowledge-based sectors." ★

As the Asia-Pacific region recovers from the financial crisis of the past two years, new opportunities for Canadians with sound products and good business plans, and investors seeking good Asian companies at low

economic fluctuations.

A background paper for the meeting notes that: "With the exception of the Canadian banks, most Canadian players have stayed the course and a few have moved to take advantage

Heads of Missions Meeting

Assesses North Asia and Pacific Region

prices, are rapidly developing. Canadian educational institutions and other educational product and program providers can also take advantage of opportunities in emerging market segments by helping meet the need to strengthen technical and human skills in economies that are beginning to emerge from the shadow of recession.

At a two-day meeting in Ottawa in late 1999, Heads of Missions (HOMs) from Canada's embassies, consulates and trade offices in the North Asia and Pacific region discussed possible roles and opportunities for Canada in the region. During the conference, chaired by Joseph Caron, Assistant Deputy Minister (Asia Pacific and Africa) and North Asia and Pacific's Director General Margaret Huber, talk covered subjects as diverse as ideas to secure more investment in Canada by Chinese interests, the challenges of immigration from Asia, and how Canada's policy on human security might unfold in each state in the region.

Opportunities knocking

Raymond Chan, Secretary of State (Asia-Pacific), told HOMs that Canadians continue to have a great interest in Asia. The impact of the Asian financial crisis, however, clearly indicates that Canada must diversify its exports to Asia into manufactured products that are less vulnerable to

of opportunities arising from a new openness to outside help. BCI, Abitibi Consolidated, Seagram Ltd. and Magna International have bought into corporations in South Korea, Thailand and China, while Talisman and Gulf Canada have bought into Indonesia. There are, however, lots of other deals to be made for companies who know their way around, and even for newcomers who have a good product and a sound business plan."

Looking forward

Canadian governments, companies and institutions have made a big investment in the Asia-Pacific region in the last two decades, and they need to build on that investment now with a well-thought-out and targeted strategy that accounts for the different situations in each state as it rebuilds. Japan may not recover as quickly as was hoped, and may never again hold the dominant position it had, but important opportunities will still exist there for Canadians.

Promoting Asian investment in Canada

Canadian HOMs were reminded that in the Speech from the Throne, the Government stated its intention to do more than simply promote Canadian exports. Increased effort on science and technology and the Team Canada concept will be followed by Invest-

ment Team Canada. William Clarke, Assistant Deputy Minister for International Business at the Department of Foreign Affairs and International Trade, said that attracting foreign direct investment in Canadian business is a top priority because it makes a significant contribution to productivity and innovation.

Investment Partnerships Canada (IPC), the agency responsible for the Government's co-ordinated investment strategy, is working closely with the North Asia and Pacific Bureau and its missions seeking investment in key industries such as aerospace, information technology, forestry, building products, agri-food, automotive, chemicals and petrochemicals, life sciences and mining.

International reforms key

The international financial system is one of the institutions that will be changing in response to the Asian financial crisis. Ian Bennett, Associate Deputy Minister, Department of Finance, touched on some of the concerns being addressed by the G-7, the International Monetary Fund, and the World Bank. The role of the private sector in the evolving architecture of the international financial system is one of the many issues under discussion.

There is also a need to reform — and in some cases establish — laws, regulations and policies to deal with corruption, pension and social security programs, and competition policy. These areas represent opportunities for Canada to carve out an intellectual role fostering the required dialogue and providing the talent, experience and know-how to help oversee these human capital developments.

The overwhelming conclusion of this Heads of Missions meeting was that there is considerable growing potential for Canadian businesses in the region, and with the continued efforts of government and the private sector this potential will be realized.

For more information, contact www.dfait-maeci.gc.ca/asia/

Representing a growing trend in the pleasure boat sector, *Levy Boats and Marine* has made its first significant international sale into the United States market.

Attending the Boston Fish Expo in the late fall of 1998 with the assistance of the Department of Foreign Affairs and International Trade's (DFAIT) Program for Export Market Development (PEMD) — New-to-Exporting component —

with went out of their way to be helpful...a great experience...a great boat," says his wife Susan.

Carleton and Susan love the boat so much that they have agreed to be the Levys' representative in the local pleasure boat market — Americans affectionately label Nova Scotia boats as "Novis" — and are helping to generate orders.

"*Fair Tides* represents the 'Sport Utility Vehicle' of the pleasure boat

expansion of their plant and hope to hire another two or three people in the near future — typical of the industry in Nova Scotia where trawler yachts ranging from \$40,000 to over a million dollars are being built.

Helping an industry in transition

"The Levys are an example of an exciting trend we see happening in Nova Scotia's boat building industry — a trend that we're actively encouraging," says Tim Edwards, NSBA Executive Director.

"Many of our members are making a transition into pleasure boat production and are already enjoying success in export markets. Our industry has tapped into a serious and sustainable demand."

Industry Canada, the Atlantic Canada Opportunities Agency, the Nova Scotia Department of Economic Development and DFAIT are all working towards policy and programs to promote the export of boats from Nova Scotia.

"As a matter of fact," says Randy Levy, "it was DFAIT's WIN Exports tracking system [it helps the Canadian Trade Commissioner Service plan its recruiting strategy for trade shows and missions] which helped us attend the Boston show. So I would definitely recommend that companies register in the WIN database."

Another seven Atlantic Canada companies participated with the NSBA at last year's Miami International Boat Show, where Commercial Officer David Ericson, from the Canadian Consulate in Miami, and with support from Business Development Officer Manuel Ellenbogen, from the Canadian Embassy in Washington, helped Canadian companies find export markets.

As for the Levys, their launch into exports at the Boston show has been so successful that the original PEMD loan of \$1,740 — it helped yield sales of \$130,000 — is being fully repaid.

For more information, contact Randy or Susan Levy, tel.: (902) 885-2611, e-mail: levyfb@dunmac.com Internet: <http://nsboats.com> ★

The Cape Island Style Boat Takes the U.S. Pleasure Market by Storm

by Mark Fletcher, Trade Commissioner, International Trade Centre, Halifax

the family-owned business of Randy and Susan Levy has established a market presence that is driving their business growth.

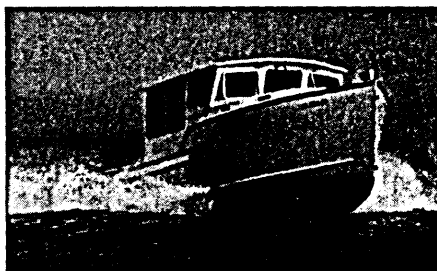
"We are in a rural area of Nova Scotia — on Sober Island — and the local market for fishing boats cannot sustain us," says Susan Levy. "We wanted to keep on building boats and employ our three staff, in fact employ many more people in the local area," agrees Randy Levy. "So together we sat at the kitchen table and with advice from a number of levels of government, we decided to move into the pleasure boat business."

Participation pays off

The Boston show directly led to the sale of the 30-ft. trawler yacht, *M.V. Fair Tides* — custom-made during the summer and paid for and delivered last October — to Carleton and Susan Francis of Cape Cod, Massachusetts.

"What we got was 'Novi tradition' and 'Levy craftsmanship.' Performance, is outstanding: smooth and quiet," boasts Carleton. "Everybody we dealt

market — this is Nova Scotia's niche," says Les MacIntyre, Chair of the Nova Scotia Boatbuilders Association (NSBA), of which the Levys are members. "These boats represent rugged quality combined with a taste of luxury."



Levy Boats and Marine's M.V. Fair Tides.

The Levys are also developing other products and customers, in particular for their new 18-foot pleasure boat that appeals to the in-shore clientele. Orders have already been received from Nantucket and Bermuda.

Since the show, inquiries have been coming in from all over the United States, and even some from Europe! The order books are so filled up that the Levys are planning a 3,000-sq.-ft.

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities. To view a wider selection of IBOC's current trade opportunities, simply visit the Internet site at www.iboc.gc.ca/leads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

CYPRUS — Development of the Port of Larnaca — The Government has decided to adopt the recommendations of the consulting division of the Cyprus Development Bank and change the character of the Port of Larnaca, transforming it into the main passenger port of Cyprus. The proposed specialization into a cruise port entails

the construction of breakwaters, additional berths and a large passenger facility as well as the development of portland enhancing the new role of the port to provide facilities for leisure activities, shopping centres, apartments, offices, restaurants, etc. Expressions of interest are invited from qualified consortia to invest in, manage and operate passenger, cruise and leisure facilities at the port. Closing date: April 21, 2000. Contact Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 000118-00198.

EGYPT — Investment in Road Projects — The Ministry of Transport General Authority for Roads, Bridges and Land Transport (GARBLT) is inviting investors to participate in the rebidding for technical, financial and investment proposals for the following two road construction projects, including links: 1) Freeway Al Fayoum/Asyout, approximately 260 km; 2) Freeway Dayrout/Al Farafra, approx. 263 km. The request for proposals (RFPs) may be obtained from GARBLT's Procurement Department, 105, Kasr Al Aini St., Cairo. Cost: E£5000 in cash or by certified cheque in the name of "General Authority for Roads, Bridges & Land Transport." For those who had bought the RFP, amendments are available. Closing date: April 17, 2000. Contact Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 000125-00279.

URUGUAY — Investment in Hotel Refurbishing/Partnering Opportunity — Enlargement and refurbishing of a hotel in the Old City in Montevideo, the financial and business centre of the country's capital. The hotel, which started in 1955, has 24 rooms, each decorated in a different style, a restaurant and a pub. Clients are mainly executives and business people with high socio-economic profiles. Average occupancy reached 58 per cent in 1997 and is on the rise. The project seeks to add 22 new rooms, two conference rooms and a restaurant. The building to be remodelled is next door to the hotel and is of a similar date and design. Tourism in the city and business, in terms of number of foreign visitors — over 1 million in 1998 — is the most important in the country. The regional economic agreement MERCOSUR has generated an important and constant flow of business people from member and foreign countries, in line with new and future company strategies. In addition, Montevideo has been designated Administrative Capital of the MERCOSUR, for its privileged geographical location, which has played an important role in the development of tourism in the city. Total amount of investment is estimated at US\$3.8 million, and the time of completion is one year. Repayment period is projected to be six years. The company seeks a joint venture to finance and operate the new and enlarged hotel. Closing date: April 21, 2000. Contact Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 000120-00237.

IBOC Trade Opportunities — Find out more at www.iboc.gc.ca *



Quick Facts

Since it opened in 1995, IBOC has contacted more than 25,000 Canadian companies and has responded to more than 16,000 inquiries from foreign buyers.

Thanks to IBOC, more than 8,500 Canadian firms have been in contact with foreign buyers.

IBOC's sourcing experts use a variety of databases as well as a large network of business contacts across the country to identify Canadian companies of all sizes.

IBOC is jointly operated by the Department of Foreign Affairs and International Trade and Industry Canada, with special co-operation from Agriculture and Agri-Food Canada. It is the sourcing centre for Team Canada Inc.

International Business Opportunities Centre

The wonderful aroma of a warm sweet pastry is becoming commonplace at many tourist locales across Canada — but there is nothing common about this delicious, uniquely Canadian confection. Named for its resemblance to one of Canada's foremost national symbols, *BeaverTails*® is the creation of Grant Hooker, who, together with his wife Pam, have taken a family business and turned it into an immense Canadian and, recently, international success.

BeaverTails is the trademark brand name for the lightly cooked whole wheat pastry developed by BeaverTails Canada Inc. In 1980, the first BeaverTails store was established in Ottawa's Byward Market and since then the number of locations has expanded to over 100 recreational and tourist sites in Canada, the U.S. and abroad.

"The local and national success of BeaverTails has been tremendous — whether it is skating on the Rideau Canal in Ottawa or skiing down the slopes at Whistler in British Columbia," says President Grant Hooker. "Canadians love to eat this savoury pastry and identify it as uniquely Canadian."

Its identification as a Canadian product led to BeaverTails being sold at Walt Disney World in Florida. In 1995, Disney officials approached the Canadian Consulate in Miami, to locate the makers of the product they had heard so much about. Consulate staff turned to the International Business Opportunities Centre (IBOC) to search out the company. Sourcing Officer Karen Sowalski found BeaverTails in the WIN Exports database and provided the details to the Consulate. It wasn't long before a licensing agreement was negotiated and people began enjoying this Canadian delicacy at one of the world's most famous tourist attractions.

"The Walt Disney World licensing opportunity was our first experience exporting to a foreign market," says Hooker. "Thanks to IBOC and the Canadian Consulate, we were able to expand into a new market quickly and gain the knowledge and exposure needed to consider other international markets."

Buoyed by the success at Disney World, BeaverTails ventured into other key tourist sites across the U.S., including Vail, Colorado and Snowshoe, West Virginia, through licensing agreements or franchise operations. By focusing on popular tourist and

Hooker about opening a franchise in Manila, who sought out the assistance of the Canadian Embassy in the Philippines. According to Hooker, "Ambassador Treleaven and the Embassy staff in Manila were instrumental in helping us establish a

BeaverTails Canada Inc.'s Recipe for Success

recreational facilities, the company was able to sell the pastry's appeal to a larger, global market. Many tourists from abroad returned home exhorting the virtues of Canadian BeaverTails. It was time to look at "going global."

In choosing which countries to target, Hooker researched every possibility. Trade officers at Canadian embassies and consulates assisted with vital local knowledge and introductions to key trade and franchise specialists. The product's adaptability made it widely accepted by different cultures and countries worldwide and has enabled BeaverTails to expand into such diverse countries as Puerto Rico, Indonesia, Scotland and Costa Rica. Hooker attributes the universal appeal of BeaverTails to its unique preparation and its ability to please any palate.

"BeaverTails can be enjoyed with a wide variety of toppings," says Hooker. "From a sweet topping of cinnamon and sugar to the savoury taste of garlic butter and cheese. The choice of toppings can be adapted for every cultural preference." In Costa Rica, a popular topping reminiscent of childhood is condensed milk — with a little chocolate.

BeaverTails, served with mango jam, can now be enjoyed in the Philippines. Manuel Saggroat, a successful entrepreneur, approached

presence in the Philippines and develop a business relationship with Mr. Saggroat. "With a franchise arrangement in place, the first BeaverTails store in Manila opened in July 1999, and has enjoyed tremendous success.

What's next for this dynamic Canadian company? A raw dough manufacturing plant will be located in the Philippines, using Canadian ingredients and equipment, where possible. An essential component in the preparation of BeaverTails is whole and cracked Canadian wheat, which will be used in the frozen dough version as well.

"The unique characteristics of Canadian wheat make it an integral part of the success of BeaverTails. Much of the pastry's flavour can be attributed to Canadian whole and cracked wheat, which we feel are superior to other grains around the world," says Hooker. In addition to a frozen dough plant, the company has teamed up with Robin Hood Multi-Foods to create a dry mix version of the product.

Just like its name, there's no stopping this industrious, hardworking company from accomplishing its task, and for BeaverTails Canada Inc., this means ensuring its wholesome, delicious pastry is available to consumers the world over. And, it is well on its way. ♣

Laval University's Student Trade Missions Seeking Sponsors

LIMA, PERU AND MUNICH, GERMANY — May 7-30, 2000 — This year, two teams of 15 students from the faculties of Administration and Science and Engineering of Laval University's Bachelor's and Master's program will be travelling to Munich, Germany and Lima, Peru.

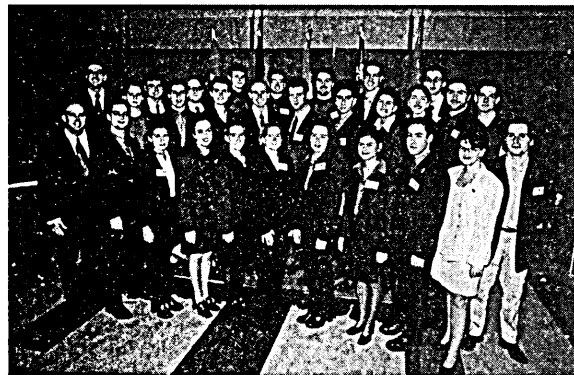
Each year a target country is selected for the students to carry out their assigned mandate. This year marks a first, since previously only one mission per year was organized.

Established in 1996, Laval University's Missions Commerciales Étudiantes Inc. has sent trade missions to Argentina, Chile and Colombia. It provides international market development services for sponsoring Quebec companies and organizations.

The students taking part in the missions this year are seeking sponsorships. Businesses are therefore invited to take advantage of the opportunity available to them.

The services proposed include market studies; research into potential investors, partners or clients; product

and service distribution; and other customized services as required. The mandate consists of confirming in the field conclusions drawn from an analysis done in Quebec. A detailed, professional report is given to the



Laval University's Student Trade Mission members.

sponsoring companies when the missions return.

Since the organization was formed in 1996, over 40 Quebec companies and small and medium-sized enterprises (SMEs) have placed their confidence in Missions Commerciales Étudiantes. These include CGI Group, Bell Canada International, Précitech, Prima Télématique, Planchers Bois-

Francs P.G., Technologies Lyre Inc., Logiciels Avantage, and Gespro.

The sponsoring companies provide partial funding for the missions, which rely chiefly on support from the federal government through Canada Economic Development and the Quebec Department of Industry and Commerce.

"I was pleasantly surprised by the vitality and professionalism of the students and the mission," says Rémy Brodeur of Bell Canada International, who assigned two mandates to the Colombia mission.

"Missions Commerciales Étudiantes enables students to acquire exceptional hands-on experience in international trade. They come back more mature and much better prepared for the careers ahead of them," says Gérard Verna, a professor with the Department of Management, Faculty of Administration, Laval University,

which has supported this project since it began.

For further information — there are a few sponsorships left, but they are being snapped up — contact Sandrine Jobin, Administration Student, Missions Commerciales, tel.: (418) 656-7399, e-mail: info@missions-commerciales.qc.ca Internet: www.missions-commerciales.qc.ca 🍁

Where Canada Meets the World!

Guided tours of the Lester B. Pearson Building, home of the Department of Foreign Affairs and International Trade, are once again open to the public.

Tours will be conducted between April 3 and November 10, 2000.

For more information, or to book a tour, call (613) 992-9541, or e-mail: maricarmen.charbonneau@dfait-maeci.gc.ca 🍁



NEXSA Telecommunications Mission Going to Colombia and Venezuela

COLOMBIA AND VENEZUELA — March 13-17, 2000 — The NEXSA program, with a focus on South American markets, is in its second year. It was created to introduce companies — with exporting experience to markets other than South America — to this dynamic region.

For a \$500 fee participants will receive a translation of their company profile in Spanish; a pre-departure information session on doing business in the two markets; detailed information on the telecommunications sectors in Venezuela and Colombia; a customized appointment schedule; a visit to EXPO-COM ANDINO (one of the major regional telecommunications shows in Colombia); and follow-up assistance.

The mission program may also include networking receptions with local associations and trade media; site visits; individual appointments with distributors, agents; and meetings with potential joint venture partners.

For this special NEXSA mission participants will also be part of the Cana-

dian Symposium on Telecommunications and Informatics Technology and Services, organized by the Canadian Embassy in Bogota and fully supported by: Nortel, Newbridge, Teleglobe, and BCI; Industry Canada; the Camara Colombiana de Telecomunicaciones y Informatica (one of the main telecommunications and informatics industry associations in Colombia); the Colombian Software Federation; the Information Technology Support Center; and the organizers of EXPO-COM ANDINO.

At this seminar Industry Canada is working with private sector participants to present Canadian telecommunications capabilities to Colombian business participants.

For more information — apply as soon as possible — contact your local International Trade Centre or the South America Division, DFAIT, fax: (613) 943-8806. ✪

Business Opportunities at the United Nations

NEW YORK CITY — May 31 - June 1, 2000 — The United Nations purchases goods and services worth approximately \$3 billion annually. At the International Aid & Trade Exhibition and Conference you will find out how to become a potential UN supplier. Organized by the Winchester Group, and co-sponsored by the United Nations Office for Project Services, this show is an unprecedented opportunity to learn about doing business with the United Nations. Senior procurement officers will explain their bidding procedures, tell you what they buy and where, and help you get on their supplier rosters. Many UN agencies will have display booths, and you will be able to meet one-on-one with procurement officers.

Don't miss this opportunity to have your company represented at International Aid & Trade 2000.

For more information, visit the show's Internet site at www.aidandtrade.com To reserve booth space, contact by e-mail: kevin.sammon@aidandtrade.com For questions about doing business with the UN and to learn more about its procurement procedures, contact Lisa Rambert, Canadian Consulate General, New York, e-mail: lrambert@canapple.com, fax: (212) 596-1793. ✪

Peru Mining Show Perfect Place to Uncover New Opportunities

LIMA, PERU — May 2-5, 2000 — Very few mining markets are expanding as fast as that of Peru. Although metal prices were down in 1998, the value of production from Peru's mines was up 6.8 per cent. In the first six months of 1999, gold production was up 48 per cent over the previous year, while copper, zinc and lead increased by 9 per cent, 6 per cent and 4 per cent respectively.

Canadian investments in Peru, now at US\$1.8 billion, are expected to reach more than US\$7 billion within the next seven years, with much of this investment in mining.

Mining companies operating in Peru purchase about US\$1.8 billion worth of equipment and services annually, most of which is imported. This demand will increase as new mines open and existing mines are upgraded.

Peru Gold, the Fourth International Gold Symposium and Trade Show, is

expected to surpass the 1998 event, which attracted over 1,100 delegates, 800 visitors and 124 exhibitors.

The Canadian Association of Mining Equipment and Services for Export (CAMESE), which participated in the 1998 show, recommends Peru Gold highly for those selling to the exploration, feasibility study, extraction and processing areas of the mining industry.

With Expomin 2000 taking place the following week in Chile (*see next page*), Canadian mining companies may wish to take advantage of this unique opportunity by attending both events.

For more information, contact Oscar Vásquez, Senior Commercial Officer, Canadian Embassy, Lima, Peru, tel.: (011-511) 444-4015, fax: (011-511) 444-4347, e-mail: oscar.vasquez@dfait-maeci.gc.ca ✪

SANTIAGO, CHILE — May 9-13, 2000 — EXPOMIN is Latin America's largest and most prestigious mining trade show.

Each of the last four events attracted more than 100 Canadian suppliers to Canada Pavilions which, since 1998, are organized by the Canadian Association of Mining Equipment and Services for Export (CAMESE).

Chilean mineral exports in 1999 were valued at close to \$2 billion, almost half of the nation's total exports. The country's mining sector is particularly attractive to both local and foreign investors.

Today, Chile is the largest producer and exporter of copper in the world. In fact, by 2000, it was estimated that annual Chilean production of fine copper would surpass 4 million tons. This will represent 40 per cent of total world production of approximately 11 million tons. In addition to copper, gold production has increased from 20 to 36 tons/year and silver production from 500 to 850 tons/year since 1987.

The expansion of mining activity over the last decade and the wave of mining projects under preparation have generated a high and continuous

Good Prospects in Store at Latin America's Largest Mining Trade Show

demand for mining equipment. Imports represent approximately 80 per cent of the mining equipment market, valued at \$770 million in 1999.

Canada's presence in local mining operations has increased significantly in recent years, with Canadian authorized investments in the mining sector having surpassed \$7.5 billion.

Canadian companies supplying equipment/services in the mining sector are constantly increasing their presence in the Chilean market. Many have set up commercial agreements such as joint ventures with local firms to have a competitive presence in the market and to use the local expertise, contacts and labour skills. There are an estimated 150 Canadian mining equipment and service companies active in Chile.

Chile's largest mining company, the National Copper Corporation of Chile (Codelco-Chile), is a government-owned company that in 1998 pro-

duced 1.4 million tons of copper, or about 40 per cent of all Chilean copper exported to foreign markets. Codelco's programmed investment in current projects is \$667 million for this year, expected to reach \$1.09 billion in following years.

Canadian producers of machinery and mining equipment and services are respected for their state-of-the-art technology and leading mining methods and processes. And with the signing of the Canada-Chile Free Trade Agreement, the majority of mining equipment products enter Chile duty free. All good reasons for Canadian mining suppliers to participate in EXPOMIN 2000.

For more information, contact Francis Bourqui or Catherine Resentera, CAMESE, tel.: (905) 513-0046, fax: (905) 513-1834, e-mail: minesupply@camese.org *

Interbuild Australia 2000: A Show Worth Building On



MELBOURNE, AUSTRALIA — July 16-19, 2000 — Success in the building industry beyond 2000 will rely on innovative promotional strategies and developing industry-wide contacts in an increasingly complex marketplace.

Interbuild 2000 — Australia's 14th International Building Materials and Equipment Exhibition — is that country's premier showcase for the commercial, industrial and domestic building and design industries, presenting an invaluable opportunity for your business to establish new clients and generate sales.

With a trade-only audience of over 15,000 buyers and specifiers, Interbuild can be a powerful component of your company's marketing strategy.

The show incorporates many major industry events, each with seminars, including: Tilex 2000, Frame Australia 2000, National Plumbing Show 2000 and Interiors 2000.

In addition, Interbuild has special feature areas making it easier for visitors to locate any product material or service: Window and Glass Technology, Computerbuild, Safety and Security, and Building Materials and Equipment.

Companies new to Australia can simply display their brochures in the giant brochure stand, or share a booth with another related Canadian company.

For more information, contact, in Canada: Robert Grison, President, Canadian Export Development, tel.: (613) 825-9916, fax: (613) 825-7108, e-mail: cced@sympatico.ca. In Australia: Kevin Skauge, Business Development Manager, Canadian Consulate General in Sydney, tel.: (011-61-2) 9364-3049, fax: (011-61-2) 9364-3097, e-mail: kevin.skauge@dfait-maeci.gc.ca *

THESSALONIKI AND ATHENS, GREECE — May 22-26, 2000 — The Department of Foreign Affairs and International Trade (DFAIT) is organizing a trade mission to Greece to capitalize on the country's growing information and communication technology (ICT) sector, as well as others. The mission leader will be John Cannis, Parliamentary Secretary to the Minister of Industry and Member of Parliament for Scarborough Centre.

Based on market potential, this mission will identify trade opportunities in the Greek market, and will definitely benefit from a high-level Canadian delegation. There are a number of Canadian firms actively pursuing trade opportunities in Greece, including Northern Telecom, which recently established an office in Athens.

Canada's high tech and services knowledge and expertise is key to the

Growing ICT Sector Target for Planned Trade Mission to Greece

success of this mission. Companies participating in this mission are likely to yield results and economic benefit for Canada. The mission will be pursuing such sectors as environment (waste management), telecommunications, engineering, aerospace, electronic, financial services, health care, mining and construction, as well as opportunities related to the Olympic Games in 2004 and the Balkan's reconstruction efforts.

The mission will include seasoned Canadian exporters to Greece along with new-to-market exporters from across the country. Priority will go to companies with experience in the Greek market as well as internationally.

DFAIT will organize a specialized business program for each participant that will include individual meetings with Greek companies; group meetings with business associations; seminars and receptions; and meetings with government officials. Time will also be available to pursue independent activities.

The deadline for registration is March 17, 2000.

For more information, or to register, contact Jean-Louis Robitaille, Trade Commissioner, tel.: (613) 996-4484, fax: (613) 995-8783, e-mail: jean-louis.robitaille@dfait-maeci.gc.ca *

Calgary Strikes it Rich with Major Petroleum Show and World Congress

CALGARY, ALBERTA — June 11-15, 2000 — For the first time, Calgary presents the unique combination of the 16th World Petroleum Congress (WPC) and the National Petroleum Show (NPS). At the Congress, senior government and industry representatives of the 57 major petroleum producing and consuming countries will meet under the theme, *Petroleum for Global Development: Networking People, Business and Technology to Create Value*.

The 3,000-4,000 attendees will discuss broad issues for the petroleum industry, new developments and progress in specific industrial areas. Upstream and downstream topics will be examined, drawing decision makers, not only from the oil and gas sector, but from the transportation,

environment and energy sectors at large. The NPS is expected to attract 1,400 exhibitors.

The Canadian Trade Commissioner Service will have a major presence at this event. Look for further details, including a complete list of the trade officers that will be attending and how you can meet with them, in a future issue of *CanadExport*.

This is a global event; if you want to attend, make your plans early!

For more information, take a look at the WPC and NPS Web sites at www.wpc2000.com or contact them by phone at (403) 218-2000 and 1-888-799-2545, ext. 566, respectively. *

Mission to Morocco Postponed

The environmental mission to Morocco slated for last month (see the January 17 issue of *CanadExport*, p. 15) has now been postponed to May 30-June 1, 2000.

For more information, contact Lucie Tremblay, Trade Commissioner, Maghreb and Arabian Peninsula Division, DFAIT, tel.: (613) 944-6590, e-mail: lucie.tremblay@dfait-maeci.gc.ca *

ICT Mission Going to the Nordics and Germany

FINLAND, SWEDEN, NORWAY, DENMARK AND GERMANY — June 2000 — The Department of Foreign Affairs and International Trade (DFAIT) is organizing a New Exporters Overseas (NEXOS) mission to the four Nordic countries and Germany.

The mission is designed to introduce the Nordic information and communications technology (ICT) market to Canadian companies that have not exported to the region before.

NEXOS missions expose companies to market opportunities, identifying emerging trends and market

characteristics, explaining the aspects of doing business in the target countries, and explaining how to develop strategies to achieve distribution and sales.

Each mission includes a full day of briefings on how to find an agent, distributor, or associate, and provides information in areas such as customs procedures, market access, shipping, labelling, distribution channels and currency regulations, through seminars and workshops, which include local speakers.

The mission will have stops in Helsinki, Stockholm, Oslo, Copenhagen, and one German destination. Participants interested in visiting other European posts after the mis-

sion may make arrangements through the mission organizer (*below*) to take advantage of the services offered by the Trade Commissioner Service's worldwide network.

Participants in NEXOS are responsible for their own transportation, accommodation and living expenses. NEXOS will cover associated program expenses such as meeting rooms, speakers and local transportation.

DFAIT's InfoExport site (www.infoexport.gc.ca) offers a number of market reports on the target countries.

For more information on the mission or to receive the NEXOS registration forms, contact Gayle McCallum, European Business Development, DFAIT, tel.: (613) 996-1530, fax: (613) 944-1008, e-mail: gayle.mccallum@dfait-maeci.gc.ca *

Newfoundland Business

— Continued from page 13

From her experience, American buyers are very open to hearing the benefits you can offer, and distance has not been an issue. Protocall's business has grown by word of mouth. "We have a roster of satisfied customers, and one attracts another. We're selling service and experience, and the testimonials help expand the business.

"For added value, this year we were the first call centre to welcome in the new millennium in North America due to our unique time zone," claims the entrepreneurial Judy Reid.

For more information about Protocall, contact Judy Reid, President, tel.: (709) 747-2255, fax: (709) 747-2254, e-mail: jreid@protocall.nf.ca *

Australian Food Shows Spell Opportunities for Canadian Companies

MELBOURNE, AUSTRALIA — November 17-20, 2000 — Australia's largest exhibition for the food and beverage industry, Fine Food Australia, an international event showcasing the latest innovations in food, drink and equipment, draws about 500 exhibitors from Australia and 20 other countries. The trade-only exhibition attracts an audience of more than 24,000 from key industry sectors, including supermarkets, convenience stores, restaurants, clubs, hotels and catering institutions.

Feature areas within Fine Food Australia focus on such areas as bakery, confectionery, dairy, beverages, meat, seafood and equipment.

Fine Food Australia incorporates a number of major events including the Supermarket Show, part of

Supermarket Australia, an international exhibition for supermarkets and convenience stores highlighting the latest retail technology and grocery products from around the world.

Together, these two shows form the largest food, beverage and equipment event in Australia. Also taking place at the same time is the Australian Food Congress, a prestigious event with dedicated conference streams for the supermarket sector.

For more information, contact Australian Exhibition Services Pty Ltd, Illoura Plaza, 424 St Kilda Road, Melbourne, VIC 3004, tel.: (011-61-3) 9261-4500, fax: (011-61-3) 9261-4545, e-mail: shows@ausexhibit.com.au Internet: www.ausexhibit.com.au/ *

The Canadian Trade Commissioner Service Additional Services

Participation in events and logistical support

You're planning a visit to your target market to meet the key contacts we've identified for you. During your visit, you intend to participate in a local trade fair. The offices of the Canadian Trade Commissioner Service (TCS) abroad can help you make the most of your participation in such an event. We can also help with your logistical needs while you're there. Of course, you don't have to be planning a visit to your target market to need logistical support: if you're looking to buy bid documents or you want someone to attend the bid openings on your behalf, we can help you with that, too.

Participation in events

If you need representatives to staff a booth at a trade event, we can refer you to a qualified service provider who speaks the local language and has experience representing companies at such events. We can also recommend local service providers skilled at handling the details of market events such as mail outs, recruitment and contact points. These service provi-

ders are local companies we work with regularly and trust fully. Our role is to identify the best service providers to respond to your needs.

Logistical Support

Logistics

Sometimes, arranging logistical support such as airport pick-up and drop off, local transportation and hotel reservations can be a challenge. The Canadian Trade Commissioner Service can help. In most markets, we can refer you to selected qualified third parties, who offer these services at a cost.

Bidding Assistance

In many markets, you will have no difficulty obtaining tender documents directly from the organization managing the tender. If you prefer, the Trade Commissioner Service can refer you to qualified local agents who will order and courier bidding documents on your behalf. Also, many tender announcements and bid documents are available on the Internet. We can

give you information on finding specific Web sites and tips on handling tenders via the Internet.

For more information on the Canadian Trade Commissioner Service or to obtain a list of our third-party service providers in various foreign markets, visit our Web site www.infoexport.gc.ca

The Canadian Trade Commissioner Service Core Services

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



Additional Services

- Appointments and Meetings
- Logistical Support
- Participation in Events
- Temporary Office or Display Space
- Business Support Services *

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling **1-800-267-8376** (Ottawa region: **944-4000**) or by fax at **(613) 996-9709**; by calling the Enquiries Service FaxLink (from a fax machine) at **(613) 944-4500**; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

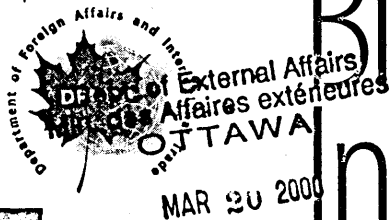
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Ottawa, ON K1B 3V9



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Business Opportunities in the Bio-Pharmaceutical Industry in Belgium



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Belgium has a reputation for developing a number of state-of-the-art technologies, especially in life sciences such as microbiology and medicine which were developed over the years in 16 public research departments and universities and in a dozen science research parks.

Strong collaboration between science-based academic teams, entrepreneurs

and investing industries are a well-established feature of the Belgian biotechnology industry which has developed expertise in health care, agrobiolgy, environment, biochemical and genetic engineering.

Moreover, both federal and regional governments continuously support collaborative research through flexible and significant incentives. International companies developing activities and investing in Belgium can benefit from a large pool of financial subsidies at three levels: federal (the State), regional (the three regions) and European (the European Union).

Key players

Belgium has benefited from early investments in biotechnology, owing to the strong local presence of pharmaceutical companies which were initially the main source of industrial funding.

Continued on page 4 - Bio-Pharmaceutical

A WINNER IN VIETNAM

Scholarship winner Vuong Phuoc Tri (left) and the three semi-finalists in the McCain scholarship contest.

See story page 14

Winning on the Web with Help from CCC

Canadian Commercial Corporation (CCC) has helped Montreal company land coveted contract with NAFTA Customs. Clickon Technologies hasn't looked back since.

Although it's not yet five years old, Clickon Technologies is already a respected veteran in the fast-paced Internet world. The Montreal Web-site developer has grown quickly and attracted a number of high-profile clients, among them the organiza-

tion that administers the North American Free Trade Agreement (NAFTA).

"We were there in 1995, when the Internet really started," says Albert Zaccour, President of Clickon Technologies. "We've always looked at the Web as simply another marketing medium, like TV, radio or print, and our goal was to merge our marketing and technical skills to offer this new medium to our clients."

Continued on page 12 - Winning

Celebrating the opening of the Honorary Consulate in Naples, the Canadian Embassy in Rome, in conjunction with the Unione Industriale di Napoli, and with the support of the Department of Foreign

featuring three core events — the signing of a memorandum of understanding (MOU); corporate announcements by Nortel and Celestica; and a seminar on e-commerce — that attracted over 275 people, two key

also the gala dinner and other cultural events.

Opening Canadian Consulate in Naples

Affairs and International Trade, Agriculture and Agri-Food Canada and the important contributions of several Canadian and Italian sponsors, staged an ambitious series of profile-raising events from January 19 to 23, 2000.

"Canada Days in Naples: From Igloos to High-Tech," is how one leading newspaper captured the events, designed to raise Canada's profile as a modern, diverse society, and to promote Canadian business prospects in the often neglected south of Italy. It included everything from high-tech, business meetings, a concert by the Canadian Brass, Inuit art and photo exhibitions, a tourism seminar, food promotion and academic events, key political and press encounters and a conference on development co-operation focusing on Africa.

And, like the oranges, tomatoes, olives and grapes traditional of the Naples region, the message fell on fertile ground capturing extraordinary media coverage, and business participation. Over 8,000 people visited the Information/Tourism Gazebo, jointly organized by the Canadian Embassy and the Canadian Tourism Commission, and the extensive media coverage generated was overwhelmingly positive.

IT symposium a hit

Featured during the *Giornate Canadesi* (Canada Days), was a major symposium on information technology (IT)

Italian federal Ministers (Piero Fassino, Foreign Trade and Salvatore Cardinale, Communications) and the Mayor of Naples.

The tremendous response demonstrated the explosion of interest in the Internet in Italy and particularly in the South where significant opportunities exist for Canadian companies. A key element of the event was an MOU for co-operation between Italy and Canada on information technology signed by Minister Fassino and Canada's Public Works and Government Services Minister Alfonso Gagliano. The MOU is a concrete business document meant to open opportunities for partnerships between Canadian and Italian IT companies.

With more than 200 small and medium-sized enterprises, Canadian and Italian Ministers and a Mayor, over 60 Canadian company representatives, and local and national press and TV coverage, the IT symposium was the high point of the five-day program.

Support substantial

Numerous Canadian and Italian companies (Eicon Technologies, Dolphin, Microforum Italia, TIW, Newbridge, IBM, Aéroports de Montréal, Banca Commerciale Italiana, Alenia Aerospazio, Canadian Wheat Board, Corel, Canadian Tourism Commission, Canadian Airlines) participated and contributed over \$100,000, which funded not only the IT program but

Corporate announcements

Following the MOU signing, Celestica of North York announced a \$500-million investment in Italy by buying two former IBM plants with 1,300 employees, making it the largest Canadian company in Italy. Nortel announced another record sales year in Italy; and MDA of Vancouver signed a \$70-million satellite procurement agreement with Alenia Aerospazio on behalf of the Radarsat II consortium.

Focus on Canadian culture, lifestyle

One of the highlights of Canada Days was the opening of a moving multimedia exhibit entitled "Italian Immigration to Canada: The Departure, the Voyage and Arrival at Pier 21," organized

Continued on page 8 - Canadian

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canadexport

CUBI Chamber is a national volunteer organization whose purpose is to develop and strengthen investment, trade and commerce between Canada and Ukraine.

Goals

1. Encourage Canadian investment in Ukraine.
2. Establish networks and strategies for working within Ukraine.

Canada-Ukraine Business Initiative

(CUBI Chamber)

3. Identify prime sectors in the Ukrainian market for Canadian businesses.
4. Support the Canada-Ukraine Intergovernmental Economic Commission by presenting the issues that affect Canadian businesses operating in Ukraine.
5. Consolidate and maintain support of governments.
6. Lobby and inform Canadian and Ukrainian lawmakers in order to simplify trade and commerce between the two countries.

CUBI Chamber offers:

Representation

1. Representation of business issues to Canadian and Ukrainian governments for more efficient and expedient solution to roadblocks.
2. Representation on the Intergovernmental Economic Commission on specific issues affecting Canadian companies in Ukraine through the energy, construction and agriculture sectors.
3. Development of business relationships between Canadian and

Ukrainian companies, including access to the experience of Canadian firms doing business in Ukraine.

Contacts

1. Organization of meetings involving key Canadian and Ukrainian business and government representatives to provide information on networking opportunities for investment in Ukraine.

2. Networking with members of other Eastern European chambers of commerce by holding joint meetings and exchanging information on business events.
3. Opportunity to discuss challenges and successes in Ukraine, and to seek advice from fellow Chamber members.
4. Access to business opportunities (information on tenders, search for partners, investment opportunities, job ads, etc.) through the CUBI Chamber.

Information

1. Access to information on the latest business ventures between Canada and Ukraine, information on critical political and economic events and tax laws, and Canadian and Ukrainian businesses.
2. Notices of CUBI Chamber meetings, seminars and conferences, which present topics of interest to members; and discount member rates for these events.
3. Access to an updated Internet site with links to important news on Ukraine.

CUBI 2000 - The Event

The Canada Ukraine Business Initiative (CUBI) 2000 is a trade development program designed to seek new opportunities and build business partnerships between companies and agencies in Canada and Ukraine. Energy, agriculture and construction are the three industry sectors of primary importance in Ukraine's economy. However, there are many other areas of interest to Canadian business.

The Chamber is in the planning stages for its CUBI 2000 event — this time to be held in Kyiv in May 2000.

Inside CUBI 2000

1. Network with other businesspeople from across Canada who are looking at exporting to Ukraine.
2. Meet Ukrainian businesspeople who are interested in doing business with Canadians.
3. Investigate first-hand the market potential for your product, in a supportive and open environment.
4. Begin to develop, or expand, your Ukrainian network and develop intelligence regarding the Ukrainian marketplace.
5. Explore joint ventures, trade deals, licensing agreements; investigate links with industry and government.
6. Take advantage of the opportunity to participate at a special price.

For more information on the Chamber or CUBI 2000, contact Gill Giles, Executive Director, CUBI Chamber, Winnipeg, tel.: (204) 477 1260, fax: (204) 477 6346, e-mail: cubi.chamber@mb.sympatico.ca



— Continued from page 1

Key companies and organizations in this process include affiliates of foreign firms such as Baxter, CAF-DCF, Red Cross, JanssenPharma (Johnson & Johnson), Lilly, Pharmacia-Upjohn, Pfizer, and SmithKline Beecham Biologicals.

Typical Belgian firms include Solvay which has an affiliate in Scarborough, Ontario — Solvay Pharma — with 140 employees and specializing in the production of the Pantoloc drug used for cases of esophageal reflux.

The company also does research in therapeutics, gastroenterology, cardiology and gynaecology. Last year, Solvay — it is open to new partnerships — increased its presence on the U.S. market by developing alliances with Unimed Pharmaceuticals and Duramed Pharmaceuticals.

Another successful Belgian company is UCB — with worldwide operations — known for its Zyrtec and Kepra medications. The latter drug received FDA approval last December, and this year's sales are expected to reach US\$225 million. As for Zyrtec, an anti-allergic drug, it is qualified as a "blockbuster" with worldwide sales in excess of US\$1 billion in 1999.

Initial Belgian bio-tech start ups were created in the early 1980s.

Some were spinoffs from universities with strong innovative core technologies, such as Plant Genetic Systems (a company with major production and R&D activities in Canada), in agro-business and Eurogenetic, Eurogentec, Innogenetics and Medgenix in health care.

Today, Belgium has more than 52 companies actively involved in bio-tech employing over 4,400 people and investing more than \$0.51 billion in R&D (EUR0.30 billion) per year.

The annual R&D budgets increased on average by 40 per cent each year over the past five years.

Bio-tech development in Belgium has steadily continued in the 1990s

Beecham Biologicals in Belgium and Bio-Pharma from Laval, Quebec.

This partnership aims to develop novel influenza vaccine technologies, new cell culture active ingredient

Business Opportunities in the Bio-Pharmaceutical Industry in Belgium

with the emergence of new players such as Computer Cell Culture Center, DevGen, Euroscreen, Lambdatech, Tibotec, Virco and recently CropDesign.

Opportunities

In 1998, total revenues in the Belgian bio-tech sector amounted to \$3.10 billion (EUR1.52 billion). The larger bio-pharmaceutical companies continue to source out parts of their research or production activities resulting in opportunities for startup entrepreneurial firms.

These startups will focus on either completely innovative products and services or on specific needs of the industry, providing tailor-made solutions which very often are the basis for long-term relationships with privileged customers.

Canadian business relationships, in addition to Plant Genetic System's major investment in Saskatchewan, include the strategic long-term co-operation and co-development agreement between SmithKline

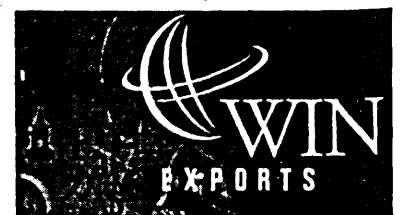
production technologies and new intra nasal delivery systems. These new technologies will serve a large and growing market in which some 70 to 150 million people are struck with the disease each year in Europe and North America alone — promising market because vaccination is the most cost-effective protection.

To conclude, the Belgian bio-tech market offers very good opportunities for Canadian SMEs and larger firms in commercial, technological and collaborative research partnerships. The openness of Belgium's economy and more specifically, the international dimension of its bio-tech industry, make it an ideal starting point to develop businesses in Europe.

For a more comprehensive view of the Belgian bio-tech industry, consult the Canadian market study available soon at www.infoexport.gc.ca/be or contact Bart Roefmans, Commercial Officer, Canadian Embassy in Brussels, e-mail: bart.roefmans@dfait-maeci.gc.ca ✪

Looking for Export Opportunities?

Make sure you are registered in the WIN Exports database, which is used by trade commissioners abroad to promote your company's capabilities to foreign buyers. Fax your request for a registration form to 1-800-667-3802 or (613) 944-1078. Or call 1-800-551-4946 (613-944-4946 from the National Capital Region).



A year of hard work by Sonitec Inc. has culminated in a \$435,000 deal to provide the water filtration system for the cooling towers at Korea's new Inch'on International Airport, slated to open early next year.

The high-efficiency Vortisand® unit has already left the small company's plant in Ville Saint-Laurent and is scheduled for delivery in mid-April. The hefty project follows a shipment of eight filters to Kosovo in October, as part of a potable water treatment package for peacekeeping troops.

Facing stiff competition from American suppliers of conventional systems, Sonitec won both contracts on the merits of the compact design of Vortisand® and its unique process combining centrifugal separation and ultra-fine sand filtration, which provides results up to 20 times finer than traditional methods.

Value of Trade Commissioner Service

Sonitec's impressive achievements in the international arena are due primarily to its innovative technology, competitiveness and astute marketing techniques. According to Martine Ménard, the company's Marketing Coordinator, support from the Canadian Trade Commissioner Service (TCS) has also played a pivotal role, particularly in Korea.

"We were first approached by the engineering firm responsible for the Inch'on Airport at a trade show in San Francisco in 1998, and a week later they requested a quote," explains Ménard. "In order to quickly gather missing details, we contacted our embassy in Seoul and have remained in close touch ever since," she says.

"TCS staff — notably Commercial Officer Y.H. Choi — promptly placed a number of calls on our behalf and tracked down the information we needed. Not only did their investigations provide us with crucial background regarding the project, but they also helped verify the seriousness and integrity of our Korean contractor and end user," adds Ménard.

The company — which is registered

in DFAIT's WIN Exports database — is far from a novice at exporting, however. According to company president Alain Blais, worldwide exports account for about 70 per cent of total produc-

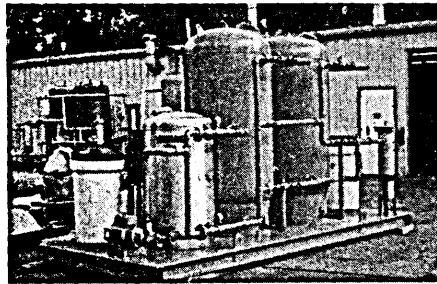
challenges — the vast majority of which we find ourselves capable of meeting.

"And besides the obvious — such as having a solid marketing plan for the

Innovative Quebec Filter Technology

Company Breaks into New Markets

tion, with Japan poised to become one of Sonitec's newest markets. In collaboration with the Japan External



Sonitec Inc.'s high-efficiency Vortisand® unit.

Trade Organization (JETRO), the company is gearing up for a major environmental products and recycling trade show in Tokyo in May, where TCS staff will be called on to help set up meetings and select an agent.

Export tips

Ménard and Blais have a few tips for new exporters in the environmental sector. "Having a competitive product and the ability to provide excellent before and after-sales service are essential. A professional image and a corporate Web site are also very important.

"We have received numerous queries from around the globe through our Web site, both from distributors interested in representing our products and from companies with specific requirements, which constantly present us with new

target countries — effective strategies include maintaining a high profile by advertising in industry publications and participating in — and following up on — trade shows and missions, and drawing on the myriad of government resources available. For example, we have found *CanadExport* to be a reliable source of information and leads."

Product diversity

The Vortisand® filter is used across North America by universities, hospitals, major industrial facilities and municipalities in a variety of applications such as cooling water side stream filtration, industrial waste water treatment (water reuse), processing potable water and swimming pools. Sonitec also manufactures the Osmotec™ membrane separation system, which uses reverse osmosis for boiler and humidifier feed water de-mineralization.

The company has a second manufacturing facility with a staff of seven in Holyoke, Massachusetts, but carries out 80 per cent of its production at its headquarters in Quebec, which employs 15 people.

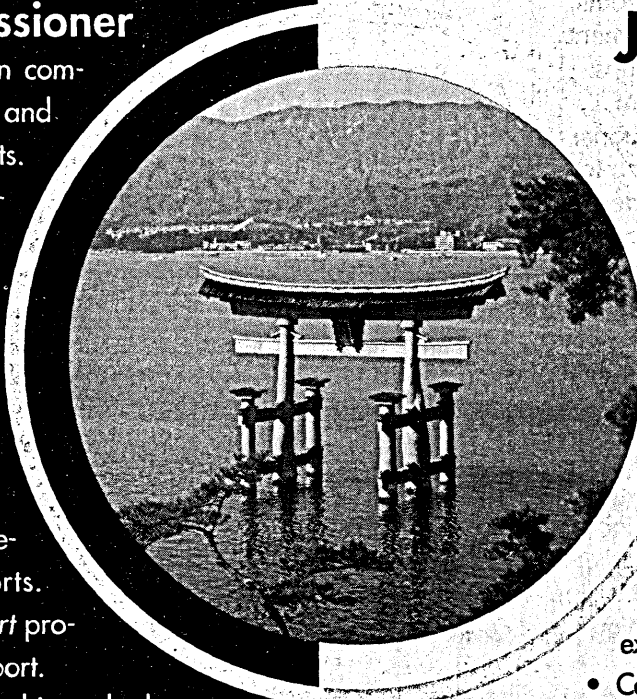
For more information about Sonitec Inc., contact Martine Ménard, Marketing Coordinator, tel.: (514) 335-2200, toll-free (888) 876-9655, fax: (514) 335-2295, e-mail: sales@vortisand.com Internet: www.vortisand.com *

JAPAN — Agri-Food

The Trade Commissioner Service

helps Canadian companies that have researched and selected their target markets. Successful companies concentrate on one foreign market at a time, moving on to the next only after succeeding in the last. To help you select which market you should target, the Market Research Centre of the Trade Commissioner Service has prepared over 500 market reports. This section of *CanadExport* provides an overview of one report.

For more information on this and other reports or if you want to know how the Canadian Trade Commissioner Service can help you get results in international markets, visit us at www.infoexport.gc.ca



Japan is the world's largest net food importer. In 1998, Japan was dependent on foreign countries for 59% of its total food, beverage and fish products, with a value of approximately \$78 billion. Japanese consumers have comparatively high annual incomes which enables them to purchase a wide variety of imported agri-food products.

Did you know that...

- Canada was Japan's fourth largest supplier of food products in 1998 with \$3.2 billion worth of exports;
- Canadian exports account for 5.5% of the total Japanese agri-food imports and 3.5% of total seafood imports;
- Japan is Canada's second-largest market for food exports after the United States;
- Agri-food exports to Japan are currently 50% greater than food exports to all 15 countries of the European Union combined.

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THE CANADIAN TRADE COMMISSIONER SERVICE



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World Market

The Japanese Consumer

Japanese consumers are increasingly demanding foods that are convenient, competitively priced and considered healthy (i.e. lower fat and salt content). While in the past, the

Trends

Although basic agricultural commodities currently dominate Canadian agri-food exports to Japan, there is significant potential for growth in a wide variety of consumer

However, progress continues to be made annually in further reducing the impact of these regulatory barriers.

See Potential?

There are numerous opportunities in the Japanese market for Canadian agri-food and fisheries exporters. Although there is significant international competition in the Japanese market, by catering to the needs of Japanese importers, your company will be able to compete with foreign suppliers.

For more information on specific opportunities, you can read the full report, "The Agri-Food Market in Japan," on-line at www.infoexport.gc.ca

The Japanese Fisheries Market - Quick Facts (1998)

Annual per capita seafood consumption	72 kg
Volume of fish imports	3.1 million tonnes
Value of fish imports	\$19.8 billion
Foreign supply of the total seafood market	40%
Canadian share of the market	3.5%
Canadian ranking	10th largest exporter

Cost of food in Japan was secondary to the quality of the product, Japanese consumers are now more concerned with getting a quality product at a reasonable price.

Japan is not one homogeneous consumer market. There are distinct regional differences with regard to food preferences. For example, annual

per-capita consumption of tuna and salmon is nearly 50% higher in the Kanto or Eastern regions (9.2 kg) of Japan versus the Kansai or Western regions (6.3 kg). In contrast, per capita consumption of sea bream and flounder in the Kansai region (4.2 kg) is 90% more than what is consumed in the Kanto region (2.2 kg).



food items. For example, there is a high demand for cereal-based products, fresh and frozen fruit and vegetables, and dairy products.

Also, Japan continues to be the largest fisheries importer in the world. Some of the opportunities available to Canadian exporters of traditional and non-traditional fish products are described in the report "The Agri-Food Market in Japan."

Regulations

Many of Japan's technical food regulations can be complicated for Canadian exporters.

www.infoexport.gc.ca

Could this be your market?
Complete report at
www.infoexport.gc.ca



The Agri-Food Market

➔ Access our market studies

You've been planning your visit to your target market. To effectively promote your company, we can help you with that, too. We can refer you to qualified professionals who specialize in this field. Each post

these kinds of amenities themselves, a few posts are. If a post has appropriate facilities, and if there's no conflict with any official function, space may be available. However, this arrangement is made on an exceptional basis, and should not necessarily be expected the next time or from other posts.

For more information on the Canadian Trade Commissioner Service or to obtain a list of our third-party service providers in various foreign markets, visit our Web site (www.infoexport.gc.ca).

The Canadian Trade Commissioner Service Additional Services Business Support Services and Temporary Office or Display Space

you've decided to translate your business materials. And you'll need the services of an interpreter while you're there. You will also need a place to display product samples during your visit. For help arranging these and other business support services, you can rely on the Canadian Trade Commissioner Service.

Business Support Services

Translation, interpretation and professional services can all be obtained from qualified service providers within your target market. Finding them can be a bit tricky, however. That's where we come in. We can refer you to reliable local businesses that can answer all your business needs. If you wish to conduct detailed market research studies within your prospective market, we

maintains a list of trusted service providers who will perform this work at a competitive price.

Temporary Office or Display Space

Even if you're travelling with your laptop, your palm organizer and your cell phone, you may find that a portable office just isn't enough. Many hotels offer the convenience of a business centre, but if your hotel does not, we can help.

We can recommend qualified service providers who will supply or arrange suitable facilities.

If you require space for presentations or to display product samples, our local knowledge will ensure that your needs are met. Although many of our posts are not equipped to offer

The Canadian Trade Commissioner Service — Core Services

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



Additional Services

- Appointments and Meetings
- Logistical Support
- Participation in Events
- Temporary Office or Display Space
- Business Support Services ✪

Canadian Honorary Consulate in Naples

— Continued from page 2

by the Embassy in collaboration with the Pier 21 Society of Halifax and the Port of Naples.

Other events included performances by Canadian jazz/blues pianist and vocalist Almeta Speaks and the Canadian Brass, a photo exhibit entitled "On their Side" by Canadian photographer Sheila McKinnon on the occasion of the tenth anniversary of the Convention

on the Rights of the Child; and a seminar on co-operation and development in Africa entitled "Focus on Africa: Canada and Italy Share their Experience."

Canada is now better placed on the local, regional and national map, and its profile as a country with cutting-edge technology and partnering solutions for Italy was raised considerably, as well as its cultural image in

southern Italy. Neapolitans now have a much different image of Canada and of Canadians, positioning us as a business partner.

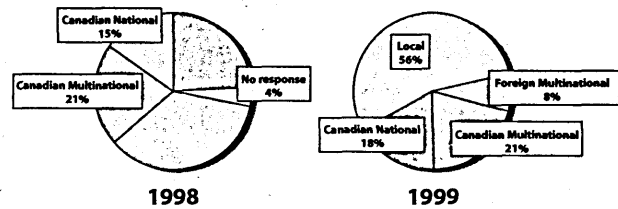
The challenge now is to build on the momentum to create closer and lasting business and cultural ties between Naples, Italy and Canada.

For more information on market opportunities in Italy, contact Loreta Giannetti, Southern Europe Division, DFAIT, tel.: (613) 996-5263, e-mail: loreta.giannetti@dfait-maeci.gc.ca ✪

Comparative Overview of 1998 and 1999 Client Survey Results

Summary of findings...

- The MRC surveyed 306 and 500 respondents in 1998 and 1999 respectively.
- Results clearly demonstrate that the MRC is successfully reaching its target SME audience.
- Clients view the MRC market reports as important tools that are well written, organized and easy to obtain, and are using them to support their strategic purposes.
- Clients overwhelmingly prefer to receive the reports electronically via the internet.
- Overall, market reports maintain a consistently high level of client satisfaction.



Who are our Clients?

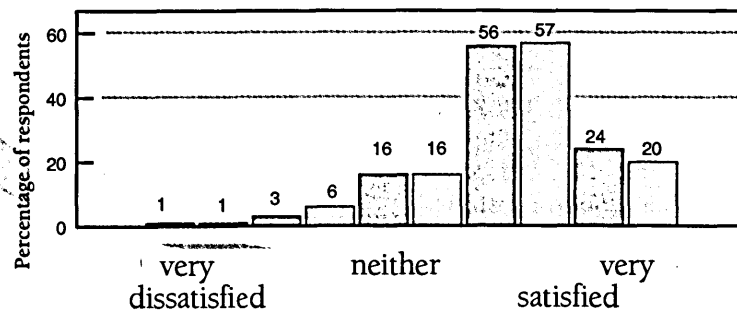
Primarily from:	1998	1999
• Business.....	31%	33%
• Manufacturing.....	17%	19%
• Retail.....	9%	12%
• High tech.....	17%	10%
• Fewer than 20 employees.....	59%	57%
• Annual Canadian sales less than \$5 millions..	64%	57%

How do clients rank our reports?

	1998	1999
Obtainable.....	89%	84%
Easy to understand.....	83%	89%
Well written.....	85%	86%
Well organized.....	85%	86%
Easy to locate topics.....	75%	76%

Client Satisfaction

Users are Satisfied with Market Reports



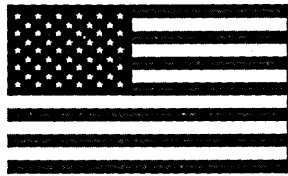
■ 1998 ■ 1999
(percentage do not differ statistically)

Clients USE OUR REPORTS FOR THE FOLLOWING Purposes.

	1998	1999
To obtain background on an already targeted market.....	62%	63%
To identify potential markets.....	54%	50%
To identify contacts/networking.....	27%	33%
To identify potential goods/services for a particular market.....	16%	27%

Our Clients' next Steps.

	1998	1999
Do more research.....	56%	52%
Contact Canadian Trade Office Trade Official Abroad.....	26%	38%
Visit the market.....	35%	34%
Seek an agent/distributor.....	31%	31%



The U.S. Connection

The U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division (URT). For information about articles on this page, contact URT by fax at (613) 944-9119 or e-mail at commerce@dfait-maeci.gc.ca. For all other export enquiries call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

The Canadian Consulate General in Boston serves five of the six New England States: Rhode Island, Massachusetts, Vermont, New Hampshire and Maine (the sixth, Connecticut, is served by the New York Consulate) as well as St. Pierre and Miquelon.

Right on Canada's doorstep, New England represents a market of 13 million people with a high level of disposable income and buying power. Wages are 16 per cent above the national average, and the 3.1-per-cent unemployment rate is among the lowest of any region in the United States.

Bio-technology, computer networking, health care, financial services, chemicals and plastics, and environmental engineering are widely regarded as the industries with the greatest opportunity and potential. As well, New England is the principal point of entry and major market for Eastern Canadian fisheries products; 50 per cent of U.S. seafood business passes through the Boston area. The sophistication of the American seafood consumer and the demand for greater variety make this an attractive market for Canadian fish, seafood and aquaculture companies.

Ocean Pier: A Small Corporation with Big Ideas

Founded in 1989 as a fish processing and manufacturing enterprise, Ocean Pier Inc. has rapidly transformed itself into an innovative and successful exporter. Located in Scoudouc, New

Getting into the Swim in the New England Market

Brunswick, and currently employing 30 people year-round, this progressive company specializes in gourmet fish and seafood products.

The National Board of the American Tasting Institute recently recognized the outstanding quality of Ocean Pier products by presenting the company with the prestigious "American Taste Award of Excellence" in San Francisco.

Ocean Pier began exporting in



1993 with just one product — seafood lasagna. Today, a wide variety of Ocean Pier hors d'oeuvres can be found in the aisles of major American supermarkets such as Shaws, Stop & Shop, and Price Choppers. The company continues to expand and grow, with 80 per cent of its revenues now stemming from exports, and recently concluding its first contract for a private retail label with an emerging American chain.

A key element of Ocean Pier's success is its use of resources available to Canadian companies wanting to take

advantage of New England's strong economic climate. The International Boston Seafood Show, where Ocean Pier made its third appearance this year, was particularly important for the company. It was at this show that Ocean Pier representatives first came into contact with key distributors who would later help introduce its products to the U.S. market.

International Boston Seafood Show a Vital Industry Showcase

The International Boston Seafood Show began as an initiative of the Canadian Consulate General and has grown to become the largest and most influential show of its kind in North America. This year's event took place from March 7 to 9 in Boston, and featured exhibits by producers of fresh, frozen and live seafood as well as displays of the latest quality control, transportation and storage solutions.

This year's show afforded exhibitors a unique opportunity to showcase their products to buyers from around the world. In 1999, buyers spent over \$8.5 million on the exhibit floor. Canada was well represented, with Canadian companies accounting for

Continued on page 11

the second largest group of exhibitors, after the United States. The show's Canadian Infobooth helped enhance Canada's profile, and a reception hosted by Consul General Mary Clancy pro-



Pierre Beaudoin, President and Chief Operating Officer of Bombardier Recreational Products Inc., addresses the members of the NECBC at a luncheon at the Boston Seaport Hotel on December 1, 1999.

vided a unique networking opportunity for Canadian participants and potential buyers.

The New England Canada Business Council

Effective networking is one of the keys to building a successful business. When introducing products to a new region, successful businesses must identify potential contacts within the area and establish strong relationships. Companies entering New England are fortunate to have a number of valuable resources they can use to help them enter and develop this market.

One such resource is the New England Canada Business Council

(NECBC). Established in 1981, the NECBC is an active network of businesses and individuals who share a common interest in strengthening the business, political and cultural ties that have historically existed between Canada and New England. The Council's frequent events provide forums for business executives from both sides of the border to interact in a professional atmosphere, fostering invaluable business relationships.

Last December, Pierre Beaudoin, President and Chief Operating Officer of Bombardier Recreational Products Inc., led a group of companies from Estrie, Quebec, to a luncheon meeting, the theme of which was "Virtual Organizations". Upcoming NECBC luncheon events in Boston will feature Thomas D'Aquino, President and Chief Executive, Business Council on National Issues, April 12, 2000, and Domenic D'Allessandro, President and CEO, Manulife Financial, May, 31, 2000.

Each year, the NECBC also hosts the pre-eminent energy conference in North America. This year, the **8th Annual U.S.-Canada Energy Trade and Technology Conference** will take place on November 3. Responding to the ever-changing business market, the NECBC is also launching a brand-new high-technology initiative, beginning with a conference during the first week of June entitled "Northern Lights: Illuminating Canada's High-Tech Opportunities".

Richard J. Terrazas, President and CEO of the NECBC, says, "Our diverse membership is comprised of representatives of a wide variety of industry sectors including high technology, medical, academia, energy and telecommunications. This unique group provides for a healthy exchange of ideas on an array of issues." ✪

Consulate InfoCentre: Gateway to New England

The Canadian Consulate InfoCentre is a one-stop shop for Canadian companies that have researched and selected New England as a target market. Within five working days of receiving a written inquiry, the InfoCentre responds to a company's request. It can supply the company with lists of local contacts and key strategic information on its particular industry. When available, it can also provide market information studies that will help companies better prepare to enter this lively region which maintains a healthy mix of traditional and emerging industries.

Companies can contact the InfoCentre via the Internet at boston.commerce@dfait-maeci.gc.ca or by fax at (617) 262-3415.

Looking to Do Business with the U.S. Federal Government?

Opportunities are just a key stroke away at the Internet site (www.gsa.gov) of the General Services Administration (GSA), which facilitates purchases by the U.S. government — "the world's largest consumer" — and the Electronic Posting System site (www.eps.gov). More GSA opportunities are listed on the site of the Canadian Embassy in Washington, D.C. (www.canadianembassy.org), and periodically in *CanadExport*.

Need to Know More about the Michigan Single Business Tax?

The Michigan Single Business Tax (SBT) is a value-added tax unique to the State of Michigan. Canadian companies that have Michigan gross receipts in excess of \$250,000 may be liable for this tax, and could be required to file state tax returns on a yearly basis. To have your questions answered and find out what steps you'll need to follow if you think your

company may have some SBT liability in Michigan, click into a panel discussion and Webcast organized by the Canadian Consulate General in Detroit, in co-operation with the London Economic Development Corporation, earlier this year. The discussion is available until May 31 in the trade section of the Consulate's Web site at www.dfait-maeci.gc.ca/~detroit ✪

Hong Kong is a highly competitive market but open to Canadian agriculture and agri-food companies. It is the only market in Asia where complete lines of Canadian food products are represented on supermarket shelves.

Agri-food products are the major component of Canadian exports to Hong Kong, representing 28 per cent, or \$341 million worth of Canadian products in the first 10 months of 1999.

Although this is considerably less — due to temporary Chinese restric-



Hong Kong Agri-food

Market Overview and Opportunities

tions and the global slump in some 1999 food prices — than the \$729 million in Canadian agri-food exports to

Hong Kong in 1998, it is anticipated that these exports will return to positive growth as Hong Kong's economy is expected to expand by 3.5 per cent in 2000.

Areas with growth potential are dairy products, chilled meat, frozen meat offals, health food and nutraceuticals, fresh and frozen fruits and vegetables, and seafood.

Canadian successes

Over the past two years, several Canadian companies have established and expanded their business

Continued on page 16 - Hong Kong

Winning on the Web with Help from CCC

— Continued from page 1

Clickon started out as an exporter, with the company's first major sale of a data search engine that indexed more than 30,000 companies in the United Arab Emirates. That early success was followed by an award-winning Web site that Clickon built for home renovation retailer Reno Depot. Last

input into the NAFTA Web site. The trilingual Customs site is a vital information resource for exporters working in the North American marketplace.

"We met with Canadian, U.S. and Mexican Customs people here in Montreal to determine their needs," says Zaccour. "CCC sent a representative from Ottawa to help us with the discussions, which was very helpful. And throughout the project, they also made sure that all the legalities were in place."

Clients and partners

"CCC gave us the credibility we needed for a project like this," says Zaccour. "And our work with NAFTA has also opened up new opportunities for us."

Clickon's 15 full-time and 10 contract employees are now providing information technology solutions to a much larger client base, which includes engineering giant SNC Lavalin, Royal Airlines, ITF Optical Technologies, and boat manufacturer Doral Industries. The company is currently developing e-commerce applications.

"We are constantly doing R&D," adds Zaccour. "From that, we set up our clients with the tools they need — marketing tools for the front end, and technical tools for the back end. Eventually, they can administer their own site. The overall goal is to become partners with our clients, just as CCC did with us." ★



Albert Zaccour, President, Clickon Technologies

year, when NAFTA Customs began looking for a company capable of planning, developing and hosting its Web site, Clickon was on CCC's qualified supplier list.

"CCC gave us the lead. We quoted on it, and we won the job," says Zaccour. "And they were also there to help us throughout the project. They acted as a project manager in several ways."

With their extensive export and regulatory experience, CCC staff guided Clickon through the process of dealing with representatives from the three North American governments that had

CCC Shaping Trade Solutions for Canada's Exporters

A federal Crown corporation, the Canadian Commercial Corporation (CCC) partners with Canadian exporters to negotiate and win sales in difficult markets on favourable terms. It provides special access to U.S. defence and aerospace markets and specializes in trade to foreign governments and international organizations.

Whether bringing buyers and sellers together, acting as a prime contractor or working with small and medium-sized companies to win sales, CCC's access to specialized markets continues to open doors for thousands of Canadian companies doing business in over 60 countries.

For more information, contact CCC at tel.: (613) 996-0034, fax: (613) 995-2121, e-mail: info@ccc.ca Internet: www.ccc.ca

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities. To view a wider selection of IBOC's current trade opportunities, simply visit the Internet site at www.iboc.gc.ca/leads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

THAILAND — Equipment for Hydro Power Plant — The Electricity Generating Authority invites sealed bids for the design, manufacturing, fabrication, shop tests, supply, delivery and supervision of erection, field testing and commissioning of equipment for the Sirikit Hydro Power Plant - Renovation Units 1-3. Bids will be publicly opened on May 9, 2000. This project is financed by EGAT's fund. Bidding documents will be available

for examination of bidder's qualifications and for purchasing at US\$500, or Baht20,000, per set of two copies, and US\$250, or Baht10,000, per additional copy, non-refundable. Closing date: **May 9, 2000.** Contact Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 000216-00604.

SYRIA — Investment Opportunities in Heat-resistant Glassware Production — The proposed project aims at producing heat-resistant glassware, both for household and medical/laboratory use, with a proposed gross production capacity of 900 tons per year. The project aims to provide a locally produced substitute for heat-resistant glassware, which is currently being imported. The investment cost for the project is estimated at \$175 million (US\$3.5 million), 2.5 per cent of which will be used to finance working capital requirements. Based on 10-year financial projections, the proposed project's internal rate of return was calculated at 21.2 per cent. Closing date: **May 17, 2000.** Contact Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 000216-00593.

HONG KONG — Dry Grocery Items — Aqua Pure Distilled Water Co. Ltd. is looking for suppliers of dry grocery items to complement its existing line of bottled water and instant coffee. The company would be interested in further dry items, preferably with

brand awareness at the consumer level, that can be included in its current sales to office kitchens. Closing date: **April 28, 2000.** Contact Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 000201-00390.

KIRGHIZ REPUBLIC — Agriculture Area Development Program — The government has received a loan of US\$38 million from the Asian Development Bank (ADB) towards the cost of its Agriculture Development Program. The long-term development goal of the project is to increase the income of farmers in Chui Oblast; the immediate objective is to increase farm productivity and profitability in selected areas. There are four components: (i) farm development, (ii) drainage and irrigation, (iii) development of private-sector marketing and input supply services, and (iv) project management. The project will provide on-the-job training and other training to increase the understanding and level of skills of farmers and entrepreneurs. Goods and services for the project will be procured in accordance with ADB's guidelines for procurement. Major equipment will be procured through international competitive bidding procedures, or international shopping procedures. Civil works will be procured through local competitive bidding procedures. The Ministry of Agriculture and Water Resources will be the executing agency, and the Chui Oblast Administration, assisted by a project management unit, will be the implementing agency. Closing date: **May 1, 2000.** Contact Daniel Lemieux, IBOC, tel.: (613) 996-0675, fax: (613) 996-2635, quoting case no. 000216-00601.

IBOC Trade Opportunities — Find out more at www.iboc.gc.ca ❖



Quick Facts

Since it opened in 1995, IBOC has contacted more than 25,000 Canadian companies and has responded to more than 16,000 inquiries from foreign buyers.

Thanks to IBOC, more than 8,500 Canadian firms have been in contact with foreign buyers.

IBOC's sourcing experts use a variety of databases as well as a large network of business contacts across the country to identify Canadian companies of all sizes.

IBOC is jointly operated by the Department of Foreign Affairs and International Trade and Industry Canada, with special co-operation from Agriculture and Agri-Food Canada. It is the sourcing centre for Team Canada Inc.

Important Changes to World Bank Procurement Notice Procedures

Canadian companies should be aware of recent changes by the World Bank to the publication of procurement notices. Under the new procedures, borrowers will no longer be obligated to publish in the print version of *United Nations Development Business (UNDB)*:

- Expressions of Interest (EOIs) for consulting services costing US\$200,000 or more;
- Specific Procurement Notices (SPNs) for goods and works under US\$10 million.

As a result of these changes, the on-line and print versions of *UNDB* may no longer be considered to be identical. Certain EOIs and SPNs may only appear on-line and not in print. These changes make the hard-copy

version of *UNDB* practically obsolete. Since the on-line version of *UNDB* was launched in December 1998, subscribers have had the option to receive only the hard copy (US\$495 per year), or both (US\$695 per year). To learn more about subscriptions to *UNDB*, visit www.devbu.siness.com

For free advice and information about doing business with the World Bank and on how to access and interpret this and other sources of World Bank procurement information, Canadian firms are encouraged to visit the Web site of the Office of Liaison with International Financial Institutions at the Canadian Embassy in Washington at www.canadianembassy.org/olifi ✪

The Francophonie, Trade and Culture Come Together to Promote Canada in Vietnam

In conjunction with the 8th Francophonie Summit held in Moncton last September, and to promote Francophone ties between Canada and Vietnam, Canada's Consulate General in Ho Chi Minh City held a week-long celebration in the same month showcasing Canada's Francophone communities.

The highlight of the celebration, which was the brainchild of Canada's Trade Commissioner and Vice Consul in Ho Chi Minh City, Bonny Berger, was the presentation of a \$10,000 scholarship to Vuong Phuoc Tri, who was selected from among over 100 young Vietnamese applicants.

The scholarship, which was also the result of Berger's unflagging

efforts, was offered by McCain Foods Limited, one of Canada's largest exporters to Vietnam, and was supported by Nortel Networks and Cathay Pacific. It will enable Tri, a 23-year-old student in his last year of medicine at Ho Chi Minh City University, to continue his studies at the Université de Moncton next fall.

The celebration also included a French-Canadian film festival, and helped to promote not only Canadian goods and services (McCain and Nortel), but culture and education as well, which are held in special esteem in Vietnam and are areas in which Canada has a world-class reputation. ✪

Joint Venture Office in Poland

Canada's Ambassador to Poland, Donald McLennan, attended the official opening last November of the Polish operations of Toronto-based TrizecHahn Corporation in Poland.

TriIDM Development Sp. z o.o. in Warsaw is a Polish company formed as a partnership between TrizecHahn Europe and International Development Management (IDM). TrizecHahn Europe's role is to develop and manage various European ventures between TrizecHahn Corporation and local national partners in markets across Europe.

The venture, which is 100 per cent financed from Canada, is designed to expand business in the Polish market, specifically through developing large urban shopping and entertainment centres. TrizecHahn's involvement in Poland reinforces the major priority the construction sector holds for Canadian investors and exporters.

Other Canadian entities actively involved in the Polish real estate and construction market include Royal Technologies Group (Woodbridge, ON); Caisse de Dépôt et de Placement du Québec (Montreal), through its subsidiaries CADIM Inc. and Ivanhoe; Nascor (Calgary); INDRA (Montreal); and Colliers (Vancouver).

TrizecHahn is one of the largest publicly traded property companies in North America, with assets worth over US\$9 billion.

For further information on the deal or opportunities in the Polish market, contact Adam Kapitan Bergman, Commercial Officer, Canadian Embassy, Warsaw, tel.: (011-48-22) 629-8051, fax.: (011-48-22) 622-9803, e-mail: Adam.Bergman@dfait-maeci.gc.ca ✪

MEXICO CITY — May 16-19, 2000 — The Department of Foreign Affairs and International Trade (DFAIT) and the Canadian Embassy in Mexico City are organizing a Canadian Pavilion at Comdex 2000.

With 230 exhibitors and 33,000 registered visitors in 1999, Comdex is the largest and most important software/ICT trade show in Mexico and one of the two largest in Latin America.

Comdex 2000 represents an excellent opportunity for Canadian firms offering software and other information and communications technology products and services to:

- assess first-hand the potential of the Mexican market through interaction with a highly-focused and qualified audience of Mexican buyers and decision makers;
- develop sales opportunities;
- identify agents, distributors and competitors;

Canadian Pavilion Recruiting for Comdex 2000 Software Show in Mexico City

- explore the prospects of establishing operations in Mexico and in Central America.

The ICT sector in Mexico continues to grow more rapidly than the Mexican economy as a whole, with 13-per cent growth in 1999 and 10 per cent in 1998. Areas of potential opportunity for Canada include Internet and e-commerce, educational software, software for telecom and manufacturing, as well as in Mexico's burgeoning financial, industrial, transport, logistics and hospitality (hotels, resorts, restaurants) sectors.

At last year's show, major Canadian companies such as Corel, Hummingbird and Cognos exhibited.

DFAIT is currently recruiting companies for the Canadian Pavilion while seeking to capitalize on Canada's well-recognized reputation for telecommunications, e-commerce, multimedia and education information and communications technologies at this important high-tech event.

For more information on the show or how to participate, contact Ted Mackay, Trade Commissioner, Mexico Division, DFAIT, tel.: (613) 995-0460, fax: (613) 996-6142, e-mail: ted.mackay@dfait-maeci.gc.ca or Marco Rodriguez, Commercial Officer, Canadian Embassy, Mexico City, tel.: (011-525) 724-7900, fax: (011-525) 724-7982, e-mail: marco.rodriguez@dfait-maeci.gc.ca Internet: www.comdex.com.mx/ ✻

Caspian Oil & Gas Show Holds Strong Potential

BAKU, AZERBAIJAN — June 6-9, 2000 — This year's Seventh International Caspian Oil & Gas Exhibition and Conference Incorporating Refining and Petrochemicals should be extremely well attended due to the surge of interest in the Caspian region and Azerbaijan in particular after the recent signing of the Baku-Cohen pipeline agreement in November 1999.

Last year's show — it attracted over 300 companies from 29 countries and 10,000 visitors from 45 countries — was also attended by a delegation of Canadian companies from Alberta and British Columbia, some of which were planning to participate again at this year's event.

The exhibition stand space which has been tentatively reserved for Canadian exhibitors by the Canadian Embassy in Turkey could provide an ideal opportunity for Canadian companies to take advantage of an excel-

lent possibility for exposure at the upcoming Show.

For more information or to register — as soon as possible — contact John Rodney, Second Secretary (Commercial), Canadian Embassy, Ankara, Turkey, tel.: (011-90-312) 436 1275, fax: (011-90-312) 446 2811, e-mail: john.rodney@dfait-maeci.gc.ca ✻

2000 Canada Export Awards Applications Being Accepted



This year's prestigious Canada Export Awards ceremony will be held in conjunction with the Alliance of Manufacturers and Exporters Canada annual conference taking place in Halifax, October 1-3, 2000. One of the award winners will be selected Exporter of the Year.

Application for an award is open to all firms, or divisions of firms, resident in Canada, that have been exporting goods or services for at least three years. The achievement of such companies and organisations, as well as

those facilitating exports such as firms in banking, transport, market research, packaging and promotion, are also eligible for consideration.

To obtain an application visit our website at www.infoexport.gc.ca/awards/ or contact Lucille Latrémouille-Dyett at (613) 944-2395, fax: (613) 996-8688 or e-mail at lucille.latremouille-dyett@dfait-maeci.gc.ca The deadline for applications is March 31, 2000. ✻

— Continued from page 12

in Hong Kong with the help of the local Canadian Consulate General. Some of these include President's Choice, which now lists its products at PARKnSHOP, Hong Kong's largest supermarket chain — it currently stocks more than 150 President's Choice products.

Park Tak International Corporation is now selling containers of Italtasta, Dare biscuits and mineral water to China Resources Supermarket (Hong Kong) Co. Ltd., Hong Kong's third-largest supermarket chain. For the industrial market, the Consulate also helped Canbra Foods sell canola oil to Calbee Four Seas Co. Ltd, Hong Kong's biggest potato chips manufacturer.

McCain foods are also widely available at all major supermarkets, and are a regular partner in the Consulate's active food promotion program.

Market pointers

About 7 million people live in Hong Kong, 98 per cent being ethnic Chinese. To meet the needs of its growing population, Hong Kong imports almost all of its food — \$11.86 billion worth in the first 10 months of 1999 alone. About 22 per cent of food imports, by value, originate from China, mainly Guangdong province.

To succeed in Hong Kong, it is essential for Canadian companies to understand what consumers want and be prepared to tailor their products for the local market. The staple foods are rice, fresh vegetables and meat — largely pork — poultry and

fish. With the increasingly affluent younger generation, there is a growing appetite for fast food.

Although the Hong Kong agri-food market is highly competitive and price-sensitive, diversified marketing

For example, PARKnSHOP has stated that it will not sell GM foodstuffs and indicated that it is willing to pay a premium for non-GM food.

Advancing technology has also created new, more efficient distribu-



Hong Kong Agri-food

Market Overview and Opportunities

and distribution channels allow marketers to target niche segments.

China's anticipated accession to the World Trade Organization in 2000 is likely to reduce the physical movement of agri-food commodities through Hong Kong. However, the territory should remain both an attractive food market in its own right, and a regional services and trading hub, particularly in the finance, marketing and communications sectors.

Additionally, Hong Kong will remain the best "reference account" for China and a conduit for high-value processed food products.

New technology

Genetically modified (GM) food has become a public issue in Hong Kong. There is an increasingly large retail consumer demand for non-GM foods.

tion channels and logistical solutions in Hong Kong. By dealing with end-to-end logistical service providers, exporters can now sell direct to retailers, delivery-to-home/office service companies and food service outlets.

The increasingly competitive food business environment has also compelled traditional importers to order smaller, more frequent consignments to reduce their risk. The consolidation of product lines at both supply and demand ends is becoming an increasingly common practice in the Hong Kong food business.

For more information about Hong Kong's agri-food market, contact Houston Wong, Commercial Officer (Agriculture and Agri-Food), tel.: (011-852) 2847-7434, fax: (011-852) 2847-7441, e-mail: houston.wong@dfait-maeci-gc.ca ✪

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling 1-800-267-8376 (Ottawa region: 944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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An award-winning publisher of educational software and three-time Team Canada trade mission participant — **Logo Computer Systems Inc. (LCSI)** — is fully attuned to federal government programs and services.

During last year's trade mission, the small company signed a deal worth \$250,000 a year to distribute its flagship product, **MicroWorlds**, to approximately 30,000 schools across Japan, while the two previous Team Canada trips led to licensing agreements in Mexico and Korea.

MicroWorlds allows students to create dynamic, interactive projects incorporating movies, photos, sound, graphics, text, and animation, which can then be loaded onto the Web.

Team Canada benefits

What motivates LCSI — whose products are already a success worldwide in 10 languages — to join up with

Team Canada? According to company president Michael Quinn, it's the potent combination of top Canadian business people, political leaders, organized functions and unique opportunities.

"A perfect illustration of the power of the Team Canada concept was the luncheon in Mexico City back in January 1998," relates Quinn. "We were all seated according to industry category and, coincidentally, the

Continued on page 9 - LCSI



LCSI was a successful participant with a booth (left) at last year's Educatec Show in Paris.

Minister Pettigrew Announces Canada's Position on FTAA Negotiations

International Trade Minister Pierre S. Pettigrew presented to Parliament last month Canada's priorities and objectives for negotiating a Free Trade Area of the Americas (FTAA).

The Government's position directly responds to 29 recommendations

made by an all-party parliamentary committee — the Standing Committee on Foreign Affairs and International Trade (SCFAIT) — which recommends the course Canada should take during ongoing FTAA negotiations among the 34 democratic

Continued on page 2 - Minister

Vol. 18, No. 6 - April 3, 2000

SUPPLEMENT ON SOUTHEAST ASIA
(See insert)

— Continued from page 1

nations of the Americas, slated to conclude by 2005.

"Canada's economic future is directly linked to that of our hemispheric neighbours," said Minister

groups. The Department of Foreign Affairs and International Trade (DFAIT) has also directly consulted industry sector representatives and citizen groups since 1998, and will continue to do so as negotiations progress.

to Uruguay, Argentina and Chile, where he urged progress on FTAA negotiations in meetings with the three nations' newly elected leaders and ministers. Argentina currently chairs FTAA negotiations.

Minister Pettigrew Announces Canada's Position on FTAA Negotiations

Pettigrew. "When negotiations are concluded, the FTAA will be the world's largest free trade region, with a current population of 800 million people and a combined GDP of nearly \$11 trillion."

Last year, SCFAIT held cross-country hearings on the FTAA and listened to hundreds of Canadians from a variety of business, labour, environmental, academic and human rights

"Canada is dependent on an open rules-based trading system to continue our impressive economic growth and job creation," said the Minister. "We are also committed to preserving our right to regulate in pursuit of national objectives, including those in the health and education sectors."

Minister Pettigrew recently concluded a trade development mission

The FTAA is an integral part of the Summit of the Americas process, which reinforces Canada's long-term commitment to the hemisphere. Canada will host the third Summit of the Americas in Quebec City in April 2001, which will bring together the region's 34 democratically elected leaders. This June, Windsor, Ontario, will host the General Assembly of the Organization of American States (OAS), marking Canada's 10th anniversary as a member of the OAS. ★

Successful Canadian Businesswomen Help Celebrate International Women's Week

On Wednesday, March 8, at the Department of Foreign Affairs and International Trade (DFAIT) headquarters, four successful Canadian businesswomen related their experiences in the international marketplace to an enthusiastic crowd of some 100 people. The event marked the mid-way point of the United Nations-designated International Women's Week.

The DFAIT event, one of many held across Canada and throughout the world, was organized by the

Department's Export Services for Small and Medium-sized Enterprises.

The first speaker, Annette O'Shea Roche, President of WISE Business Management, in Burnaby, B.C., was an integral part of the development team that came up with the concept of a virtual trade mission. According to Roche, it normally takes two to three visits to a target market to seal a deal (approximately \$20,000-\$30,000 and 8-12 weeks) — an enormous outlay of time and money that many

Continued on page 3 — Canadian

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The presence of a Chinese automotive delegation at this year's Automotive Parts Manufacturers' Association (APMA) Conference and Exhibition in Hamilton, Ontario, April 12-13, is a sign that economic reforms are reaching even the most tightly controlled sectors of the Chinese economy.

The delegation will include officials from China's oldest auto company, China First Auto Works Corp., as well as other sizeable manufacturers such as Dongfeng Citroën Automobile Co. Ltd. and Shanghai GM Automobile Co. Ltd. Delegates are expected to meet privately with APMA members and to visit a number of automotive companies in southern Ontario.

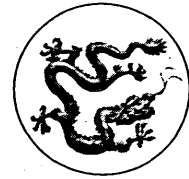
China's automotive industry is highly fragmented, with more than 120 vehicle manufacturers. Total production last year was 1.8 million vehicles — less than what one of the Big Three automotive companies in North America produces. In addition, there are significant trade barriers between regions, and central government

approval is required before new production facilities in many segments of the market can be established.

But for a nation that had only 60 privately owned cars in 1986, China

companies such as Shanghai GM and Ford continue with plans to expand their Chinese operations in the short term. One of the biggest breakthroughs is expected to come later

Gearing up for China's Huge Automotive Market



has come a long way fast. Vehicle production has increased at an average annual rate of about 10 percent over the last few years and foreign direct investment has been significant. Seven of China's eight largest producers are now joint ventures with foreign firms.

Opportunities for Canadian parts suppliers are likely to improve as

this year when China accedes to the World Trade Organization (WTO).

According to most analysts, WTO membership will drive a rationalization of China's auto industry as larger firms swallow smaller ones and as many inefficient operations cease to exist. Tariffs on vehicles will fall from the current 80-100 percent levels to

Continued on page 7 — China's

Canadian Businesswomen Help Celebrate International Women's Week — *Continued from page 2*

small and medium-sized enterprises are unable to afford.

"Through the virtual trade mission concept, however, we were able to break down both time and space barriers." Collectively, participants spent some 60 days on-line before setting out on a trade mission to Malaysia and Singapore. "The results speak for themselves," says Roche. "Eight Canadian women entrepreneurs signed 17 contracts — real deals where cheques were exchanged — the most number of deals per participant of any Canadian trade mission ever held."

Sharlyn Ayotte, President and CEO of T-Base Communications Inc. in Ottawa, and legally blind since 1976, helped develop Canada's first audio

banking machine, making it possible for persons who are blind, partially sighted or unable to read to access automated teller machines. She also was instrumental in adapting technology to work with current touch-tone telephone systems. Known as the InfoTouch system, it allows a multitude of users to access archived information in several formats — Braille, large print, audio cassette or computer diskette — and in six languages.

Ayotte said that 40 percent of Canadians have difficulty accessing information because of language, literacy, class or money. Her goal is to make access to information mainstream. "The vision that we create for Canadians," she said, "today and in the

future, must be for all people."

The next speaker, Betty Thomas, President of Thomas Special Effects in North Vancouver, runs the largest film and television special effects company in Canada, with over \$1 billion in sales. A former stunt person, Thomas said that, "Where there is demand, there is opportunity, and where there is opportunity, there is competition and that means growth."

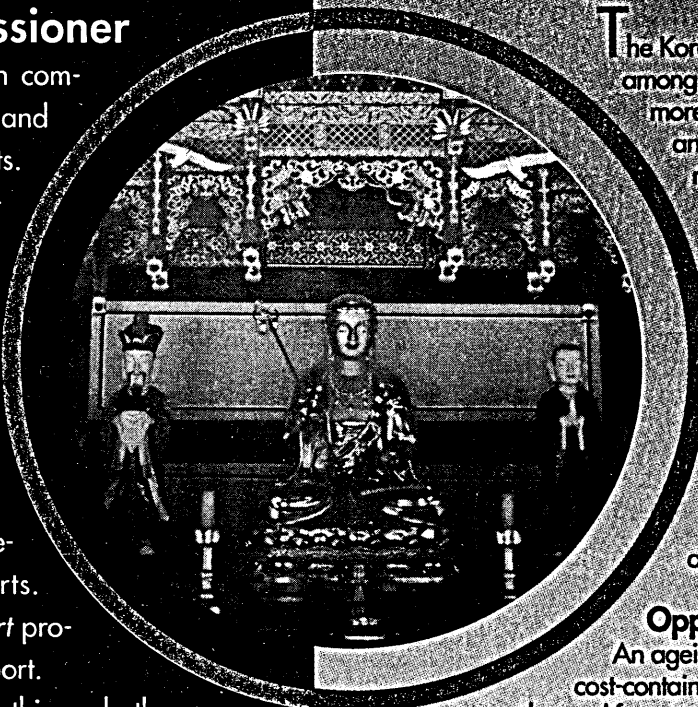
The last of the four businesswomen was Bianca Battistini, President of Can-Am Export Services Inc. in Deauville, Quebec. Battistini emphasized the need for private-public sector partnership in today's global business environment. As Chairperson of the Small and Medium-sized Enterprise Task Force, Battistini knows the value of such partnerships, especially for smaller exporters. "The Canadian Trade Commissioner Service is one of the best partners we have," she said. ❖

KOREA — Health Industries

The Trade Commissioner Service

helps Canadian companies that have researched and selected their target markets. Successful companies concentrate on one foreign market at a time, moving on to the next only after succeeding in the last. To help you select which market you should target, the Market Research Centre of the Trade Commissioner Service has prepared over 500 market reports. This section of *CanadExport* provides an overview of one report.

For more information on this and other reports, or if you want to know how the Canadian Trade Commissioner Service can help you get results in international markets, visit us at www.infoexport.gc.ca



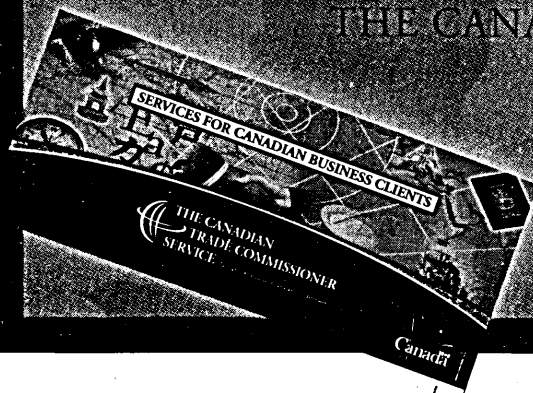
The Korean health industries market is among the most attractive in Asia. Worth more than \$55 billion and growing at an annual rate of 10 percent, the market presents clear opportunities to Canadian exporters. In 1998, close to \$9 million worth of Canadian medical devices and pharmaceuticals was imported into Korea. Overall, imports of pharmaceuticals in Korea were valued at \$216.4 million, while imports of medical devices reached \$304.6 million. Korea's leading supplier countries are the U.S., Japan and Germany.

Opportunities

An ageing population and increasing cost-containment pressures are driving demand for cost-competitive health-care products in Korea. Areas with strong commercial potential include orthopaedics, mobility aids, vitamins, herbal medicines and nutraceuticals, and medical informatics technology. As well, demand for devices used in minimally invasive surgery, health-care equipment, bio-engineered vaccines, and products used in the prevention and treatment of cardiovascular illnesses is expected to continue growing rapidly.

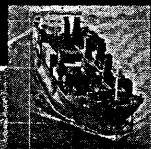
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See insert for your Health Industries Market in Asia



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Health Industries Market

The Korean Health-Care System

The public health-care system, under the auspices of the Ministry of Health and Welfare, is based on a three-tier health insurance program. The nation-

wide scheme utilizes a set rate fee-for-service reimbursement system. Koreans also have the option of purchasing supplementary private health insurance. Due to substantial public investment, health-care in Korea (particularly in major urban centres such as Seoul and Pusan) is generally considered to be high quality. Many Korean doctors are trained in Western institutions.

the health services sector may find opportunities with the Korea Institute of Health Services Management (KIHM).

Local Registrations

Health-care products entering Korea must be approved by the Korean Food and Drug Administration (KFDA) and registered with either the Korean Medical Instrument Industrial Co-operative (KMIC) or the Korean Pharmaceutical Traders Association (KPTA). Pharmaceuticals newly on the market must also be reported to the National Institute of Safety Research. In general, Korean importers or partners will handle

product registration on the supplier's behalf.

Selected Imports of Medical Equipment and Pharmaceuticals, 1998 (\$ Millions)

Ultrasonic scanning apparatus	110.7
Syringes	43.0
Electro-diagnostic apparatus	34.4
Other needles, catheters, etc.	26.7
Mechano/ozone-therapy apparatus	12.8
Orthopaedic and prosthetic appliances	7.8
Bandages	10.7
Medicaments in dosage form	83.6
Blood, vaccines and anti-sera	68.9

See Potential?

For a more in-depth look at opportunities in the vast Korean health industries market, read the full report, "The Health-Care Products and Services Market in South Korea," prepared by the Market Research Centre. The report can be accessed on-line at www.infoexport.gc.ca

Korean Health Industries Market - Key Indicators

Total population	46.5 million
Public health-care expenditure	6% of GDP
Medical devices market	\$1.6 billion
Pharmaceuticals market (including special nutritive foods)	\$8.9 billion
Market for health-care services	\$45.2 billion
Number of health-care establishments (including hospitals, clinics, health-care centres, and private practices)	18,616

Getting Your Products to Market

The most common and effective way for Canadian exporters to market medical devices and pharmaceuticals in Korea is through a local agent, distributor or general trading company. Major purchases by public sector customers are made through the Supply Authority, Republic of



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Health Industries Market

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Thanks to Korean government tax incentives, the venture capital (VC) sector in Korea is booming, with venture capital firms being allowed to invest up to 30 percent of their paid-in capital in foreign venture firms.

There are more than 100 companies in operation, and, although IT

Embassy. "I was very impressed by the open business attitude of my Korean counterparts who proposed specific deals even during the first meeting."

There are about 60 companies involved in pharmaceutical research in Korea. The 10 leading firms are mostly independent and medium-

Pharmaceutical/Biotech Venture Capital Opportunities in Korea

receives most of the attention, some firms are pursuing investments in biotech startups. Many, including the huge Samsung Venture Investment Corp., have recognized the potential of the Canadian health-biotech industry.

Korean VC companies say that biotech startups in their country are usually so few that they have to look overseas for good investment opportunities in that sector. This leads the way for Canada as Korean pharmaceutical companies are open to technical tie-ups and are willing to provide funds or the use of their marketing network in Asia to their partners.

"I got excellent leads with both pharmaceutical and venture capital firms in Korea," says Ron Kertesz, Commercial Director of Immune Networks Research of Vancouver, who recently visited Seoul on a program organized by the Canadian

sized with sales ranging from US\$100 million to US\$200 million, and have a strong marketing presence in China and Southeast Asia.

The U.S. FDA approval of a new anti-cancer drug developed by SK Chemical and the licensing to Axcan of St-Hilaire, Quebec, of an ulcer treatment developed by Ilyang Pharmaceutical demonstrate that the sector is rapidly gaining technical maturity.

According to the Korean Pharmaceutical Manufacturers' Association, 43 Korean companies are currently developing 137 new drugs. These companies have many products in phase 1 and 2 trials and are looking for partners to bring their products to market. Research carried out in Korea has also produced encouraging results in the field of gene therapy.

VC firms in Korea include:

- Hanmi Venture Capital Corp. (US\$ 11.6 million);
- Hansol Capital Investment Corp. (US\$ 22.3 million);
- Hyundai Venture Investment Corp. (US\$ 26.8 million);
- Kookmin Bank Venture Capital (US\$ 22.3 million);
- Kookmin Venture Capital (US\$ 42 million);
- KTIC (US\$ 35.7 million);
- LG Venture Investment (US\$ 26.8 million);
- Samsung Venture Investment Corp. (plans to invest US\$ 268 million over the next five years);
- Hanwha Chemicals (is setting up a fund dedicated to the pharmaceutical industry);
- Samchully Corp. (has a U.S. subsidiary investing in North American biotech companies).

For more information, contact in Canada: Lynne Thomson, Trade Commissioner, Korea and Oceania Division, DFAIT, tel.: (613) 995-8744, fax: (613) 996-1248, e-mail: lynne.thomson@dfait-maeci.gc.ca In Korea contact: Jean-Philippe Linteau, Second Secretary (Commercial), Canadian Embassy in Seoul, tel.: (011-82-2) 3455-6061, fax: (011-82-2) 755-0686, e-mail: jean-philippe.linteau@dfait-maeci.gc.ca ✪



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It can be hard to keep your train of thought when you are living in an airplane. And that is pretty much what I have been doing lately, flying from NORTHSTAR's home base in Richmond, B.C., to places like Miami and Beijing. But my thoughts keep returning to Montreal.

After all, when you are a participant in an extraordinary occasion, there is a lot to mull over in the aftermath.

I was in Montreal February 11 at just such an event, one held to mark the closing of the Canadian medium-term financing loop by adding the strengths of the National Bank of Canada to the NORTHSTAR team.

That means we now have \$310 million in capital to lend to the foreign buyers of the products manufactured by new and growing Canadian companies.

But it means much more than that, too.

What happened in Montreal may not have been driving the final spike in the cross-Canada railway. But it was significant enough in its own right.

International Trade Minister Pierre S. Pettigrew attended the Montreal event and said, "Today's investment is an excellent model for how Canadian banks can help small and medium-sized firms compete in global markets."

And as André Bérard, Chairman of the Board and Chief Executive Officer of the National Bank of Canada put it, "I think today marks the beginning of a whole chapter for all of us, one that will be about more Quebec companies exporting more equipment and services to more countries than ever before."

The National Bank has assets of over \$70 billion, a network of more than 650 branches and some 17,000 employees, and is the sixth-largest chartered bank in Canada and the largest bank in Quebec. Obviously this is an institution to be reckoned with financially. But the National Bank brings more to the NORTHSTAR table than merely an enhancement to our financing capabilities.

Financial services are first and foremost a people business, a relationship built over time between a client and a professional.

Over the many years of its history, the National Bank has built those kinds of relationships with innumerable entrepreneurs throughout Quebec. They can now look to exploring complex new markets with a guide they know they can place their trust in. And that means we at NORTHSTAR can

of Montreal, the Royal Bank of Canada, HSBC Bank Canada and the Government of British Columbia. The Government of Ontario provided initial capital, and the Government of Canada provides support through the Export Development Corporation (EDC), which guarantees NORTHSTAR loans.

Starting to Close the SME Export Finance Loop



Scott Shepherd,
President and Chief
Executive Officer,
NORTHSTAR

now play a bigger role than ever before in making the export visions of Quebecers a reality.

NORTHSTAR has already been working with small businesses across Canada, supporting over 800 export transactions with

loans to foreign buyers ranging from \$100,000 to up to \$5 million.

In addition to the National Bank, NORTHSTAR shareholders are the Bank

The company also has strategic partnerships with two other federal agencies, the Canadian Commercial Corporation (CCC) and the Business Development Bank of Canada (BDC).

By starting to build a financial bridge to link the four corners of Quebec with the far corners of the earth, the NORTHSTAR team is now able to put the financial might of these players behind the efforts of a whole new cast of entrepreneurs.

For more information, contact Scott Shepherd at tel.: 1-800-663-9288, e-mail: s.shepherd@northstar.ca Internet: www.northstar.ca *

China's Automotive Market — Continued from page 3

25 percent over five years. Tariffs on parts will also fall to an average of 10 percent. In addition, restrictions on auto financing, distribution and local content requirements will be either lifted or liberalized.

The visit by the Chinese delegation this month comes on the heels of previous visits by senior Chinese government officials who have been studying the "Canadian model" of industrial development, which in their eyes means a much more open approach to foreign direct investment.

For companies interested in pursuing opportunities in China, the Department of Foreign Affairs and International Trade (DFAIT) maintains a number of trade offices offering services to Canadians in each of China's largest auto-producing regions. Missions are located in Beijing, Shanghai, Guangzhou and Chongqing.

For more information, contact Jordan Reeves, China and Mongolia Division, DFAIT, tel.: (613) 996-7256, e-mail: jordan.reeves@dfait-maeci.gc.ca *

In the hopes of gaining instant wealth, Vietnamese citizens are now buying lottery tickets on-line thanks to the first such automated system in their country, implemented by a small Calgary-based firm, Applied Gaming Solutions of Canada Inc. (AGS).

Calgary Firm "Buys" Winning Ticket in Vietnam Lottery

One of only five such systems in Asia, the venture is a government bid to reduce illegal paper lotteries and to generate jobs and revenues for the public coffers.

AGS is providing the \$6.8 million investment and required technology transfer through a team of Canadian experts. In return, through a weekly pay-back scheme of a percentage of the profits, AGS hopes to earn some \$40 million over the course of the seven-year project, which has already increased the company's workforce in Calgary from 8 employees to 14.

First gamble... and win

It was during a fact-finding trip to Vietnam in the summer of 1997 that AGS President and CEO David Aftergood first heard about the government's desire to modernize its manual lottery. "After submitting a bid, we responded to a request for a proposal in early 1998," explains Aftergood. "We were eventually awarded the tender and signed the contract a few months later, in May." The project was officially launched in August 1999 amid pomp and pageantry.

To date, AGS — together with the state-owned Lottery Corporation, the Construction Lottery of the Capital — has set up a network of some 300

retailer terminals at strategic commercial locations throughout Hanoi.

Ticket sales — available for 6,000 Vietnam Dong each (approximately 50 cents) — are steadily growing, especially now that the lottery is being advertised on television.

Although this is triple the price of existing traditional lotteries, possible winnings are astronomical in comparison, with the current grand prize estimated at close to \$300,000.

Partnering and expert help

AGS has partnered with Automated Wagering International Inc. (AWI), an American outfit specializing in automated lottery systems. In order to sell the deal to the Vietnamese, AGS agreed to put up the financing through a group of Canadian investors.

According to Aftergood, insurance provided by the Export Development Corporation (EDC) was a crucial factor in securing the funds and mitigating the risk for investors.

"We actually contacted EDC officials early on in the process because we needed their expertise in doing business in the region," adds Aftergood. "When we finally won the bid, we sat down again with them for guidance on the type of terms we should be seeking in our negotiations."

EDC's advice proved invaluable in establishing conditions such as weekly payments by the Vietnamese government — an arrangement that Aftergood says has been scrupulously held to.

Staff at the Canadian Embassy have been indispensable as well, says Aftergood. "Our people in Hanoi are fantastic! We could never have won the tender without their support, encouragement and active assistance."

Wheels of fortune

Wheels are already in motion — in collaboration with Canadian Consulate General officials — for extending operations to the country's commercial capital, Ho Chi Minh City, where the anticipated investment is four times that of Hanoi.

"We are awaiting approval of our proposal to implement the system in that city — which should be up and running later this year," says Aftergood. "Canadian Trade Commissioner Bonny Berger has been particularly instrumental in our efforts to expand southwards."

The company is also in discussions with Vietnamese authorities regarding establishing one of the world's



First day of ticket sales at a local shop in Hanoi.

first Internet-accessible, government-operated and sanctioned lotteries.

"We would provide the guidance and technology to incorporate Web-based orders," says Aftergood. "Ensuring the integrity of the system and providing a secure e-commerce platform would be paramount to the success of this first-ever Internet-accessible Asian national lottery."

For more information on Applied Gaming Solutions of Canada Inc., contact company President and CEO David Aftergood, tel.: (403) 266-8900, fax: (403) 266-8909, e-mail: david.aftergood@ags.ca Internet: www.ags.ca

Spring 2000

canadalexport

Linking East and West, Southeast Asia Hub of Asia-Pacific Market

It's time to reconsider Southeast Asia! The region is well on its way to recovering from the Asian economic crisis of 1997. Individual economies are moving forward, each expecting to record positive gross domestic product (GDP) growth this year. In fact, all but Indonesia had positive growth in 1999, while in 2000, the Philippines, Thailand, Malaysia and Singapore will see their economies grow faster than Canada's. Canadian companies that have neglected this marketplace because of economic uncertainties now need to take a long hard look at the potential in this region.

Southeast Asia consists of the 10 countries making up the Association of South East Asian Nations (ASEAN) — Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam. With a land mass of 4.5 million square kilometres, about half that of Canada's, and a population of 525 million, Southeast Asia has significant natural resources (tin, copper, petroleum, timber, rubber, palm oil), a strong agricultural base and, since the 1970s, a rapidly expanding industrial and manufacturing sector. There is demand for virtually all types of Canadian goods and services, reflecting the different stages of economic development throughout the region — from sophisticated technology in Singapore to basic infrastructure development in Cambodia and Laos.

Canada has a strong presence in the region through a variety of programs: immigration, culture, education, development and technical assistance. It has links to Malaysia, Singapore

and Brunei through the Commonwealth, and like Canada, Vietnam, Laos and Cambodia are members of La Francophonie.

Canadian trade offices are located in embassies, high commissions and consulates in nine Southeast Asian cities — Bandar Seri Begawan, Bangkok, Hanoi, Ho Chi Minh, Jakarta, Kuala Lumpur, Manila, Phnom Penh and Singapore. Canada is viewed as a favourable trading partner by Asians, with total two-way trade for 1999 exceeding \$9 billion.

However, there is a surplus in Asia's favour: Canada's exports accounted for about \$2 billion, while imports totalled \$7 billion.

This supplement is intended to underscore the re-emergence of the Southeast Asian marketplace for the Canadian export community in order to expand the range and volume of Canadian exports into the region.

For further information, contact the Southeast Asia Division, DFAIT, tel.: (613) 995-6877; fax (613) 944-1604.

Prepared by the Southeast Asia Division



Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Canada

Asian Development Bank a Valuable Partner

With headquarters in Manila, the Asian Development Bank (ADB) is an international financial institution (IFI) which, during the last 30 years, has supported regional development in the Asia-Pacific region. In 1999, the Bank extended loan and grant assistance to its 35 developing member countries, totalling almost \$7.3 billion.

ADB projects provide excellent business opportunities for suppliers of goods, equipment and services as well as for contractors and consultants. Most of these opportunities are linked to either grant-funded technical assistance (\$265.4 million in 1999) or loan-funded procurement contracts (\$7 billion in 1999). Additional opportunities and commercial benefits can also be derived from the Bank's involvement in co-financing arrangements with bilateral, multilateral and commercial financiers such as the Canadian International Development Agency (CIDA) and the Export Development Corporation (EDC), or through the ADB's financial participation in private-sector projects.

Canada continues to enjoy considerable success at the ADB, particularly in winning consulting services contracts, and also with its co-financing and private-sector operations, which offer potential for Canadian commercial interests. This success cuts across a wide variety of sectors including energy, transportation, communications, social infrastructure, health, education and environment. NOVA Gas International, Tecslut, Association of Community Colleges of Canada, SR Telecom, Cowater, Acres, Agrodev, SNC-Lavalin, EDC and la Caisse de depot et de placement du Quebec, among many others, illustrate the diversity of Canadian players that have contributed to Canada's commercial presence at the Bank.

The comprehensive and user-friendly ADB Web site (www.adb.org) is the best means of tracking upcoming opportunities. Particular attention should be given to *Business Opportunities* (approved, proposed projects) and *Country Assistance Plan* (Appendix 4 includes a three-year pipeline of projects). As an alternative to the Internet, the Bank also publishes the monthly *ADB Business Opportunities* newsletter.

The most important marketing objective for firms and consultants interested in pursuing ADB opportunities is building "top-of-mind" awareness among Bank staff (and member country executing agencies on loans projects), preferably through regular visits to the Bank or the countries themselves. Regional experience is also a key factor.

More detailed information and useful business tips can be found in two Department of Foreign Affairs and International Trade (DFAIT) documents: *Canada and the ADB: Winning Grant Funded Technical Assistance Contracts* and *Canada and the ADB: Winning Loan Funded Procurement Contracts*, which are available at www.dfait-maeci.gc.ca/ifinet under *Business Guides*.

Additional support and assistance can be obtained from the ADB Liaison Office at the Canadian Embassy in Manila, e-mail: pierre.delorme@dfait-maeci.gc.ca, fax: (632) 810-1699, tel.: (632) 867-0001, and from the Office of the Executive Director for Canada at the ADB, e-mail: jpayne@adb.org, fax: (632) 636-2048, tel.: (632) 632-6060.

Indonesia's Economic Turnaround

Indonesia's economy has begun to turn around with retail sales and exports leading the way. Inflation remains in the single digits and interest rates are at historical lows. This year, the economy is expected to grow 4 per cent, and 4 to 6 per cent in the years ahead. While this is still lower than in the pre-1997 years, it is widely believed to be more sustainable. With a population of over 200 million, two thirds living on the island of Java, Indonesia is an important emerging market for Canadian exporters.

It is also, however, a challenging market that promises great potential for firms willing to make the commitment. The rule of law is not well established in Indonesia and firms should be prepared to accept higher legal risks than in Canada. The key for Canadian suppliers is to identify how payments will be made for each sale.

Areas of Opportunity

Natural Resources

As one of Asia's few energy exporters and Asia's only OPEC (Organization of Petroleum Exporting Countries) member, Indonesia's economy benefits from a solid foundation in the energy sector, complemented by considerable mineral reserves. Over the past three decades, several large Canadian firms have made multibillion-dollar investments in Indonesia's mining and energy sectors. These firms, including INCO and Gulf Canada, ease entry for small and medium-sized Canadian goods and services providers looking to break into the Indonesian market. In addition, all the major oil and gas upstream multinational firms are active in the country.

Power Equipment & Services

Indonesia is a key market for Canadian power equipment and services providers. Although in the midst of a significant restructuring on the island of Java, there are important pockets of growth off Java, including the resource-rich regions of Sumatra, Sulawesi and Kalimantan.

Environmental Industries

This is a rapidly growing sector for Canadian firms. With abundant natural resources that parallel Canada's, Indonesia requires sophisticated environmental technologies and equipment to meet higher domestic standards as well as to protect its own reputation internationally. Several small Canadian suppliers are already making inroads into this

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market because of Canada's well-established reputation.

Canora (Asia) Inc. (Calgary), an incorporated consortium of Canadian environmental engineering and resource management firms, in association with local Indonesian firm PT Pusat Pengembangan Agribisnis, recently won a contract to execute the monitoring, control and surveillance component of the Coastal Community Fisheries Project. The project is jointly funded by the Government of Indonesia and a loan from the Asian Development Bank. This two-year project commenced in March 2000 at an initial budget of \$1.16 million.

Agriculture, Food & Beverages

In the past few years agri-food products accounted for 40 to 45 per cent of total Canadian exports to Indonesia. Of this, wheat accounted for 90 to 96 per cent. In 1999, however, soybean exports increased far above recent levels. Other opportunities in Indonesia include food safety, fertilizers, crop enhancement and diversification, livestock feed, biotechnology, beef and dairy cattle breeding, poultry, post-harvest technology, storage, canning, and food distribution and co-operatives.

of the Kuala Lumpur Stock Exchange Index, which rose to 900 from a low of 265 a few years ago.

These factors all point to renewed opportunities for Canadian companies in this tropical country of 22 million people located at the heart of Southeast Asia, which is blessed with an abundance of natural resources such as palm oil, timber, tin, rubber, oil and gas.

Areas of Opportunity

Agriculture, Food & Beverages

Malaysia has to import substantial amounts of a number of agri-food commodities, particularly soybeans, wheat, barley malt, peas, beans and dairy products. In addition, the country's expanding network of supermarket chains has resulted in a rapidly growing demand for Canadian grocery products and processed foods of all types.

Canadian agri-food exporters have traditionally enjoyed great success in Malaysia with sales of soybeans, wheat and malt barley as well as grocery and consumer products through supermarkets. Canadian fast food franchises such as Saint Cinnamon, with five outlets in leading shopping malls, have recently established a significant presence in Malaysia.

Information & Communication Technologies (ICT)

The fast-growing ICT sector has opened the door to a number of promising fields such as Internet enhancement and e-commerce products and services as well as multimedia applications. Advances in mobile and wireless communications add to this plethora of new opportunities.

Successes in the ICT sector are happening almost daily — the two most recent being the sale of the Virtual City Hall concept by SRI Strategic Resources Inc. (Burnaby, B.C.) to the North Malaysia city of Ipoh, and the launching of a Canadian-led joint venture known as Backpack Asia Sdn Bhd., an interactive Web site for budget travellers in 14 Asian countries.

Malaysia (1999)

Capital:Kuala Lumpur
 Population:22.2 million
 Urbanization:56%
 GDP:\$104.11 billion (1998)
 Economy:agriculture (14%), industry (45%), services (41%)
 Total Exports:\$104.2 billion Total Imports:\$78.7 billion
 Exports to Canada:\$2,056.8 million
 Imports from Canada:\$414.9 million

Environmental Industries

Malaysia's industrial development has taken a toll on its environment, and large-scale clean-up and rehabilitation programs are being introduced in order to restore air, water and soil.

Canadian environmental companies have the expertise that Malaysia needs for these programs. One example is the Ontario-based Cryo-Lines Supplies Inc., which has successfully marketed the "Blue Bottle" technology, which allows for the "green" recycling of CFCs and other ozone-depleting substances found in air-conditioning systems.

Singapore Remains Prosperous

Since independence over three decades ago, Singapore has grown into a technological leader with a per-capita GNP of \$33,000 (1998), and one of the highest standards of living in the world.

Singapore has not been severely hurt by the recent Asian economic crisis. The Economist Intelligence Unit projects 8.4-per-cent growth for Singapore this year, making it the fastest-growing economy in Asia and the third fastest in the world. The manufacturing sector leads growth, expanding on the back of a strong upturn in electronics and higher output of pharmaceutical and petrochemical products. Consequently, unemployment, which peaked at 4.5 per cent in the third quarter of 1998, eased to 3.3 per cent in June 1999. Meanwhile, the deflationary cycle was also halted when the consumer price index went up by 0.1 per cent in May 1999, after 11 consecutive months of decline.

Indonesia (1999)

Capital:Jakarta
 Population:210 million
 Urbanization:38.5%
 GDP:\$181.25 billion (1998)
 Economy:agriculture (16%), industry (43%), services (41%)
 Total Exports:\$72.8 billion Total Imports:\$64 billion
 Exports to Canada:\$865.1 million
 Imports from Canada:\$543.1 million

Opportunities on the Rise in Malaysia

The Malaysian economy is well on its way to a strong and full recovery, with 8.1-per-cent growth in the third quarter of 1999, and an anticipated 5 per cent this year. A further sign of recovery is the resurgence

Singapore (1999)

Capital: Singapore
 Population: 3.2 million
 Urbanization: 100%
 GDP: \$122.5 billion (1998)
 Economy: industry (28%), services (72%)
 Total Exports: \$159 billion Total Imports: \$147.5 billion
 Exports to Canada: \$1,252.2 million
 Imports from Canada: \$367.3 million

Singapore is dependent on foreign trade. It levies minimal import duties and has no significant non-tariff trade barriers. The country's role as a regional commercial hub is underscored by the fact that 40 per cent of Singapore's total imports are re-exported.

Areas of Opportunity

Information & Communication Technologies (ICT)

The Singapore government aims to enhance competitiveness in key economic sectors through strong ICT development. It envisions all households, governments and businesses linked together, creating "an intelligent island." As a result of the ICT21 Master Plan, ICT sales and investment opportunities are likely to increase substantially.

Canadian ICT companies have already achieved an impressive string of successes in Singapore. In December 1999, TimeStep, a subsidiary of Newbridge Networks (Kanata, ON), secured two contracts worth \$10 million to supply secure Internet Protocol Virtual Private Network systems. Newbridge was also awarded a contract valued at over \$35 million by Singapore Telecom to supply advanced asynchronous transfer mode and time division multiplexing systems for the construction of a high-performance, flexible, broadband multiservice network.

In November 1999, Montreal multimedia and entertainment companies, Enzyme Digital and Icestorm Digital, and a Singapore company, Dreamation, announced a \$522.8-million joint venture to produce a cutting-edge computer game incorporating advanced animation technology and artificial intelligence.

Environmental Industries

Singapore has placed a high priority on environmental protection and on promoting its reputation as "Asia's Garden City." Several major projects are planned, including the Deep Tunnel Sewerage System, as well as the construction of waste water treatment and solid waste incineration plants.

Agriculture, Food & Beverages

A land-scarce nation with no natural resources, Singapore's total food and beverage imports exceeded \$6 billion in 1998. Opportunities exist for quality, value-added processed food products, healthy snack foods and a wide variety of high-end seafood products.

Construction

The Singapore construction industry is predicting strong growth, which will offer opportunities to Canadian construction manufacturers and suppliers in a variety of areas, including underground electrical and optical cabling, infrastructure refurbishing, school construction, airport expansion and enhancement, building materials, construction technology and pre-cast construction.

Reform Sustains Growth in Thailand

After two difficult years, Thailand's economy is on the road to recovery, with GDP expanding by 4 per cent in 1999. The economy should perform well in 2000 as well, with most public and private-sector forecasters expecting continued growth over 4 per cent.

The Thai government has wisely used the International Monetary Fund (IMF) program to undertake structural reforms that will continue to sustain economic growth. These measures have also had encouraging short-term results, leading to a stable macro-economic situation: the currency exchange rate has held steady for over 18 months, inflation and interest rates are low, unemployment is declining and production, consumption and

investment are all moving upwards.

Thailand is not completely "out of the woods" yet, as the level of non-performing loans in the financial sector remains high, which is hampering the banks' capacity to finance investment. Observers, however, are confident that the worst is over, particularly in light of the international praise Thailand has received for its market-oriented policies.

Areas of Opportunity

Environmental Industries

Thailand's requirements for environmental technologies are considerable as it struggles with the effects of rapid industrialization and the emergence of a new environmental awareness. Over the next five to six years, it is estimated that environmental infrastructure projects will reach \$20 billion. Canadian firms should look strategically at Thailand, particularly in areas such as tourism, clean technologies, consulting and engineering, air pollution control, and solid waste and waste water treatment.

Information & Communication Technologies (ICT)

Thailand places great importance on the development of a national ICT infrastructure. Initiatives have included an expanded *Copyright Law* in 1994, and the scheduled privatization of a number of telecom firms. The country's major urban centres have a well-developed ICT infrastructure, which requires advanced technologies from countries like Canada for continued expansion, while the countryside still has immense needs for basic telecom services.

A number of Canadian ICT companies have done well in Thailand in recent months, notably in Internet-based English-language training with eduverse.com (Vancouver), and software for business management and audit analysis with ACL Services (Vancouver). As well, Capital Alliance Group (Vancouver) has partnered with a major Thai ICT professional services provider.

Agriculture, Food & Beverages

Thailand's economic recovery has been greatly assisted by its exceptional agri-

Thailand (1999)

Capital: Bangkok
 Population: 61.5 million
 Urbanization: 21%
 GDP: \$59 billion (1998)
 Economy: agriculture (10%), industry (29%), services (61%)
 Total Exports: \$76.6 billion Total Imports: \$53.5 billion
 Exports to Canada: \$1,508.2 million
 Imports from Canada: \$300.5 million

food production and export performance. As the economy continues to recover there will be opportunities for value-added food and beverage products geared to the food service and retail markets, the sectors so badly affected by the crisis. The greatest short-term opportunity is the \$200-million animal feed ingredient import market for which tariff rates for canola meal and alfalfa products have been reduced to 5 per cent.

Oil & Gas

This is an important sector in Thailand and one where Canada has proven experience and expertise. As such, there are opportunities in the oil and gas sector including repair and maintenance services, natural gas distribution, and process control consulting services. Canadian companies have already become well established in this sector, with Cyntech (Calgary) securing a major contract for pipeline anchor systems, and Canadoil (Bécancour, QC) studying a manufacturing facility for pipeline fittings.

Power Equipment & Services

Similarly, as the economy recovers and demand increases, opportunities are again emerging for investment in new generating facilities as well as from longer-term plans to privatize energy resources. There is also interest in low-cost power production technology and environment protection solutions.

Aerospace & Defence

Thailand is poised to become a major aerospace centre, and although the recent economic downturn has reduced budgets, opportunities for Canadian companies remain strong. There is a

continuing need for helicopters by the Thai government and Armed Forces as well as for flight simulators.

Transportation Infrastructure

Thailand's rapid economic growth has placed considerable strain on its supporting infrastructure, particularly its transportation facilities, which will require substantial improvement. Bangkok is building a world-class public transport system, and a second international airport is also planned for the capital. As a result, Thailand offers opportunities to Canadian planners, consultants and equipment suppliers. For example, a contract worth several hundred million dollars was recently awarded to SNC-Lavalin (Vancouver) for the track work of Bangkok's Blue Line Subway Project.

The Philippines on the Road to Recovery

Commercial prospects for Canadian companies in the Philippines are promising. Growth is expected to be moderate but steady in the next few years. El Niño and, to a lesser extent, the Asian crisis caused the Philippine economy to shrink in 1998 — but only by 0.5 per cent. Recovery has already begun, but has been slow compared to countries like Thailand.

Agricultural production has recovered but some sectors — particularly construction and manufacturing — are still feeling the impact of the recession. Exports, however, which were key in minimizing the effects of the crisis, continue to show robust growth.

In many ways, the Philippines is in the early stages of development — and that, in itself, creates opportunities. The country needs new roads, trains and communications systems, and with its burgeoning urban population, it also needs new types of food and environmental technologies.

Many of these opportunities lie outside the capital, in the provincial centres, where growth far outstrips the national average.

Areas of Opportunity

Information & Communication Technologies (ICT)

The telecommunications equipment sector experienced dramatic growth after being liberalized in 1995. Now, the industry is rationalizing and there is tremendous movement in the market, with excess telephone capacities and tight competition. Telcos are reorganizing, redistributing their resources, relocating their equipment and making additional investments. Interest in e-commerce and value-added services will necessitate the expansion and modernization of network infrastructures to ensure high-speed broadband Internet access. Major Canadian players are already on the ground and there is room for more. For example, SR Telecom (Montreal) was recently awarded a \$145-million contract to supply and install microwave point-to-multipoint radio equipment for the Philippines' Municipal Telephone Project.

Under World Trade Organization (WTO) commitments, the Philippines has just removed customs duties from imported computers, parts and components, and there is a healthy demand for these products.

Automotive

Again, under WTO commitments, the Philippines plans to lift the ban on used car imports and the requirement for car assemblers to obtain at least 40 per cent of vehicle parts and components from local suppliers. There is renewed interest from foreign car manufacturers and spare parts makers, as evidenced by the opening of a Ford assembly plant outside Manila in 1999.

Agriculture, Food & Beverages

Filipinos have a taste for Western food, making the market for Canadians excellent. Demand for consumer-ready foodstuffs and for dining out is expected to increase as incomes grow and more women work outside the home. Already, 1999 saw record imports of Canadian frozen French fries, soups and broths, flour mixes and frozen doughs. The word on Canadian quality and pricing

The Philippines (1999)
 Capital: Manila
 Population: 75.1 million
 Urbanization: 57%
 GDP: \$94.4 billion (1998)
 Economy: agriculture (22%), industry (32%), services (46%)
 Total Exports: \$50.8 billion Total Imports: \$44.6 billion
 Exports to Canada: \$1,043.8 million
 Imports from Canada: \$294.5 million

is spreading, and franchise opportunities are rapidly expanding.

Country Style Donuts Division of Maple Leaf Foods (Toronto) opened its first franchise outlet in 1997 and now has over 20 shops throughout Metro Manila, with more to come. As well, BeaverTails (Ottawa) just opened its second franchise outlet and also plans to open 20 more in the next five years. (See CanadExport, March 1, 2000, pg. 18.)

The Philippines' emphasis on agricultural development will lead to even stronger markets for products such as animal breeding stock and genetics, frozen pork, seeds, irrigation technology and food processing machinery. The market for products such as high-grade soybeans and alternative feed ingredients is just starting to be tapped.

Environmental Industries

The recent passage of the *Clean Air Act* is opening up possibilities for pollution abatement technologies aimed at stationary sources and motor vehicles. Legislation requiring improved water and sewage treatment is also expected, and these are areas in which Canadian companies have already had success.

Metro Manila and several other major cities are facing a waste disposal crisis — Manila alone needs to spend an estimated \$3.4 billion until the year 2015 to address the problem. There is considerable interest in sanitary landfill technologies.

Transportation Infrastructure

The government is looking at privatizing and expanding its mass rail transit systems, and is interested in Canadian capabilities. The Philippine National Railway wants to rehabilitate its

commuter and South line services. The country is virtually starting from scratch in these fields, so potential is great. Many regional airports are expanding, as is Manila's international airport, creating opportunities for design, construction and equipment.

Construction (Housing)

The need for low-cost housing is at crisis proportions and is one of the government's key priorities. It wants to build 1,000 housing units a day and is looking for innovative housing technologies that are inexpensive and easy to construct. One Canadian company already has large orders and others are on the ground, but there is still room for more.

Vietnam Moves toward Market Liberalization

Vietnam remains a centrally planned economy with limited market liberalization. Although the government recognizes the need to take concrete steps to open up its market, officials favour a more gradual transition.

This is a challenging market, with a high level of tariff and non-tariff protection. It also has a current account deficit, an underdeveloped financial sector and limited access to hard currency, all of which present obstacles for Canadian exporters. Consequently, business in Vietnam should be viewed as a long-term project. Nevertheless, this is a country with a large and young population which is very receptive to foreign products. There is a market for just about every type of Canadian commodity, given the right marketing and financing conditions.

Areas of Opportunity

Natural Resources

As a developing country, Vietnam requires considerable investment in its natural resources. The government's priorities are power generation and transmission. Vietnam is a member of the Mekong River

Commission and, as such, works with Laos, Cambodia and Thailand to fully utilize the river's power resources. Coal is also a major source of energy, along with oil and gas, which require better technology to maximize potential. Proposed legal changes should result in an improved business environment in mining (coal, potash and mineral deposits), forestry (including pulp and paper), and oil and gas.

Agriculture, Food & Beverages

The agri-food sector offers significant potential with value-added foods finding an ever-growing market in light of increased consumer purchasing power. There is potential in food processing and technologies as well as in animal breeding.

Capital Projects/Services

These areas also require considerable investment. Roads, rails, bridges and ports need to be refurbished, and houses, apartments and office buildings need to be constructed, all of which provide good prospects for Canadian companies.

Despite limited short-term potential, a number of Canadian companies have been successful in Vietnam. Applied Gaming Solutions (Calgary) introduced on-line lotteries to Vietnam; Manulife Financial (Toronto), in a joint venture with Taiwan's Chinfon, was the first wholly foreign-owned enterprise to be granted a licence to sell life insurance; GIT Informatique Inc. (Quebec) won a consulting contract to help revamp the banking system; and several Canadian mining companies are making progress in mineral exploration.

Vietnam (1999)
 Capital: Hanoi
 Population: 78.1 million
 Urbanization: 20%
 GDP: \$39.4 billion (1998)
 Economy: agriculture (28%), industry (30%), services (42%)
 Total Exports: \$13.6 billion Total Imports: \$14.9 billion
 Exports to Canada: \$194.5 million
 Imports from Canada: \$47.6 million

Rising Oil Prices Spur Growth in Brunei

After nearly two years of economic difficulty, Brunei's economy is beginning to improve. Government projections now call for close to 1-per-cent growth this year, based primarily on rising oil prices. The oil and gas sector dominates Brunei's economy, contributing an estimated 51 per cent of GDP. It is the third-largest oil producer in Southeast Asia, and the second-largest producer of liquefied natural gas in the world.

The Brunei market is relatively small, but with one of the highest per-capita incomes in the world, and thus a market that Canadian businesses should not ignore. It is undergoing rapid modernization, with significant government spending on infrastructure development. As part of its economic recovery program, the Brunei government recently announced plans to provide approximately \$200 million to fund small and medium-sized projects.

Areas of Opportunity

Trade with Canada has been modest, but there is increasing activity by Canada in a number of sectors in Brunei. Major opportunities exist in oil and gas, environment, and in advanced technology products and services. As well, opportunities can be found in financial services, defence and security products, education, forestry, agriculture and agri-food, and information and communication technologies.

Canadian firms have made considerable inroads in the environmental services sector in Brunei. Inland Technologies Inc. (Truro, N.S.) and Canora-Brunei Environment Ltd. (Quebec City) signed a joint-venture agreement with Cathay Scientific Instrument Sdn. Bhd. for a long-term oily waste recovery program valued at over \$20 million.

Jacques Whitford Environment Limited, Envirosoil Limited (Dartmouth, N.S.) and Inland Technologies, in partnership with Haji Adinin and Sons of Brunei, recently

Brunei (1999)

Capital: Bandar Seri Begawan
 Population: 323,600
 Urbanization: 71%
 GDP: \$7.03 billion (1998)
 Economy: agriculture (5%), industry (46%), services (49%)
 Total Exports: \$2.6 billion Total Imports: \$2.4 billion
 Exports to Canada: \$0.956 million
 Imports from Canada: \$2.943 million

signed a multimillion-dollar contract with Brunei Shell Petroleum Company Sdn. Bhd. (BSP) to recover petroleum sludge and drilling muds at BSP's crude oil production facilities.

Stability Key to Cambodia's Resurgence

In 1999, political stability in Cambodia fueled economic expansion. GDP growth rebounded to 4 per cent, and is expected to reach 5.5 per cent this year.

Current overall investment is approximately \$870 million, \$580 million of which is from private sources. Foreign aid and foreign direct investment finance 14 to 15 per cent of GDP. The IMF has approved Enhanced Structural Adjustment Facility funding of \$118.3 million over three years; the first phase of \$17 million having already been released. World Bank lending for Cambodia totalled \$109.1 million in fiscal year 1999.

Areas of Opportunity

Transportation Infrastructure

As a result of more than two decades of war and destruction, Cambodia's

transportation network has been severely damaged. The rehabilitation of the transportation network has begun, and it affords opportunities for Canadians.

Power Equipment & Services

Meeting Cambodia's power needs, particularly those of Phnom Penh, is regarded by the government as the country's most important priority. Augmenting the power supply will entail investing in generation, transmission and distribution systems. Cambodia, as a member of the Mekong River Commission, presents opportunities to Canadian firms in this sector. Opportunities also exist for Canadian companies in the exploration and exploitation of oil and gas reserves in the Gulf of Thailand.

Environmental Industries

Cambodia's extensive renewable and natural resources have suffered in recent years. It has identified critical areas for immediate attention: forest management; Tonle Sap ecosystem biodiversity conservation; and coastal environmental programs.

Canadian companies have been very active in Cambodia's environmental initiatives. Hydro Quebec International/ Experco (Montreal) conducted a pre-feasibility study for a hydro power project on the Kamchay River; Resource Futures International (Ottawa) and Global Environment Consulting (Vancouver) were awarded an ADB grant to train staff from the Ministry of Environment to carry out environmental impact assessments.

Economic Recovery Slow in Laos

The Lao People's Democratic Republic is one of the world's poorest and least-developed countries. It is a one-party Socialist government, and remains highly dependent on IFIs and external assistance from international aid organizations and donors.

Cambodia (1999)

Capital: Phnom Penh
 Population: 11.4 million
 Urbanization: 22.5%
 GDP: \$4.13 billion (1998)
 Economy: agriculture (47%), industry (16%), services (37%)
 Total Exports: \$1.3 billion Total Imports: \$1.6 billion
 Exports to Canada: \$11.3 million
 Imports from Canada: \$2.1 million

Since 1985, Laos has been struggling to move away from a centrally planned economy to a more market-oriented one. It has undertaken limited privatization efforts while actively promoting international trade, and maintaining a relatively open foreign investment environment.

The 1997 Asian economic recession caused the value of the Laos currency, the *kip*, to depreciate to one-tenth of its pre-1997 value, while inflation soared to triple-digit heights. The currency remains extremely volatile.

While other regional economies are showing signs of economic recovery, Laos continues to experience severe macro-economic problems with the financial and banking sectors requiring major restructuring and reform.

Areas of Opportunity

Although there is little private financing, opportunities for Canadians exist in partnering with external financing sources such as the World Bank, the ADB or CIDA. Health care, environmental consulting, hydro-

electric power, transportation infrastructure, mining and international development projects are all potential areas of opportunity.

Laos (1999)	
Capital:	Vientiane
Population:	5.35 million
Urbanization:	22.5%
GDP:	\$1.87 billion (1998)
Economy:	agriculture (56%), industry (19%), services (25%)
Total Exports:	\$416 million
Total Imports:	\$871.5 million
Exports to Canada:	\$2.9 million
Imports from Canada:	\$0.030 million

Trade Restrictions Still in Effect for Burma

Canada remains concerned about the poor human rights situation in Burma. In August 1997, Canada withdrew Burma's General Preferential Tariff eligibility and placed Burma on the Area Control List, which requires all exports from Canada to have an export permit. With these actions Canada joined the United States and the European Union in imposing selective economic measures on Burma.

Canadian companies wanting to ship their products to Burma must first apply to DFAIT's Export Controls Division in Ottawa for a permit, which are currently granted for humanitarian goods only.

Canadian investment into Burma is not prohibited, but the Canadian government neither encourages nor supports it. The Burmese currency, the *kyat*, is overvalued by more than 5,000 per cent. Officially pegged at 6 *kyat* to the U.S. dollar, it was worth about 340 *kyat* on the open market as of late 1999.

For further information on doing business with Burma, contact the Southeast Asia Division, DFAIT at tel.: (613) 944-5378.

Key Web Sites

- ◆ Department of Foreign Affairs and International Trade (DFAIT): www.dfait-maeci.gc.ca
- ◆ DFAIT InfoExport Services: www.infoexport.gc.ca (see *Canadian Embassies and Missions*)
- ◆ Export Development Corporation: www.edc.ca
- ◆ Canadian Commercial Corporation: www.ccc.ca
- ◆ Canadian International Development Agency, Industrial Cooperation: <http://acdi-cida.gc.ca/inc>
- ◆ Asia Pacific Foundation of Canada: www.apfc.ca and www.asiapacific.ca

Contact Canada's Senior Trade Commissioners at:

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 Tel.: (011-66-2) 636-0540
 Fax: (011-66-2) 636-0568
 E-Mail: bngkk-td@dfait-maeci.gc.ca
 Internet: www.dfait-maeci.gc.ca/bangkok

Malaysia

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 E-Mail: klmpr-td@dfait-maeci.gc.ca
 Internet: www.dfait-maeci.gc.ca/kualalumpur

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 Tel.: (011-65) 325-3200
 Fax: (011-65) 325-3294
 E-Mail: spore-td@dfait-maeci.gc.ca

Brunei

Canadian High Commission
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 Fax: (011-673-2) 220040
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 Tel.: (011-62-21) 525-0709
 Fax: (011-62-21) 571-2251
 E-Mail: jkrt-ta@dfait-maeci.gc.ca
 Internet: www.dfait-maeci.gc.ca/jakarta

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 Tel.: (011-63-2) 867-0001
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 E-Mail: manil-td@dfait-maeci.gc.ca
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— Continued from page 1

Governor of Jalisco State sat beside me. My Mexican partner and I were able to have a private, hour-long conversation with him, after which he invited us to present our proposals to his senior economic cabinet in Guadalajara.

"Clearly, this governor attended the luncheon because the best Canadian businesses and leading

towards a deal we hope to close in May for the distribution of our software to public schools in Bogotá. TCS staff — notably Lesley-Anne Reed — has provided valuable direction with nuts and bolts issues, such as intellectual property rights, licensing, registration, and tax requirements. These matters need to be dealt with appropriately right

week of November 22 (see the article in the next issue of *CanadExport*).

"It was a great saving in time and money," says Quinn of the event. "Our government was a great facilitator and made all kinds of contacts for us. TCS staff helped set up our display booth and provided logistics support.

"Trade Officer François Gauthé, Canadian Embassy, Paris, introduced us to the French Ministry of Education, which is currently examining our product in order to grant its 'seal of approval'. This official government endorsement will make teachers more likely to choose our software, which will give us a tremendous edge in the competitive French market."

Since its establishment in 1981, LCSi — which has won no less than 26 major awards for its innovative software — is continually expanding as a result of export activities. The company just added 1500 square feet to its office space and increased its staff to 25 people.

For more information on LCSi Inc., contact company president Michael Quinn, tel.: (514) 939-8700, fax: (514) 331-1380, e-mail: maq@lcsi.ca
Internet: www.lcsi.ca ✪

LCSi Shines in Mexico and France

politicians were present. I cannot imagine LCSi ever gaining direct access to such a key figure, except through Team Canada."

That chance meeting with the governor paid off for LCSi nearly two years later, with a \$750,000 contract to distribute its software to schools across the state of Jalisco. As Quinn explains, the agreement was facilitated by the Canadian Commercial Corporation (CCC).

"We used CCC — we first met on board the Team Canada plane — in order to negotiate government-to-government and avoid a bid process." The deal with Jalisco — which was finalized just last December — will serve as a reference model for other states, opening up further opportunities for the company throughout Mexico.

Tapping into TCS

With 98 percent of its business generated by exports, LCSi has benefitted often from other government efforts, particularly Trade Commissioner Services (TCS) abroad. "For instance," says Quinn, "Brian Wong at the Canadian Consulate General in Hong Kong is setting up face-to-face meetings for us.

"We are also working closely with the Canadian Embassy in Colombia

from the start, before it's too late and they become problems."

Educatec, a huge door-opener

LCSi also participated last year in Educatec — the largest professional exhibition in the world of educational and training equipment, systems and services, held annually in Paris. This year's Educatec will take place the

TD Waterhouse Ventures into India

TD Waterhouse Group Inc., a leading on-line financial services firm and the world's second-largest discount broker, signed a joint venture agreement with India's Tata Finance Limited last month. Tata Finance TD Waterhouse Ltd. will provide a full array of financial services, with a heavy emphasis on brokerage and on-line trading.

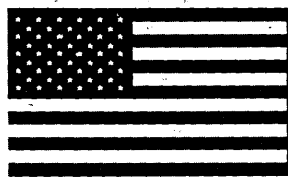
Tata Finance TD Waterhouse Ltd. will operate from Tata's network of 75 branches throughout India and will initiate on-line trading as soon as approvals are obtained.

Under the agreement, TD Waterhouse will own 49.9 percent of the joint venture entity, which will have its headquarters in Mumbai, India. With over 25 million investors and rapid Internet penetration, India has

tremendous business potential and is generally viewed as one of the top growth markets for financial services.

TD Waterhouse joins a steadily increasing number of Canadian firms active in India's financial sector including the Bank of Nova Scotia, Toronto Dominion Bank, Sun Life of Canada, Canada Life, ScotiaFinance and Dundee Bancorp Inc.

With a population of 1 billion and a rapidly growing middle class, India offers a large market potential for new entrants. Indian government policies are favourable to foreign investors and are aimed at improving the efficiency and strength of the financial sector, which has experienced compounded annual growth rates of close to 20 percent since 1990. ✪



The U.S. Connection

The U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division (URT). For information about articles on this page, contact URT by fax at (613) 944-9119 or e-mail at commerce@dfait-maeci.gc.ca For all other export enquiries, call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

There's no doubt that the computer software industry has an image that incites widespread

admiration. Companies in this industry are seen as rapidly growing, cutting-edge, innovative enterprises — small operations that must fight to stay on top in a highly competitive

industry. Yet these are the very characteristics that concern many of these developers' clients. In fact, in

Escrow Solutions Increase International Software Sales

the past, *The Economist* has reported that as many as 60 percent of all newly created high-technology companies will disappear within five years of start up. This forecast gives rise to an urgent question: how can software purchasers guarantee access to the software codes produced by companies that subsequently go out of business? And how can co-development partners and investors, such as venture capitalists, secure their interest in proprietary information?

The answer lies in a software escrow arrangement. This process is used as a value-added service of the particular product by providing conditional access to the source code

to protect the end user's monetary investment with the software vendor. Canadian software vendors looking for a boost in international sales are well advised to take a proactive role in finalizing such an arrangement.

The foundation of any escrow arrangement is the agreement. The release conditions listed in the agreement should cover typical product concerns such as maintenance and support. Good communication between all parties is important to create a reliable escrow deposit. It is also critical that major updates to the source code be forwarded to the escrow agent so the escrow deposit correctly corresponds to the version being used by the licensee. Escrow materials should be held in a media vault facility that can provide a minimum four-hour fire wall, non-water-based fire extinguishing system, controlled storage environment, and an extensive security system.

The escrow industry is similar to the Canadian technology industry

Continued on page 12 - Escrow

New! New! New! **CALENDAR OF UPCOMING TRADE AND INVESTMENT EVENTS**

A comprehensive new calendar of upcoming trade and investment events is now available on the U.S. Business Web site. It lists a wide selection of trade shows and activities taking place in Canada and the United States (with U.S. post involvement). A contact name is provided for each event. This listing does not include New Exporters to Border States (NEBS) events, which are listed separately by sector. Links to other trade show sites are also provided.

New Name for NEBS Plus

Effective April 1, 2000, NEBS Plus missions will be known as EXTUS (Exporters to the U.S.A.) missions. This program will continue to serve Canadian companies already exporting to the U.S., with a focus on helping them expand their markets

further into the United States. A complete listing of upcoming NEBS and EXTUS events for 2000-2001 can be found at www.dfait-maeci.gc.ca/geo/usa/nebs_00-e.asp (note new URL), or by linking directly from the U.S. Business Web site. ★

As a former fire officer from Barrie, Ontario, Gary Joice was constantly searching for the best training techniques to keep his firefighters efficient and effective.

joined the company in 1994. "We build systems to train firefighters to extinguish fires under conditions that closely mimic the real thing. They get accustomed to the heat and various

CCC Helps Firefighter Become World Leader in Training Systems

Conventional training methods didn't offer the kind of hands-on experience a firefighter needs to be effective the first time, so, in 1984, Joice developed his own propane-powered training unit. It wasn't long before the word on his fire-simulator training units spread, and Pro-Safe Fire Training Systems Inc. was born. After successive years of expansion, Pro-Safe now has its headquarters in Parry Sound, Ontario.

"The company started manufacturing fire training units for sale after repeated requests from clients who had seen them in action," says Pro-Safe CEO Henriette Martinitz, who

other conditions, so they can react properly in a real fire."

Martinitz also serves as the company's Director of Finance and



Henriette Martinitz, CEO, Pro-Safe Fire Training Systems Inc., Parry Sound, Ontario

Administration, while founder Gary Joice focuses on product development and manufacturing. Initially, the company's sales were primarily to municipal fire departments, but a sale several years ago to the Department of National Defence (DND) for a training unit at the base in Esquimalt, B.C., opened up a new market for Pro-Safe.

"DND referred us to the Canadian Commercial Corporation [CCC] for assistance with the sale, and the rest is history," says Martinitz. "CCC is a security blanket for us and our bankers, and it gives us credibility with foreign buyers. They've enabled us to go from producing a \$20,000 system to making a \$750,000 sale to the U.S. Navy."

CCC-backed sales to clients like the U.S. Navy, U.S. Air Force, and Air National Guard have boosted Pro-Safe's

CCC Shaping Trade Solutions for Canada's Exporters

A federal Crown corporation, the Canadian Commercial Corporation (CCC) partners with Canadian exporters to negotiate and win sales in difficult markets on favourable terms. It provides special access to U.S. defence and aerospace markets and specializes in trade to foreign governments and international organizations.

Whether bringing buyers and sellers together, acting as a prime contractor or working with small and medium-sized companies to win sales, CCC's access to specialized markets continues to open doors for thousands of Canadian companies doing business in over 60 countries.

For more information, contact CCC at tel.: (613) 996-0034, fax: (613) 995-2121, e-mail: info@ccc.ca Internet: www.ccc.ca

revenues more than tenfold in the past few years, and the company continues to extend its export reach. It is now selling mobile aircraft training systems, in which an accurate replica of an existing aircraft is fitted with systems to produce simulated fires that are very close to the real thing.

"It simulates a whole range of typical fires," says Martinitz. "Whether it's in the cockpit or cargo hold, or it's a 'spill' fire, or it engulfs the entire aircraft, a wing fire, a tail engine fire... We work with the clients before delivery, and train their instructors. We've delivered four units in total to the U.S. Navy and U.S. Air Force, and they put them through a rigorous testing program on land and sea."

Pro-Safe's sales have grown from about \$300,000 to the current \$3.5 million, and exports have played a crucial role. The company has taken advantage of the Canadian Commercial Corporation's services throughout the growth process.

Continued on page 13- World

Looking to Do Business with the U.S. Federal Government?

Opportunities are just a key stroke away at the Internet site (www.gsa.gov) of the General Services Administration (GSA), which facilitates purchases by the U.S. government — "the world's largest consumer" — and the Electronic Posting System site (www.eps.gov). More GSA opportunities are listed on the site of the Canadian Embassy in Washington, D.C., (www.canadianembassy.org) and periodically in *CanadExport*.

The wood industry in France comprises 38,000 companies with a labour pool of 300,000 and annual sales figures of US\$34 billion.

In order of importance, the products of the wood industry are: pulpwood

The demand for maritime pine, used in flooring and panelling, is growing by 3 percent annually. Maritime pine accounts for 65 percent of the softwood flooring market and 27 percent of the overall flooring market in France. In 1995, 3 million

Approval event is held annually in Paris.

The Carrefour International du Bois is a unique event in Europe since it is dedicated solely to the wood industry. It will be held in Nantes from May 24 to 26, 2000, and will feature more than 300 exhibitors, with 6,000 visitors from over 60 countries. To date, Q-Web, B.C. Wood and a delegation from the Maritimes plan to attend. In conjunction with the conference program, a Canada information session will be held with show organizers.

For suppliers of wood for furniture, Approval is held each January in Paris as part of the Salon du Meuble. It has the advantage of giving participants access to the French and European furniture market along with an opportunity to learn about the main trends in design and the most popular kinds of wood.

For more information, contact Michel Montet, Canadian Embassy, Paris, tel.: (011-33-1) 44.43.23.74, fax: (011-33-1) 44.43.29.98, e-mail: michel.montet@dfait-maeci.gc.ca ✪

The Wood Industry in France

— Market Access and Opportunities

40.8 percent; packaging materials 25.4 percent; construction lumber 13.8 percent; furniture 13.6 percent; and sawmills 7.3 percent.

French Imports

Since 1996, domestic market imports, primarily from European countries, have surpassed the US\$2 billion mark annually, reaching \$2.3 billion in 1998. Between 1996 and 1997, France imported from Canada \$41 million and \$43 million worth respectively, peaking at \$49 million in 1998. Canada was ranked 13th behind its mainly European competitors, accounting for only 2.12 percent of the import market, but representing an encouraging increase of 14.36 percent over 1997.

Lumber products (over 6 mm thick) account for 76 percent of French wood imports from Canada and represent a dollar figure of US\$37 million.

Opportunities in France

Wood is used very little as a construction material in France, which is not enough, according to the French wood industry. With this in mind, the best niche markets for Canadian suppliers are wood for flooring, furniture, plywood and panelling.

square metres of maritime pine flooring were laid in France. Cherry, walnut and red oak are the preferred woods for furnishings.

Market Access

In order to export wood processed in Canada to France, two certificates issued by the Canadian Food Inspection Agency of Agriculture Canada are required: a heat treatment certificate and a phytosanitary certificate.

Canadian companies can access the French market through manufacturers' agents, by contacting directly mass market buyers, or by delivering directly to the customer.

Wood manufacturers' agents have their own association and the buyers for specialized mass merchandisers are relatively easy to identify. The Fédération française du commerce du bois, whose mandate is to promote wood on the French market, publishes a detailed directory which is an excellent tool for prospective Canadian exporters.

Trade Shows

France organizes two main events for the wood industry: the Carrefour International du Bois takes place every two years in Nantes and the

Escrow Solutions

— Continued from page 10

in that it is constantly adapting its services in an effort to improve. Software escrow arrangements have historically helped software vendors sell more products and services by relieving the fears of potential customers, both in Canada and internationally. When a professional, impartial agent is employed, the service will provide security and benefits to all concerned.

Additional information can be found at www.fortknoxescrow.com ✪

Less than two years after the Krakow Transport Authority (MPK Krakow) had tendered for new streetcars, Bombardier Transportation officially presented the first low-floor

the cities of Kassel and Essen, where they are successfully in operation. Vice-President, Strategic Initiatives of Bombardier Transportation, Continental Europe, Robin Schweitzer

Bombardier's First Tramway in Poland

Opens Door to Central and Eastern Europe

tramway type NGT6 to MPK Krakow, last December.

A total of 14 vehicles of this type — the deal was facilitated by former Canadian Senior Trade Commissioner in Warsaw, Linda McDonald — will be delivered to MPK Krakow, the first



Cardinal Franciszek Macharski blessing the first Bombardier tramway during the roll-out ceremony in Krakow. Second from the right (front) is Canada's Ambassador to Poland, Donald McLennan.

urban transport authority in Poland to have ordered vehicles within the framework of an international tender.

The vehicle concept of the new tramway for Krakow respects Polish regulations for the design and operation of tramways. It is part of an entire family of low-floor tramways developed by Bombardier Transportation in Bautzen, Germany — one of the many plants Montreal-based Bombardier Inc. operates in 12 countries around the world.

In Germany, other tramways of that family have already been delivered to

stressed the importance that the central European markets hold for Bombardier. "We are interested in long-term co-operation since central Europe remains an important market with substantial growth potential."

With this first tramway delivery to a central European country, Bombardier Transportation underlines its expertise in supplying customized solutions for urban and regional traffic. Bombardier's product portfolio ranges from the 100 percent low-floor street-tram Cityrunner to the bi-modal Tram-Train which can run on both heavy-rail infrastructure and inner-city tramway tracks.

The Krakow tramway is a modern uni-directional vehicle with a 65 percent low-floor portion and an entrance height of 2.9 m. The 26 m long three-car vehicle has a total passenger capacity of 76 seated and 100 standing. Padded individual seats, roof-mounted ventilation and under-seat heating offer extra comfort to the passengers. Multipurpose areas are also provided for prams, bicycles and wheelchairs.

In his speech at the roll-out ceremony, with over 200 guests in attendance, Canada's Ambassador to Poland, Donald McLennan, described the expanding bilateral relations between the two countries. "We expect to see Canadian investment in Poland, now \$300 million, to double in the next five years."

For more information on Bombardier, check www.transportation.bombardier.com

For information on trade and investment opportunities in Poland, contact Jean-Pierre Petit, Central European Division, DFAIT, tel.: (613) 992-1449, fax: (613) 995-8756, e-mail: jeanpierre.petit@dfait-maeci.gc.ca or Joanne Lemay, Trade Commissioner, Canadian Embassy, Warsaw, tel.: (011-48-22) 629-8051, ext. 3352, fax: (011-48-22) 622-9803, e-mail: wsaw-td@dfait-maeci.gc.ca ✪

World Leader in Training Systems

— Continued from page 11

"They were involved in the bidding process and negotiations on many sales," says Martinitz. "CCC has highly trained staff who pick up on the little nuances, legal or technical, and get them answered."

Pro-Safe also makes systems for fire training towers (Vancouver and Winnipeg fire departments are recent clients). Pro-Safe has also made a major impact on the airport marketplace for training of airport firefighters. In 1997 and 1998, it installed large remote-controlled fire simulators at Pearson

Airport (Toronto) and the Air National Guard base in Alpena, Michigan.

Currently, it is working on systems for the Air National Guard in Fargo, North Dakota, and Gulfport, Mississippi, and projects for airports in Detroit, Denver and Tucson are under way.

"We plan to move beyond the North American market in the future," says Martinitz. "We're looking to expand into South America, the Middle East, and the United Kingdom, and we would definitely hope to use CCC's services." ✪

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities. To view a wider selection of IBOC's current trade opportunities, simply visit the Internet site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

NEPAL — Wireless Local Loop System — The Telecommunications Corporation invites eligible companies to tender for the supply and delivery of a Wireless Local Loop (WLL) System and the materials for installation. The WLL will provide about 5,000 telephone lines in the Village Development Committees of the Western Development Region in three phases. The supplier will undertake detailed engineering design,

supply and delivery of the system and turnkey installation of the first phase of construction. The closing date has been extended from March 24, 2000, to **May 24, 2000**. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000221-00664.

THAILAND — Supply of 500 kV Reactors — The Electricity Generating Authority is looking for the supply of 500 kV reactors for the Pluak Daeng Substation under the 500 kV Transmission System Project for independent

power producers. Bidding documents are available from February 25 to May 3, 2000, for a non-refundable fee of US\$80 or THB 3,000 per set. Closing date: **May 3, 2000**. For more details, visit www.egat.or.th/procure invitation bid no.: IPPE-S1-R. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000229-00800.

ISRAEL — Jerusalem Light Rail Train Project — The project's pre-qualification documents may be obtained against a payment of a non-refundable fee of NIS 40,000. Closing date: **May 15, 2000**. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000117-00195.

IBOC trade opportunities — find out more at www.iboc.gc.ca *



Quick Facts

Since it opened in 1995, IBOC has contacted more than 25,000 Canadian companies and has responded to more than 16,000 inquiries from foreign buyers.

Thanks to IBOC, more than 8,500 Canadian firms have been in contact with foreign buyers.

IBOC's sourcing experts use a variety of databases as well as a large network of business contacts across the country to identify Canadian companies of all sizes.

IBOC is jointly operated by the Department of Foreign Affairs and International Trade and Industry Canada, with special co-operation from Agriculture and Agri-Food Canada. It is the sourcing centre for Team Canada Inc.

Computer Education Opportunities Slated for Morocco

Morocco plans to implement significant changes in its education and training programs in an attempt to catch up in the area of information technology development.

At an estimated cost of Dh\$3.3 billion (\$508 million) for materials and training, it will introduce basic computer education in all elementary and secondary schools (6,986 facilities) by the year 2004. It is expected that computer science courses will be offered at all higher learning institu-

tions at a budget cost of Dh\$200 million (\$31 million). Government employees (75,000 in total) will receive intensive training courses in new information technologies, which will entail a budget of Dh\$75 million (\$12 million).

For further information, contact Asmae Amrouche, Trade Officer, Canadian Embassy, tel.: (011-212-7) 67-28-80, fax: (011-212-7) 67-21-87, e-mail: asmae.amrouche@dfait-maeci.gc.ca *

Montreal International African Market

MONTREAL — May 23-26, 2000 — The Montreal International African Market (MIAM 2000), which will be held at the Montreal Convention Centre, is expecting more than 200 African businesspeople and political decision makers and 400 Canadian business representatives.

Held for the first time last year by the Chamber of Commerce Canada-Africa (CCCA) and supported by, among others, the governments of Canada and Quebec, MIAM is dedicated primarily to increasing business relations between African companies and those in Montreal, other parts of Quebec and other Canadian provinces.

Aside from personal meetings, there will be a number of activities to encourage one-on-one exchanges between participants such as booths and exhibits, thematic workshops (agri-food, education and training, energy, environment, mines and

natural resources, health, information technology, transportation), round tables and special evening events (millennium evening, gala and awards ceremony).

The only exclusive rendez-vous for African and Canadian economic decision makers, MIAM 2000 welcomes businesspeople from all sectors, and provides a backdrop for establishing business partnerships and promoting sectoral investment.

Last year's event resulted in numerous discussions, agreements, partnerships and contracts between Canadian and African corporations. With a population of over 760 million and a GDP of nearly \$800 billion, Africa is a market with huge potential.

For more information on MIAM or to participate, contact the CCCA, tel.: (514) 990-3357, fax: (514) 868-6262, or visit the MIAM Internet site at www.miam.ca ✪

Building on Opportunities in the California Home Construction Industry

SAN FRANCISCO, U.S. — JUNE 27-30 — Canada Mortgage and Housing Corporation (CMHC), Industry Canada and the Department of Foreign Affairs and International Trade (DFAIT) are offering a Market Orientation Mission to San Francisco for Canadian companies interested in the western U.S. housing market.

The mission will be held in conjunction with the Western Building Show (June 28-30), and will start with a day of "how-to" sessions on expanding your business with U.S. construction industry experts, as well as visits to construction sites and retail outlets. With another solid year anticipated for the construction market, led by breathtaking volume in the Southwest, companies interested in new and

remodelling construction business will find this mission invaluable.

For a fee of \$500, participants will also receive a badge and space at the Canada Info Stand at the Western Building Show. The show attracts over 18,000 builders and developers for the residential, multi-family and industrial sectors. (The fee for the June 27 seminar segment of the mission is \$150.) Registration must be received by April 28, 2000, at the CMHC office in Vancouver.

For further information, contact Nellie Cheng, CMHC, tel.: (604) 666-8064, fax: (604) 666-3020; Harvey Rebalkin, International Trade Centre, Vancouver, tel.: (604) 666-1445; Michael Pascal, Canadian Consulate General, Los Angeles, tel.: (213) 346-2754. ✪

Canadian Cities to Host "Africa Direct"

From May 3 to 17, 2000, 200 business and government leaders from eight emerging sub-Saharan Africa (SSA) countries will visit Canada to meet their Canadian counterparts and begin a process of building closer economic and political ties.

The eight countries (Ghana, Mauritius, Mozambique, Nigeria, Senegal, South Africa, Tanzania and Uganda) have made great efforts toward economic and political liberalization and more transparency in business, and now represent some of the best opportunities for Canadian companies in Africa or, for that matter, in the developing world.

In 1999, Canadian merchandise exports to sub-Saharan Africa surpassed \$650 million. There are a number of trade and investment opportunities in the region, especially in the sectors of mining, telecommunications, water and sewage, power generation, transportation, and housing.

Additional trade in services, rising direct investment in the natural resource sectors, and increasing joint venture partnerships, are further evidence of the growing importance of Africa as an economic partner — beyond the traditional aid relationship. Yet, Canadian companies have only scratched the surface of Africa's "frontier economies."

Africa Direct events are scheduled for Ottawa, Calgary, Toronto, and Montreal (the latter as part of the 6th Annual Conférence de Montréal). Included in the program are seminars, workshops, business exchanges (joint venturing, partnering, one-on-one meetings between African and Canadian companies); plant tours (high-tech companies, advance manufacturing, and the Ontario Food Terminal, Canada's

Continued on page 16 — Africa

Asian Development Bank Business Opportunities Seminars across Canada

VICTORIA, CALGARY, HAMILTON, QUEBEC CITY, FREDERICTON — May 17-June 6, 2000 — The Asian Development Bank (ADB) (see *Focus on Southeast Asia* supplement, p. 2) will be conducting a series of seminars on business opportunities across Canada. Don't miss this chance to learn about or update your knowledge of the identification, tracking and bidding of ADB-funded business opportunities in the Asia-Pacific region.

A two-day session will be held in each city. The first morning will cover the Bank's evolving role, how and where to obtain key information to pursue specific opportunities at different stages of the project cycle, including information on possibilities for private-sector investment and co-financing. You will also find out about redress procedures and the ADB's anti-corruption policy.

The afternoon will feature two parallel workshops, one dedicated to describing aspects associated with the recruitment of consultants, such as registration, expressions of interest, short-listing procedures, submission of competitive technical proposals, and much more. The other workshop will focus on aspects associated with the supply of goods or works, including procurement methods and procedures, how to submit a competitive bid, bid evaluation, etc.

All presentations will be conducted in English, the ADB's working language. Operational requirements permitting, the Bank's team of experts may provide a French-speaking officer to facilitate questions and answers, particularly in Quebec City and Fredericton.

The second day will be devoted to individual appointments with a Bank official to enable participants to discuss specific issues of concern.

For more information, contact the following International Trade Centre Trade Commissioners: **VICTORIA**, May 17-18, David Dix, tel.: (604) 666-1406, e-mail: dix.david@ic.gc.ca **CALGARY**, May 24-25, Barbara Cameron, tel.: (403) 292-4509, e-mail: cameron.barbara@ic.gc.ca **HAMILTON**, May 29-30, Jean-Charles Joly, tel.: (416) 973-5055, e-mail: joly.jeancharles@ic.gc.ca

QUEBEC CITY, June 1-2, Michel Roy, tel.: (514) 283-8051, e-mail: roy.michel@ic.gc.ca **FREDERICTON**, June 5-6, Gilles Gaudet, tel.: (506) 851-6477, e-mail: gaudet.gilles@ic.gc.ca *

Making Trade Shows Work

Barry Siskind, one of North America's foremost trade show experts, will be travelling across Canada with his highly acclaimed workshop "Making Trade Shows Work." The one-day program will teach all the secrets of successful exhibiting and getting show results.

Upcoming workshops include **Hamilton**, April 18; **Fredericton**, April 27; **Edmonton**, May 16; **Winnipeg**, May 17; and **Mississauga**, June 12.

For more information or to register, call 1-800-358-6079, or on-line at www.siskindtraining.com *

Africa Direct Events — Continued from page 15

largest centre for food distribution).

This is a chance to learn about the opportunities and potential of the "new Africa" and to join a dialogue on the policies and programs needed to help build linkages between Africa and Canada.

Organized by the Alliance of Manufacturers and Exporters Canada (AMEC)

and supported by the Canadian International Development Agency (CIDA), Africa Direct is a unique way for Canadians to get to know Africa. To learn how you can participate, visit the Internet at www.africadirect.net or contact Aida Viveiros, AMEC, tel.: (905) 568-8300 ext. 288, e-mail: Aida_Viveiros@the-alliance.com *

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling **1-800-267-8376** (Ottawa region: **944-4000**) or by fax at **(613) 996-9709**; by calling the Enquiries Service FaxLink (from a fax machine) at **(613) 944-4500**; or by accessing the DFAIT Internet site at www.dfait-maecd.gc.ca

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CANADIAN TRADE REVIEW SUPPLEMENT
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Minister Pettigrew Presents Positive EDC Results for 1999

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Minister for International Trade Pierre S. Pettigrew last month tabled *Export Development Corporation's (EDC) 1999 Annual Report*, which shows EDC helped thousands of Canadian companies pursue business opportunities abroad.

According to the audited report, EDC served a record 5,182 customers in 1999 — an increase of 16 percent over the previous year.

EDC supported more than \$40 billion in sales and foreign investments in 1999 — an increase of 15 percent over 1998 — and supported Canadian business in 171 countries and territories, including Asia, Latin America and Russia.

"EDC made \$118 million last year, and at the same time has helped thousands of Canadian companies do business abroad," said the Minister. "That's good for our economy and for Canadians."

The report shows that small- and medium-sized businesses account for

88 percent of EDC's customers — they received more than \$6.1 billion in financing and insurance in 1999, a 6.8 percent increase over 1998. The number

of smaller exporters using EDC services in 1999 rose 15 percent from the previous year to a record 4,550 (see chart).

"These results demonstrate the critical role that trade finance plays in helping Canadian companies realize their international business potential," said the Minister.

EDC, which provides value-added service to Canadian companies while encouraging careful financial management, again received high marks for customer service in 1999, scoring 80.4 out of 100 in its annual customer satisfaction survey — up from 79.8 in 1998.

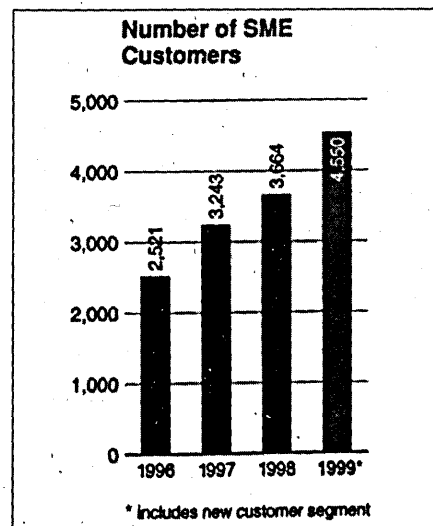
"By helping to create trade finance capacity, EDC is increasingly a vital partner to Canadian business as it seeks to build its competitiveness globally," said EDC President and CEO, A. Ian Gillespie.

Founded in 1944, EDC is a Crown corporation that operates as a commercial financial institution devoted exclusively to providing trade finance services in support of Canadian exporters and investors. Its core competence is enhanced through 14 sector teams, including agriculture, forestry, consumer goods, aerospace and telecommunications.

For further information, visit EDC's Internet site at www.edc.ca



Minister for
International Trade
Pierre S. Pettigrew



When Rome was still in its infancy, Carthage (founded 9th century B.C.) was already a thriving city state. Its trading relations and cultural influence spanned

the Mediterranean. Today, Tunisia is a peaceful haven, determined to recover its bygone glory. The most Westernized country of the Maghreb, it is solidly outward-looking, as Canadian businesses will discover, thanks to the Canada-Tunisia Chamber of Commerce (CTCC).

Canada—Tunisia Chamber of Commerce

by André Landry, Desk Officer, Maghreb and Arabian Peninsula Division, DFAIT

In Tunisia, Canadian firms will find political stability and a favourable business climate for investment and private initiatives. The country is currently going through a political and economic transformation, which is opening it up to the outside world and liberalizing its economy.

Tunisia is one of Canada's oldest partners in Africa and the oldest in the Maghreb. It is considered a developed country and is prepared to do business on an equal footing with Canadian companies.

Official relations between Canada and Tunisia date back to 1966 when the Canadian Embassy (the first in the Maghreb) was opened. Relations are good; our trade, however, is limited, though increasingly diverse. As indi-

ated in the chart on the next page, the value of Canadian exports fluctuates considerably from year to year as they are influenced by the quality of the Tunisian wheat harvest.

Canada's chief exports to Tunisia are diesel-electric locomotives (exceptional for this year), hard wheat, sulfur, radio broadcasting devices, equipment and pharmaceuticals. Canada also has a presence in geomatics. Our service exports are strong, though their value is difficult to assess. The value of Canadian investment in Tunisia is estimated at close to \$100 million (primarily in textiles, energy and mines).

Tunisia's main exports to Canada comprise eyewear, animal hides, gloves, dates, molluscs and olive oil.

Economic highlights

Tunisia has the highest per capita income and best-educated labour force in Africa. Its economy has grown by an average of nearly 6 percent per year over the last 12 years, twice Canada's G7-leading growth rate.

Over the last 45 years, life expectancy in Tunisia has increased from 50 to 73 years, the poverty rate has dropped from 33 percent to 5 percent, school enrollment has risen

from 5 percent to 99 percent, and per capita income from \$30 to \$2,800.

CTCC spearheads Canada-Tunisia partnership

Established in 1996, the CTCC is a non-profit organization based in Montreal. Its main purpose is to help Canadian companies develop lasting business relations with Tunisia and the Maghreb. Its 50 members come from small, medium and large businesses (some already active in Tunisia and other Maghreb countries) and various levels of government. Abdeljelil Ouanès of C.C.I. OUANÈS has been the Chairman of the Board of Directors since the organization was founded.

Continued on page 3 - CTCC

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The key source for specific information on the Tunisian marketplace, the CTCC promotes trade between the two countries and serves as an official link for the various participants.

Through its mandate to help strengthen existing contacts, the CTCC conducts many activities to help businesses develop their markets:

1. It brings together all relevant stakeholders for the purpose of promoting Canada-Tunisia trade and identifying investment opportunities.
2. It acts as a forum to exchange ideas and information and to discuss topics of common interest.
3. It provides information and advice on changing trade and investment conditions in Tunisia.
4. It organizes seminars, exhibits and exchanges of delegations.
5. It creates regional centres to offer services to stakeholders in Canada and Tunisia.
6. It works with other organizations with similar goals.

CTCC's activities

- In partnership with Club Export and the Tunisian business delegation in Montreal, a mission to

Privileges available to CTCC members

- access to our network of contacts in Canada and Tunisia
- individualized information

CTCC Spearheads Canada-Tunisia Partnership

Tunisia will be organized for April 26-30, 2000, during the Agroleader international agri-food show.

- In partnership with the Tunisia business delegation and the Alliance des Manufacturiers du Québec, the CTCC will organize an event in honour of Tunisia's Minister of International Co-operation and Foreign Investment on April 26.

- meetings with Tunisian delegations visiting Canada
- participation in trade missions to Tunisia and the Maghreb
- participation in seminars and workshops organized by the CTCC
- promotion of your products and services on the CTCC Web site (under development)
- assistance with increasing your market share and doing business in Tunisia

Canada-Tunisia Trade

Year	1992	1993	1994	1995 ¹	1996	1997	1998	1999
Exports (\$ million)	46.4	21	29.5	106.1	41.7	85	39.5	71.2
Imports (\$ million)	1.5	1.4	2.8	4.35	3.7	9	8.5	10.3

1. Drought in Tunisia

There is no better source of information on trade practices than the CTCC. Its members are business people with experience in both Tunisian (pan-Maghreb) and Canadian business practices. With its expertise and contacts, the CTCC is an important resource for any company unfamiliar with the economic and trading environment in Tunisia.

- In collaboration with the Tunis Chamber of Commerce and Industry, it will host a multisectoral delegation of Tunisian business leaders in September (probable venues are Quebec City, Winnipeg and Toronto).

For information on the CTCC, contact Abdeljelil Ouanès, CTCC, tel.: (514) 847-1281, fax: (514) 847-1541, e-mail: info@cccantun.ca Internet: www.cccantun.ca

Companies interested in exploring the Tunisian market can contact the CTCC or André Landry, Desk Officer, Maghreb and Arabian Peninsula Division, DFAIT, tel.: (613) 944-8288, fax: (613) 944-7431, e-mail: andre.landry@dfait-maeci.gc.ca Internet: www.dfait-maeci.gc.ca/menu-f.asp *

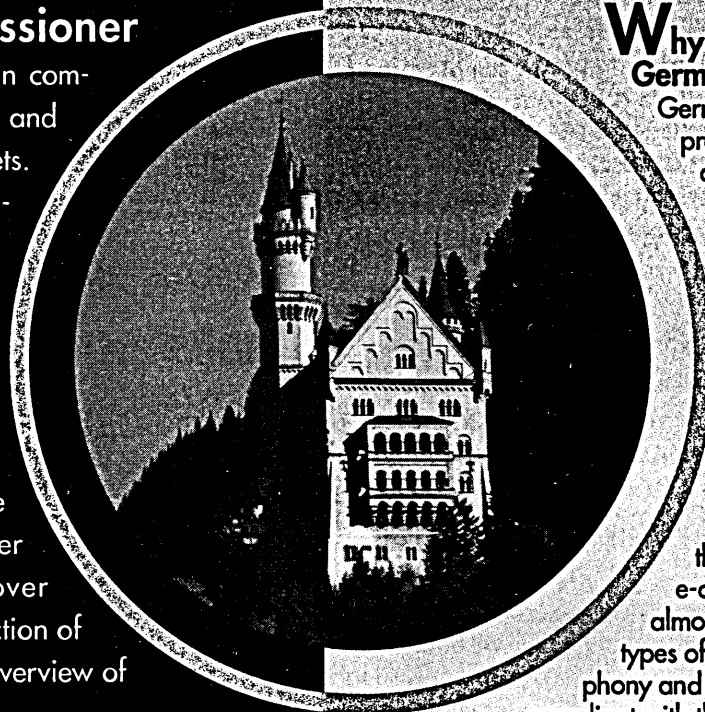


GERMANY — The So

The Trade Commissioner Service

helps Canadian companies that have researched and selected their target markets. Successful companies concentrate on one foreign market at a time, moving on to the next only after succeeding in the previous one. To help you select which market you should target, the Market Research Centre of the Trade Commissioner Service has prepared over 500 market reports. This section of *CanadExport* provides an overview of one report.

For more information on this and other reports, or if you want to know how the Canadian Trade Commissioner Service can help you get results in international markets, visit us at www.infoexport.gc.ca



Why export software to Germany?

Germany offers Canadian software producers an expanding market and access to the larger European Union marketplace. Germans have a favourable disposition to technology and, while there is some concern that the market will become saturated in a year or two, both home and business users will require upgrades, forcing software sales up. New technologies in Internet communications and the increasing popularity of e-commerce are expected to create almost a mass market need for newer types of software such as Internet telephony and encryption software. Software compliant with the euro currency will also be in demand. As well, some markets will grow as a result of the renewal of the economy in eastern Germany.

The German market

The German software market is several years behind the North American market. Currently, only about a quarter of

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Software Market

German households have computers and only 20 % of German schools are networked. This is expected to change rapidly, creating significant opportunities for suppliers of small office/home office (SOHO) software. Word processing, multimedia games, e-mail/fax applications, and graphics/presentation products will all be in demand with opportunities for both producers of low-end, mass consumer products and of high-end corporate products, particularly those solutions that cater to niche markets or are industry-specific.

Trends in the German software market include the following:

- a downward pricing trend across the entire software market;
- a migration toward desktop-oriented environments;
- an increasing trend toward client/server solutions;
- the increasing popularity of outsourcing both software solutions and services;
- a shift away from standard software toward component software products;
- the increasing popularity of Management Information Systems (MIS);
- continued high demand for business re-engineering software;



- continued difficulty in accessing the Microsoft-dominated Windows-based software market;
- a trend toward software leasing.

Opportunities

Growth sectors with possible opportunities for Canadian suppliers include:

- **telecommunications:** focus is on customer care, network management, billing, and data warehousing;
- **processing industries:** focus is on new information systems, decentralization, and restructuring;
- **banks/financing:** focus is on electronic banking, automation, and field sales force management;
- **transportation/travel:** focus is on Internet/Intranet, reservation systems, and data warehousing;
- **small/medium-sized businesses (SMEs):** focus is on Internet/Intranet, order processing, and data warehousing;
- **manufacturing:** focus is on global integration of all chains of command, cost controlling/downsizing, business re-engineering, and efficient logistics management.

Can I really compete?

Small- or medium-sized firms shouldn't be intimidated by the large size of the German market. Over 60 % of software sales in Germany are achieved by SMEs. Eighty percent of software sold in Germany is imported, and while U.S. firms control 50 % to 75 % of the market, Canadian companies can compete, particularly if they cater to niche markets or specific industries.

See potential?

To view the complete report *The Software Market in Germany* and for more information on opportunities and on the business, banking automation, database, image-processing, CAD/CAM, networking, home and entertainment, multimedia, Internet, encryption, and Linux software sub-sectors, visit

www.infoexport.gc.ca

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Complete report at
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The Software Market

➔ Access our market studies

PICS SmartCard Inc. has just completed the delivery of 6.5 million high-security labels used to protect every bottle of Moutai — the national wine of China — against counterfeiting. The contract is worth

ly in countries where business is done in informal settings.

"TCS staff — notably Jean-Louis de Quimper — advise us about what we should or shouldn't do in order to have the best chance of securing a deal.

China has proven to be a problem-free new market for PICS. "Everything proceeded according to good business practice and we've had the full co-operation of our client, including prompt payments," says Mundy.

For Canadian companies considering exporting to China, Mundy strongly advises dealing directly with management. "In order to put forward the best possible price, try to bypass the middleman." She also encourages taking full advantage of trade commissioner services around the world.

"It's the only way to go," she says. "Too much can go wrong when you try to do it all yourself. There are excellent government services out there for exporters but it is important to be focused. Let the TCS in your target country know about what you do and the type of buyers you're seeking, so they can get to you with opportunities they hear about."

Product versatility

In addition to selling small identification systems to businesses, the company's expertise has included photo database export and Y2K upgrades of identification systems.

PICS was on-site at APEC '97 in Vancouver where it managed accreditation, issued 23,000 photo identification badges and 7,000 overpasses, provided a dozen complete systems and managed an Oracle database. As an ongoing supplier to the Mexican Army, PICS recently received the highest technical rating in the Mexican passport bid.

The company employs between 10 and 100 people, depending on the project. Annual revenues range from \$1.5 million to \$7 million, the higher figure usually generated by large export contracts.

For more information on PICS SmartCard Inc., contact Linda Mundy, Vice-President, tel.: (613) 261-2762, fax: (613) 233-9527, e-mail: lmundy@magma.ca or David F. Campbell, President, tel.: (604) 430-0669, fax: (604) 430-1419, e-mail: david@smartcardinc.com Internet: www.smartcardinc.com *

B.C. Company Finds Getting Labelled in China Profitable

more than \$1 million a year for the Burnaby-based company.

The tamper-proof, multilayer labels contain invisible and visible security features, which PICS also incorporates into passports, visas and national identification cards. Capable of withstanding a corrosive environment, they are especially suitable for leaking wine bottles.

Working closely with Canadian embassies

PICS has a 30-year history of developing and integrating custom identification labels, cards, software and systems to protect items and documents against forgery. With an international customer base of 2,700, PICS has worked closely with Canadian embassies in many countries.

"Sometimes we run into a problem, for instance, when another company is involved," says Linda Mundy, Vice-President and Director of Government Services, who runs the company's Ottawa office solo.

"The Canadian Trade Commissioner Service (TCS) is very good at providing channels — such as arranging invitations for us to receptions — where we can get the information we need. This kind of help can be crucial, particular-

They understand the importance of exploring every single avenue and have provided us with important introductions, such as to the Chinese and Brunei Ambassadors."

It was TCS Hong Kong that hooked up PICS with the Chinese winery, thanks to DFAIT's WIN Exports system (see box at bottom of page 12).

"We had sent letters out to numerous Canadian embassies, describing the type of client we were seeking," explains Mundy, "and when Moutai called the embassy a few months later inquiring about Canadian suppliers, TCS recommended us."



China's famous Moutai wine

Adapting to clients' needs

Then, in early 1999, a representative of Moutai showed up at PICS in Burnaby, looking for something totally different and in a hurry. He had already been to 3M in the U.S., but that company could not produce the type of label Moutai needed quickly enough.

PICS took up the challenge.

"The advantage of a small company like ours is that it can gear up quickly for a brand-new product and is usually willing to do small runs," says Mundy. PICS subsequently developed a label specifically for Moutai, and has since become "the" supplier.

Canadian exporters of processed food products now have access to a new service in Beijing offered and supported by the North American Business Development Agency of the China Council for the Promotion of International Trade (CCPIT), Beijing Sub-Council.

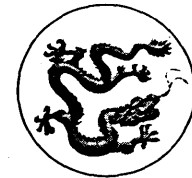
The CCPIT is gearing up for China's entry into the World Trade Organization, and this new service will facilitate the development of markets for Canadian food and beverage companies. Lower tariffs and reduced trade barriers will increase food imports to China, and CCPIT is getting ready by offering the following services:

- six months' product display in the Beijing International Bonded Showcase;
- company representation facilities in Beijing;
- specific product marketing support in China;
- identification of potential partners for Canadian food exporters;
- support to Canadian food export associations;
- on-line promotion of Canadian food and beverage products;
- bonded warehousing services;
- customs declaration and clearing services;
- freight forwarding;

• commodity inspection services. The International Showcase comprises 54,000 square metres (36,000 indoor) of space devoted to booth displays of foreign food and beverage products to which distributors and importers will have access. Regular

The CCPIT, which functions like a chamber of international commerce, is a non-governmental organization that promotes Chinese trade, seeks to attract foreign investment and technology, and encourages co-operation with other non-Chinese business

Showcase for Canadian Food Products in Beijing



promotional activities will be organized by CCPIT to ensure that these products get exposed to potential buyers. CCPIT will also ensure that the facility and services are highlighted by extensive news and media coverage.

CCPIT aims to offer one-stop shopping for China's food distributors and importers by providing all the necessary ancillary services to facilitate business between Canada and China. These services pick up where trade shows leave off, providing the necessary post-show support to Canadian companies after trade show visitors have gone home.

associations and commercial or economic organizations. It maintains 16 offices outside of China. Within China, there are a number of regional sub-councils, some of which also maintain their own international offices.

For more information, contact the North American Business Development Division of the Beijing sub-council of CCPIT, tel.: (604)-204-2451, fax: (419)-791-1936, e-mail: ccpitna@mail.com or Bruce Howard, Canadian Embassy in Beijing, fax: (011-86-10) 6532-4072, e-mail: bruce.howard@dfait-maeci.gc.ca Internet: www.ccpitna.bizland.com ✪

Consultations on Possible Trade Negotiations with Costa Rica

The Government of Canada is seeking the opinions of Canadians on a possible free trade agreement between Canada and Costa Rica. The Government believes that ongoing, broad-based consultations with the provinces, the business sector, and the public at large are essential.

A free trade agreement with Costa Rica would improve our trade and political ties with one of Central

America's most rapidly growing economies. While still a relatively small market, there is significant potential for Canadian companies in several priority export sectors. In 1999, Canada exported goods worth \$58.9 million to Costa Rica and imported goods worth just over \$176 million.

The vast majority of Costa Rican goods enter Canada duty free (notable exceptions are agricultural products,

rubber, textiles, apparel, footwear and machinery) while some key Canadian export interests such as auto parts, paper, plastics and wood still face significant tariffs in Costa Rica.

Canada is the fourth-largest investor in Costa Rica, with accumulated direct investment of \$417 million. In the services field, Canadian providers have not, to date, played a major role in Costa Rica although there are many sectors of potential interest: tourism, banking, mining, telecommunications, insurance, electricity, water distribution and oil production. In

Continued on page 12 - Trade

A rapidly growing Canadian exporter faced a problem common to many small companies: securing the financial guarantees that foreign buyers often demand before releasing advance payments. Inline

aluminum it was using to make its line of high-performance windows and doors. After extensive research and development, Inline selected fibreglass as the material of the future.

last year for a joint venture partner, Inline was high on its list. A state-owned enterprise, China Yaohua is one of the largest glass manufacturers in China.

Opening a Window of Opportunity in China

Fibreglass Limited of Toronto solved the problem with the help of the Canadian Commercial Corporation (CCC).

Inline Fibreglass has always been a company with a vision. Back in 1983, the Toronto firm started looking at alternative materials to replace the

"Fibreglass has inherent advantages over all the other materials used to make windows and doors," explains Rino Sabatino, Inline's President and CEO. "We did more than 10 years' worth of R&D with our own engineering staff, and we now hold more than 20 patents worldwide for our fibreglass pultrusion technology."

Inline's proprietary technology allows it to produce top-quality fibreglass patio doors and windows quickly and efficiently. The company has a growing share of a substantial market (\$25 billion in North America alone), and a burgeoning international reputation.

Inline now has two separate business units, selling both the fibreglass products and the production machinery necessary to make them. The company has exported its products and technology to a number of foreign buyers in North America, Europe, Asia and the Caribbean.

"We're now moving from being an R&D company to a sales and marketing company," says Sabatino. "And we're expanding our reach. We're moving into new markets that include Russia, Poland, Hungary, Asia and North America."

Inline is now known as the world leader in fibreglass pultrusion technology. When the China Yaohua Glass Group Corporation began a search

A carefully selected partner

"They sought us out as a partner, which is really quite an honour," says Sabatino. "They wanted a joint venture partner to supply two complete pultrusion lines, really a turnkey operation. It includes all the fabrication equipment and tooling, window and patio door design, a paint line, technology licensing, even employee training. Both companies knew it was a very good match."

It was an exciting time at Inline's Toronto operation, where 100 people work in R&D, production, and sales and marketing. The new joint venture company, Qinhuangdao Yaohua Inline



Rino Sabatino, President, Mike Levine, International Project Manager, Inline Fibreglass Ltd., Toronto, Ontario

Energy-Saving Dorwin Co. Ltd., was to be a 75-25 partnership between China Yaohua and Inline.

A major hurdle

There was, however, a major hurdle to overcome. Chinese regulations require a bank guarantee before buyers can issue advance payments. When the contract was being negotiated in December 1998, Inline could not secure the required international guarantee. The project was in jeopardy.

"As an R&D company, it's difficult to get financing because we have a short

Continued on page 9 - Opening

CCC Shaping Trade Solutions for Canada's Exporters

A federal Crown corporation, the Canadian Commercial Corporation (CCC) partners with Canadian exporters to negotiate and win sales in difficult markets on favourable terms. It provides special access to U.S. defence and aerospace markets and specializes in trade to foreign governments and international organizations.

Whether bringing buyers and sellers together, acting as a prime contractor or working with small- and medium-sized companies to win sales, CCC's access to specialized markets continues to open doors for thousands of Canadian companies doing business in over 60 countries.

For more information, contact CCC at tel.: (613) 996-0034, fax: (613) 995-2121, e-mail: info@ccc.ca Internet: www.ccc.ca

Canadian Trade Review

A Quarterly Review of Canada's Trade Performance

Fourth Quarter 1999

This trade and investment quarterly reports on Canada's economic growth in the fourth quarter of 1999 and highlights our trade and investment performance in key sectors and markets.



Trade and Investment Highlights

Fourth-quarter growth in Canadian international trade capped a year that saw steady expansion of two-way trade, and resulted in trade again outpacing overall economic expansion. Two-way direct investment flows remained strong in the fourth quarter and for the year, highlighted by surging foreign direct investment into Canada, reflecting the continuation of corporate restructuring and adjustment to compete in the global economy.

Merchandise Imports Outpace Exports

After lagging behind exports in the first three quarters of 1999, Canada's merchandise import growth accelerated to 4 per cent on a quarter-over-quarter basis, compared to a more moderate 1.8-per-cent pace of merchandise export growth. Import growth was broadly based with all major sectors expanding, with the exception of forestry; the greatest strength was in imports of energy, machinery, and equipment, industrial goods and consumer goods.

Export Growth Driven by Consumer Goods and Energy Sectors

The increase in exports in the fourth quarter of 1999 was also broadly based. The industrial goods sector led the way, building on a strong comeback in the previous quarter. Exports of the machinery and equipment, energy, automotive,

Trade and Investment End Nineties on High Note

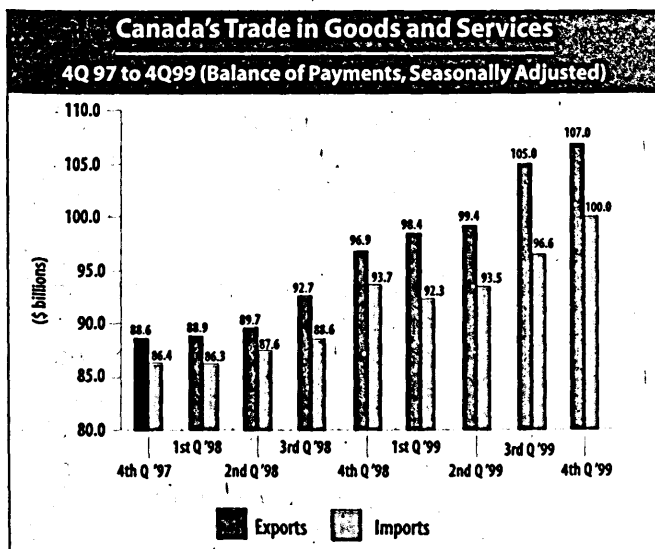
The fourth quarter of 1999 marked the 18th consecutive quarterly increase in Canada's gross domestic product (GDP) dating back to the third quarter of 1995. The Canadian economy grew by 1.1 per cent in the fourth quarter compared to the previous quarter, mainly due to higher business and housing investment, increased consumer purchases, greater corporate profits, and stronger export sales.

Canada's Economic and Trade Indicators	
	Change/Level 4Q over 3Q 99
Real GDP (annual change)	4.2%
Employment (increase)	181,700
CPI (quarter-over-quarter change)	
All Items	2.1%
Core (excludes food and energy)	1.3%
Canadian \$ in US funds (4Q level, average)	0.6836
Exports of Goods and Services (quarter-over-quarter change)	1.9%
Imports of Goods and Services (quarter-over-quarter change)	3.6%

Other positive developments in Canada's economy during the October-to-December period included further strong employment gains, the strengthening of the Canadian dollar, and a slight decline in consumer prices, all on a quarter-over-quarter basis.

Notably, however, the current account slipped back into its usual deficit position after a surplus in the preceding quarter.

The strength of the domestic economy was reflected in the continued increase in imports. In fact, import growth



Source: Statistics Canada

Continued on page 2
— High Note

Continued on page 2
— Highlights

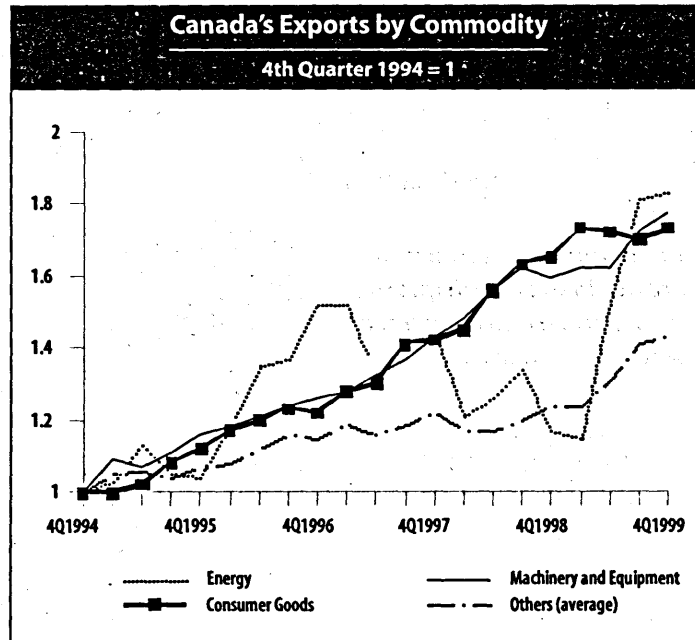
High Note — Continued from page 1

during the final quarter of 1999 outpaced export growth, which moderated after a very strong performance in the third quarter. On the investment front, the high level of foreign direct investment (FDI) in Canada in the fourth quarter, coupled with strong inflows in the preceding two quarters, resulted in an annual FDI flow that exceeded Canadian direct investment abroad (CDIA) for the first time since 1992.

Overall, Canada's trade and investment performance in the fourth quarter, and for 1999 as a whole, was largely attributable to broadly favourable domestic and global economic conditions, highlighted once again by continued robust expansion in the United States.

Highlights — Continued from page 1

agriculture, fishing and forestry sectors also performed solidly, although growth moderated from third-quarter rates. Growth also resumed in exports of consumer goods, which had experienced two quarters of reduction after a long, sustained period of growth.



Source: Statistics Canada

The resurgence in exports of consumer goods was driven largely by strong consumer demand in the U.S.; approximately 86 per cent of Canada's total consumer goods exports in 1999 were shipped to the United States. The exceptional performance of the energy sector in the last two quarters of the year is also noteworthy; this being largely a reflection of higher global oil prices.

by 3.2 per cent, followed by transportation, which experienced a 2.5-per-cent expansion. On the import front, services growth was led by transportation, with growth of 2.4 per cent. The higher rate of export growth compared to imports led to a decline in the quarterly services trade deficit.

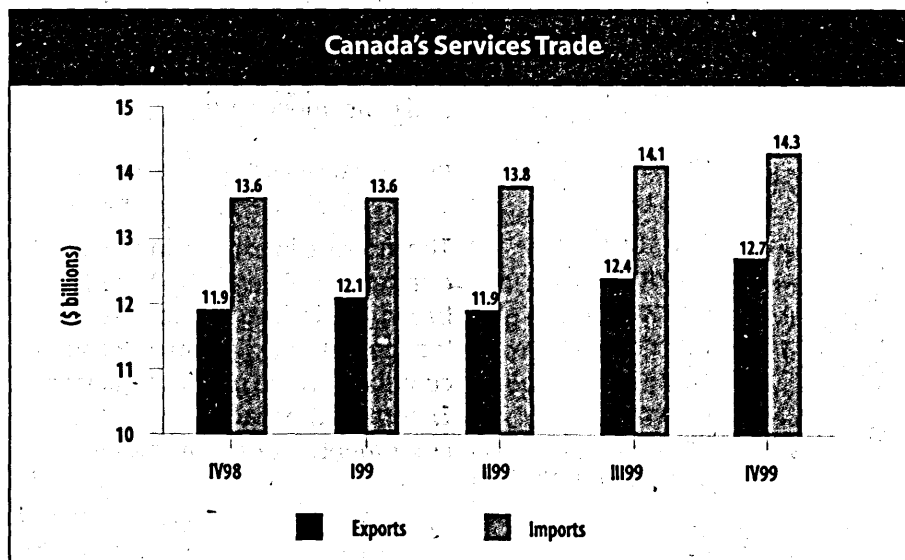
Canada Remains Attractive to Foreign Direct Investors

FDI inflows in the fourth quarter moderated from the record level set in the third quarter but remained high at \$10.2 billion. These inflows reflected for the most part acquisitions of Canadian companies, principally by U.S. investors, and were directed mainly to the wood and paper, machinery and transportation equipment, and finance and insurance industries.

CDIA totalled \$7.5 billion in the fourth quarter of 1999, and was largely concentrated in the finance and insurance industry, as well as other industries.

Accelerated Growth in Services Trade

Overall trade in services advanced in the fourth quarter, reflecting higher receipts and payments in all major services categories, including commercial services, transportation and travel. On a quarterly basis, exports of commercial services rose



Source: Statistics Canada

Features Section

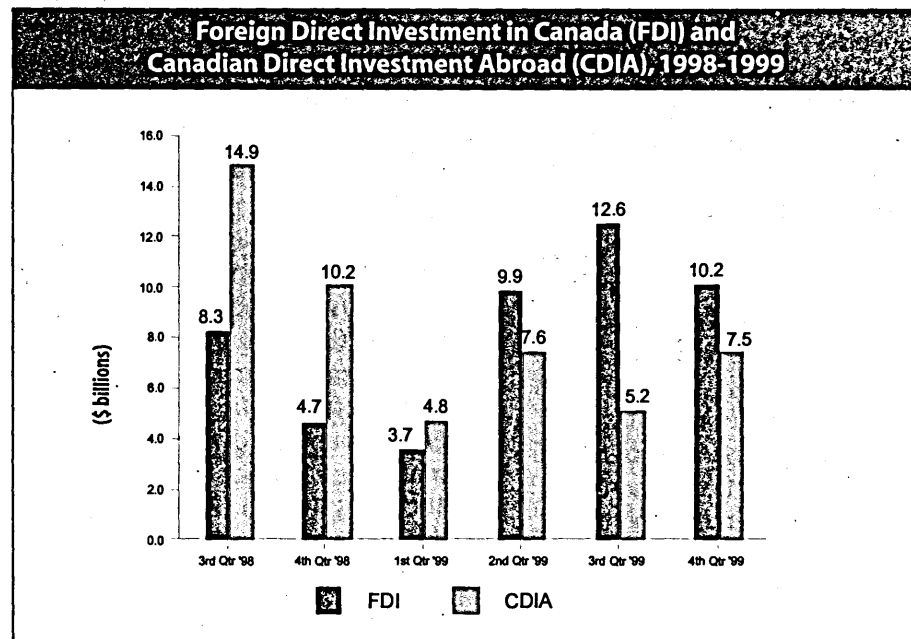
Canada's Trade and Investment Year-end Summary . . . and the Century that Was

Canada's growth as a trading nation: The last 100 years

The steady expansion of Canadian trade and investment, quarter after quarter and year after year, has come to be taken more or less for granted — as has, to some extent, our access to a phenomenal range of goods and services produced abroad and the support for high-quality jobs in Canada that trade and investment provide. The table below presents a brief retrospective of Canada's trade and investment figures over the past century, highlighting how Canada came of age as a trading nation in the 1900s, particularly in the last quarter century.

1999: The year in review

Canada's robust economic performance continued, as real GDP accelerated to 4.2 per cent in 1999, compared to 3.1 per cent in 1998. Overall, economic growth was well balanced across all sectors, with both domestic demand and exports



Source: Statistics Canada

of goods and services contributing to growth. All of Canada's regions shared in the export growth, with Ontario the leading province. A key factor was the continuation of the heavy two-way investment flows between Canada and the rest of the world, which have characterized the last several years.

Canada's exports of goods and services grew by 11.3 per cent in 1999 over the previous year, expanding their share of overall GDP to 43.2

per cent. Meanwhile, imports of goods and services rose 7.3 per cent in 1999, driven by solid domestic demand. Strong employment growth in 1999 and higher real personal disposable income supported greater consumer spending, increasing demand for imports of final goods and services. Meanwhile, expanded domestic production drove demand for imports of intermediate goods and services and capital equipment.

Canada's Trade and Investment 1900-1999 (billions of dollars)

	Exports of Goods and Services	Imports of Goods and Services	Stock of Foreign Direct Investment in Canada (FDI)	Stock of Canadian Direct Investment Abroad (CDIA)
1900	0.16	0.18	not available	not available
1925	1.4	0.9	2.4	0.25
1950	4.0	3.9	9.3	1.0
1975	38.8	41.9	70.3	11.1
1999	409.8	382.5	240.0	257.4

Source: Statistics Canada

Note: data in 1900 is not directly comparable with that of other years.

Improved Global Environment

The U.S. economy again exceeded expectations in 1999 as real GDP rose by 4.2 per cent. This growth fuelled a 14.9-per-cent expansion of Canada's merchandise exports to the U.S., bringing total goods exports to the U.S. to \$309.7 billion, or 86 per cent of Canada's total merchandise exports.

Merchandise exports to the rest of the world grew at the more moderate pace of 6.4 per cent. Stronger economic growth in Europe boosted Canada's goods and services exports to the European Union by 5.3 per cent. However, exports to Japan fell by 3.2 per cent, reflecting the continued volatility of economic conditions in that country.

Elsewhere in East Asia, recovery from the economic recession that swept the region in the second half of 1997 and throughout 1998 was much faster than expected. Canada's merchandise exports to several of the economies affected by the recession bounced back well, in particular to Korea, where the recovery was especially rapid. Exports to several other East Asian economies continued to decline but at much lower rates than in 1998, including to Malaysia, Thailand, Indonesia, Hong Kong, Singapore and Taiwan.

Canada's trade with major Latin American countries suffered from the recession that gripped much of South America last year. Merchandise exports to Argentina, Brazil and Colombia dropped by more than 30 per cent. Much of the weakness was felt early in the year, with some signs of recovery

towards the end of 1999. Two bright spots in the region for Canada were Mexico and Chile, both of which are free trade partners; growth in exports to these countries partially offset declines to other destinations in the region.

Recovering Energy and Industrial Prices

As a result of the strengthening of the global economy in 1999, energy and industrial prices firmed. Consequently, Canada's terms of trade for the year reversed the decline in 1998, increasing by 1.6 percentage points. The Bank of Canada's industrial materials price index rose from 108.0 in 1998 to 112.0 in 1999, while the energy price index recovered from a low of 64.6 in 1998 to average 78.8 in 1999. These price gains contributed to a 26-per-cent increase in Canada's trade in energy. As well, exports of industrial materials began to recover in the second half of 1999, although on an

average annual basis exports declined marginally for the year as a whole.

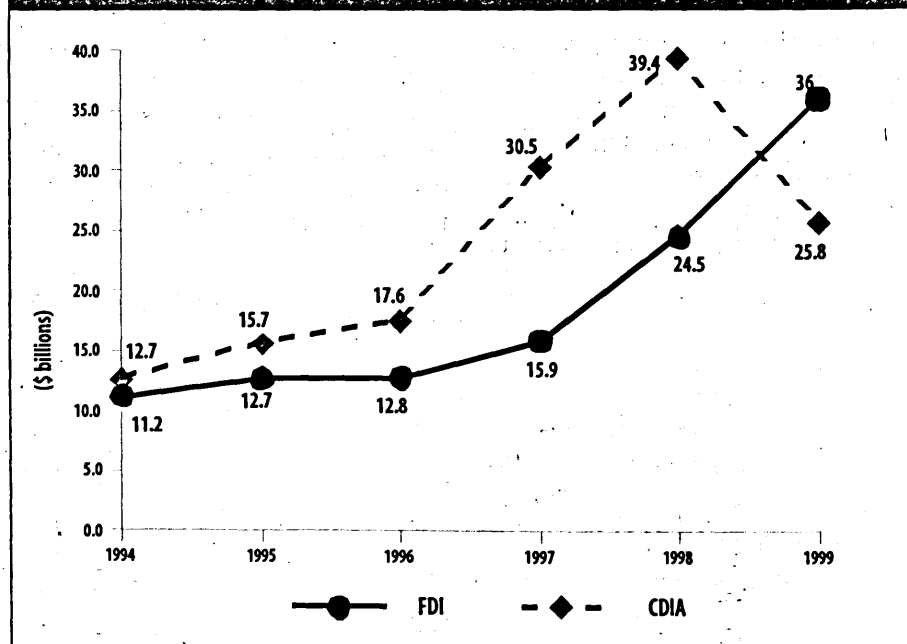
Appreciation of the Canadian Dollar

Boosted by strong economic growth and the recovery of commodity prices, the Canadian dollar strengthened against the U.S. dollar over the course of 1999, closing the year at 1.4433, compared to an average for the year of 1.4858 (which differed little from 1.4831 in 1998). The overall low average contributed to an improved current account balance for the year as a whole.

Strong Two-way Investment

Two-way investment flows remained strong in 1999, totalling \$61.8 billion, compared to \$63.9 billion in 1998. The major development was a reversal of the pattern of recent years, which had seen CDIA outpace FDI.

Annual Flows of Foreign Direct Investment in Canada (FDI) and Canadian Direct Investment Abroad (CDIA), 1994-1999



Source: Statistics Canada

This year will see the first globally synchronized economic expansion since 1994, and Canadian exporters will be perfectly positioned to ride the wave.

Asia has recovered from its economic recession, and now Latin America is following suit. Emerging Europe is benefiting from a solid, self-sustaining expansion on the continent. Our main vulnerability now lies with the U.S. economy, which is starting to resemble a stool with three legs that have grown too long: the booming U.S. stock market, the strong U.S. dollar, and the ballooning U.S. current account deficit.

Bringing the world back into full balance means gradually and evenly shortening all three legs of the stool supporting the U.S. economy. The epicentre of global growth will shift away from the United States, and non-U.S. stock markets will outperform the U.S. market, drawing capital away from the United States and causing the U.S. dollar to soften and the current account deficit to shrink. Keeping the stool from tipping will be

a delicate process, but it is the Export Development Corporation's forecast for the next 12 to 18 months.

dollar so far has been skyrocketing oil prices, which benefit parts of Canada but hurt the economy overall.

Export Development Corporation Global Forecast Points to Strong Export Growth



EDC's Stephen S. Poloz

by Stephen S. Poloz, Chief Economist, Export Development Corporation

If all goes well, the Canadian economy will remain in a good position. Exports will rise by 8 to 10 percent this year, and the boost to commodity prices will have a major stimulative effect on incomes. The Canadian dollar will gradually work its way higher. The main headwind for the Canadian

We expect oil prices to moderate through 2000, and interest rates to rise, allowing the positive forces acting on the Canadian dollar to come more to the fore. Exporters will see their profits shaved in some markets as a result, but sales should be growing strongly, virtually everywhere. ♣

Opening a Window of Opportunity in China

— Continued from page 8

sales track record," says Sabatino. "We went to the Canadian Commercial Corporation for assistance."

Favourable terms

Inline had used the Corporation's services on an earlier sale to a Russian client, and was familiar with its programs. In the joint venture deal with China Yaohua, Inline wanted CCC to guarantee the buyer for a 25-percent advance payment on the multimillion-dollar contract.

"The joint venture and Inline had been trying to sign the commercial

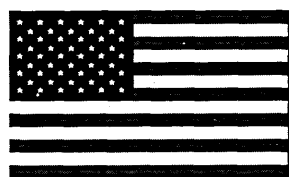
contract for a couple of months," says Americo Roman, Project Officer at the Corporation. "But the bank guarantee requirement was preventing them from completing the deal. We got involved, and with the help of the Canadian Embassy in Beijing, we were able to help get things moving and meet the Chinese government requirements. We signed an agreement with the joint venture near the end of March last year."

Inline received its advance payment at the end of April, and immediately began work on the project. "It's given

us the opportunity to expand our presence," says Sabatino. "CCC was a great help to us, and what we really appreciated was the fact that they took the time to learn what kind of company we are and what we've accomplished. Their work went way beyond the simple analysis of financial records. They understood the deal, and they understood our vision."

CCC President Douglas Patriquin, who visited China recently, says that Inline is one of a new breed of small- and medium-sized enterprises that the Corporation has targeted for assistance.

"This is exactly the kind of deal where we can be of great help to exporters," says Patriquin. "Smaller companies can now compete and win in the world's largest markets." ♣



The U.S. Connection

The U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division (URT). For information about articles on this page, contact URT by fax at (613) 944-9119 or e-mail at commerce@dfait-maeci.gc.ca For all other export enquiries, call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

MEDTRADE 2000

MEDTRADE 2000 will take place in Orlando, Florida, October 3-5. Canada will play a prominent role in this year's show as it has been chosen as the first country to be featured in a new initiative highlighting particular countries and their capabilities in the health and medical devices marketplace. The Canadian Consulate General in Atlanta is planning a mission with a representative-

locator activity in collaboration with the U.S.-based Health Industry Representatives Association (HIRA). So, mark your calendars and plan to attend MEDTRADE 2000.

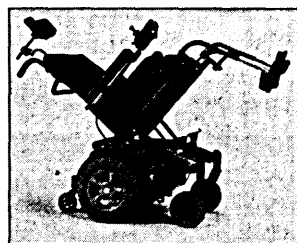
For more information, contact the International Trade Center in your area. ✱



MEDTRADE 99

Last November 3-6, New Orleans, Louisiana, hosted the 20th Annual MEDTRADE Exposition and Conference, the premier North American event for the home-health and post-acute care products market. With over 1,200 exhibitors showcasing more than 250,000 health care products and services, this event attracted thousands of visitors from all over the world.

For smaller Canadian manufacturers of home-health equipment, MEDTRADE is a key exhibition, providing a unique opportunity to evaluate the



suitability of their products for the U.S. market, assess the competition and establish business contacts. This year, 52 Canadian companies exhibited their products and services. To highlight the Canadian presence, a number of small- and medium-sized enterprises shared booth space at the Ontario Pavilion, and others, with the assistance of the provinces of Quebec and Manitoba, grouped their exhibits in a prime show location.

With over 200 seminars to choose from, MEDTRADE offers unrivalled educational opportunities. In addition, the Canadian Consulate General in Dallas designed a short educational program to respond to the specific

Health 2000 International Conference and Exhibition

From September 30 to October 5, 2000, Montreal will host a major international conference bringing together several thousand decision makers and health care professionals from around the world.

At the trade show to be held on the margins of the conference, October 2-4, firms from various health-related sectors will be able to showcase their products and services to international and Canadian visitors.

More information on Health 2000 is available on the Internet at www.sante2000.org or by telephone at (514) 990-8643.

needs of Canadian new exporters wanting to penetrate the U.S. health market. Two seminars and a networking reception were held to dovetail with a busy show schedule. Under the main topic of selling in the U.S., specific issues discussed included entering the distribution maze, how to deal with manufacturers' representatives, how to sell to a hospital, and the role of the visiting nurse in selling to home care providers. Of the 22 companies which attended the program, 16 also exhibited at the show. ✱

Check the Business Section of the Canada-U.S. Relations Home Page at www.dfait-maeci.gc.ca/geo/usa/business-e.asp ... for valuable information on doing business in and with the United States.

Vista Medical Inc. manufactures advanced clinical measurement tools such as pressure mapping systems and wound measurement videometers. The Winnipeg-based company started its operations 10 years ago and is now exporting worldwide. "Our first three

affirm our distribution base," says President of Vista Medical, Vern Taylor.

Located in Toronto, Unicare Medical Products Inc. has been importing and manufacturing bathroom comfort and safety articles, ambulatory equipment and lift-out recliners for nearly 20 years.

How MEDTRADE 99 Helped Canadian Companies

years of participation at MEDTRADE were possible with the assistance of the Department of Foreign Affairs and International Trade, then with the assistance of the Government of Manitoba. Attending this trade show was instrumental in developing primary contacts with distributors, and we continue to attend the show to

Marketing Manager, Stuart Lewis, considers attending MEDTRADE as an absolute necessity in his industry. "Over the years, we have attended many trade shows but nothing compares with the opportunities from all over the world that exist at MEDTRADE. Although we have been selling lift chairs for 12 years, this year, we went to the show to introduce a new lift chair now entirely manufactured by Unicare. The exposure and credibility we received by having a booth within the Ontario Exports Pavilion was fantastic. As a result, distributors from Great Britain, France, Germany and Argentina expressed interest in our products and we are now on the verge of concluding several contracts. The U.S. market and its opportunities are huge, but to make the most of them can be very time-consuming. We found the information provided by the speakers of the educational seminar very useful. We even drew upon their expertise well after the show."

ErgoGrip Inc. of Ile-des-Soeurs, Québec, manufactures sets of ergonomic and thermal tableware for meal delivery systems. Seniors with some motor

Looking to Do Business with the U.S. Federal Government?

Opportunities are just a key stroke away at the Internet site (www.gsa.gov) of the General Services Administration (GSA), which facilitates purchases by the U.S. government — "the world's largest consumer" — and the Electronic Posting System site (www.eps.gov). More GSA opportunities are listed on the site of the Canadian Embassy in Washington, D.C., (www.canadianembassy.org) and periodically in *CanadExport*.

Overview of the U.S. MEDICAL INSTRUMENTS MARKET

- **A substantial market:** Worth US\$53 billion in 1998, it represents 46 percent of the international medical technology market.
- **A dynamic market:** Expected to grow by seven percent per year until 2002.
- **Canada's role in this market:** The U.S. imports US\$7 billion per year and Canada is its seventh-largest foreign supplier.
- **Key factors for success in the U.S. market:** The U.S. health market is increasingly sensitive to cost-cutting pressures. To successfully penetrate this market, firms must deliver high-quality, reliable products at competitive prices.

Want to know more?

Approximately 20 studies on the U.S. health sciences market can be consulted at www.infoexport.gc.ca

skill loss are the target clientele for this unique product. In 1998, the company's directors attended MEDTRADE to check out the competition, but last year, they were there as full-fledged exhibitors. President of ErgoGrip, Alexandra Levy, believes that the event was very beneficial for the company. "We made some promising contacts with distributors, in particular, a company from Colorado with which we have been working closely since. The educational program set up by the Canadian Consulate General in Dallas proved really useful in understanding such matters as the requirements of the U.S. market, and, as a result, helped us avoid any hitches." *

The NATO Maintenance and Supply Agency (NAMSA) was created by the Atlantic Alliance in Paris in 1958, nine years after the establishment of the North Atlantic Treaty Organization (NATO). Based

can process over 500,000 operations per month, and, as well, prepares contracts for the acquisition and disposal of all types of ammunition.

The supplies and services that NAMSA deals with include the articles

can encompass the updating, repair or modification of materiel (systems and components) in the following categories:

- ground equipment
- telecommunications
- radar
- control testing
- electrical, electronic or hydraulic equipment for military materiel
- aircraft jet engines, piston engines, aircraft instruments, airframe units
- components and main units for helicopters
- civil engineering and other heavy vehicles

Barring official authorization to do otherwise, NAMSA must place its orders with companies established in the 18 participating countries.

Continued on page 13 – NAMSA

NAMSA:

NATO's Procurement Agency

since 1968 in Luxembourg, NAMSA is NATO's primary maintenance and supply agency both in peacetime and in wartime. The Agency's annual sales figure is approximately \$400 million.

NAMSA comprises the 18 NATO member states, including the newest members Poland, Czech Republic and Hungary. With some 950 logistics experts, engineers, contractors and administrative support specialists, NAMSA is NATO's largest agency and has the largest civilian staff.

NAMSA's purpose is to enable the NATO countries to obtain the parts and services required to maintain certain types of military materiel owned by the members of the Alliance.

For most of their NAMSA-supported weapons and equipment systems, countries have formed "clubs" known as weapons systems partnerships. These clubs share the costs of supporting their weapons systems, make general policy decisions, approve or reject proposals for technical changes in their materiel, and have the authority to spend on behalf of their official services.

NAMSA also carries out other activities including codification and identification using its international electronic messaging system, which

required for the types of materiel owned by at least two NATO countries; radar and telecommunications systems; and components and spare parts to modify and support the materiel used by members' air forces, armies and navies.

Maintenance services involve materiel purchased or supplied. These

Trade Negotiations with Costa Rica

— Continued from page 7

March 1998, Canada signed a Foreign Investment Protection Agreement (FIPA), which further protects the rights of Canadian investors in Costa Rica.

Before a decision is made on whether or not to proceed, Canadians are asked to offer their advice and views on any priorities, objectives and concerns for a possible free trade agreement with Costa Rica.

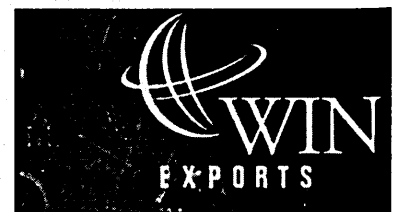
Input should focus on the following: areas of export and import interest; general rules of origin issues; "trade facilitation" issues such as customs procedures; the possible inclusion of investment, services or competition policy within the scope

of negotiations; and ways to reflect the interests and values of Canadians in the protection of the environment, basic workers' rights, human rights and other social concerns, as they relate to Costa Rica.

Contributions should be sent as soon as possible — include name and address and issues being addressed — to: Trade Negotiation Consultations (Costa Rica), Trade Policy Planning Division (EAI), Department of Foreign Affairs and International Trade, Lester B. Pearson Building, 125 Sussex Drive, Ottawa, Ontario K1A 0G2; fax: (613) 944-0757, e-mail: consultations@dfait-maeci.gc.ca

Looking for Export Opportunities?

Make sure you are registered in the WIN Exports database, which is used by trade commissioners abroad to promote your company's capabilities to foreign buyers. Fax your request for a registration form to 1-800-667-3802 or (613) 944-1078. Or call 1-800-551-4946 (613-944-4946 from the National Capital Region).



PARIS — November 22-26, 2000 — For the 18th consecutive year, Educatec will be the largest international showcase of teaching tools, instructional materials and educational equipment.

The themes of "Information and Communication Technology" and "International" will be featured at this year's event; at last year's show 31,000 professionals visited a 22,000-m² site. The computer and the Internet have become essential teaching tools. Whether they are used at school or at home, they have become an integral part of programs and practices in France. For the second half of 2000, France will chair the European Commission, and each European country will have a pavilion at Educatec presenting their respective national education policy.

NAMSA: NATO's Procurement Agency

— Continued from page 12

Companies interested in registering with NAMSA should send an application on letterhead in one of NATO's two official languages (French and English), specifying the equipment or services for which the company is qualified. Security clearance is required in order to receive tender calls containing classified information.

For more information on the NAMSA procurement process, consult the full market study *NAMSA: NATO's Procurement Agency* at www.infoexport.gc.ca/be or contact Paul Desbiens, Counsellor (Commercial) at the Canadian Embassy in Brussels, tel.: (011-322) 741-0622, fax: (011-322) 741-0606, e-mail: paul.desbiens@dfait-maeci.gc.ca *

Real opportunities

Two years ago, the Government of France developed a program to increase awareness and encourage use of information technology by French citizens. This program was given a

Educatec 2000, the premier education exhibition

budget of 5.76 billion FF (878 million euros) for 2000-2001. Priorities include equipping educational institutions, incorporating information technology into school programs, bringing certain practices into widespread use by teachers, supporting firms that provide projects and solutions, promoting self-directed learning and distance education, and training teachers.

France joined its European partners in equipping households with microcomputers last winter. The percentage of households with this technology has increased to 23 percent (compared with 19.8 percent a year earlier), and 8.4 percent have a modem, enabling them to connect to the Internet (compared with 5.1 percent in 1998). Between October 1999 and January 2000, 1.1 million new subscribers hooked up to the Internet for a total of 3 million subscribers by the beginning of the year; overall, France had a total of 5.37 million Internet users as of early 2000.

This increase is representative of the new "technophile" trend in the buying habits of French citizens, which appears to have become a lasting phenomenon.

WEM leads up to Educatec

France will attend the World Education Market (WEM) in Vancouver next month, May 24-27.

One of France's booths will showcase entrepreneurs providing solutions in the field of education. Another will present educational institutions at all levels in France, offering visitors the chance to discuss

and learn about opportunities in the French market.

Continuing the approach to the French and European education markets, the Canadian Embassy in France will organize a group booth and various networking activities at Educatec 2000.

Whether you are involved in multimedia, educational software, computer-assisted instruction, CD-ROMs and DVDs, interactive products, microcomputers and peripherals, distance education, videoconferencing equipment, on-line products or the Internet, Extranet or Intranet, or are a professional in the area of technical or vocational teaching involving CAD/CAM, robotics, programmable automats, electronics or computer integrated manufacturing, this exhibition is for you.

For more information on the market, contact François Gauthé, Commercial Officer, Canadian Embassy in Paris, tel.: (011-33)-1.44.43.23.58, fax: (011-33)-1.44.43.29.98, e-mail: francois.gauthé@dfait-maeci.gc.ca

To register for the Canadian group booth, contact DP Expos Services Inc. in Montreal, tel.: (514) 871-3838, e-mail: info@dpexpos.com *

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

INDIA — Water Supply Systems Study — Request for expressions of interest. The Government of India has received a loan from the International Bank for Reconstruction and Development (IBRD) and a Credit from the International Development Association (IDA) towards the cost of the Bombay Sewage Disposal Project. It intends to apply part of the proceeds of this loan/credit to pay for consulting services to study the organization, operation and main-

tenance of the water supply systems of Mumbai. The Hydraulic Engineer's Department is managing 4 headworks, and conveyance system of about 300 km of pipelines with diameters varying from 1,200 mm to 3,000 mm, 4 water treatment plants, 26 service reservoirs, about 3,000 km of water distribution network and about 300,000 consumer connections for distribution of 2.98 million m³ of water per day employing about 8,000 persons. Services to be completed over two years include a study of the functions of the Hydraulic Engineers Department, including employee workload and functions; the installment of water supply systems and their operation and maintenance; specific recommendations regarding personnel management, organizational structure, policy reforms, and training and institutional development to improve the water supply/distribution system management and the provision of more effective service. Interested consultants may obtain further information free of cost. Closing date: May 30, 2000. Contact: Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000310-00969. For details: www.iboc.gc.ca/webleads.asp?id=189en

SINGAPORE — Check Rails, Wing Rails, Common Crossings and Switches — The Singapore MRT Ltd. is looking for the supply and delivery of the above-mentioned products. Cost of tender

documents: S\$25.75 per set (non-refundable). Closing date: May 26, 2000. Contact: Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000302-00827. For details: www.iboc.gc.ca/webleads.asp?id=180en

SINGAPORE — Lift Installation for Mass Rapid Transit Stations — Tender reference no : LTA000/ RL/ C1246. The Land Transport Authority is looking for the design, supply, installation, testing and commissioning of 82 lifts for the existing Singapore Mass Rapid Transit (MRT) Stations. Lifts include conventional type and motor-room-less type. Lift cars will be clad in stainless steel or glass. Tenders for this contract will only be considered from tenderers registered with the Building Construction Authority (BCA) of Singapore, ME-09-Lifts and Escalators from financial grade L6 (unlimited) or suitable tenders. Relevant experience of installing lifts in an MRT environment in operation is necessary. They must have experience in executing contracts to the scale of C1246 with the financial capability to undertake and sustain a multi-million dollar project of this nature in Singapore. Cost of tender documents (non-refundable, cheque only): S\$10.00 (inclusive of GST) for 3 sets. Closing date: May 26, 2000. Info: www.gov.sg/gitis Contact: Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000320-00827. For details: www.iboc.gc.ca/webleads.asp?id=209en

IBOC trade opportunities — find out more at www.iboc.gc.ca ✪



Quick Facts

Since it opened in 1995, IBOC has contacted more than 25,000 Canadian companies and has responded to more than 16,000 inquiries from foreign buyers.

Thanks to IBOC, more than 8,500 Canadian firms have been in contact with foreign buyers.

IBOC's sourcing experts use a variety of databases as well as a large network of business contacts across the country to identify Canadian companies of all sizes.

IBOC is jointly operated by the Department of Foreign Affairs and International Trade and Industry Canada, with special co-operation from Agriculture and Agri-Food Canada. It is the sourcing centre for Team Canada Inc.

Dubai Airshow 2000: Contracts Take Off

DUBAI, U.A.E. — One of the most important aerospace industry events, **Dubai 2000 — The 6th International Aerospace Exhibition** (November 14-18, 1999) — attracted over 500 exhibitors and official delegations from over 50 countries led by 17 Ministers of Defence and related ministries, including from the U.K., Germany, and the U.S. Held biannually in Dubai—the major centre of trade and commerce in the Gulf region— at the state-of-the-art, \$100-million exhibition facilities at Dubai International Airport, the show garnered sales of over \$1.2 billion.

Canadian participation in the event included 8 companies and 45 representatives. Canada's Ambassador to the United Arab Emirates (U.A.E.), Christopher Thomson, along with Canadian Embassy and Consulate General staff, also attended. Canadian firms, notably Bombardier and CAE, came away with more than US\$300 million in contracts. With an impressive pavilion and several new demonstration aeroplanes and business jets on the

exhibition runway, Bombardier was the star of Dubai 2000.

The Canadian aerospace industry participation in this exhibition and the large investment made by companies like Bombardier to participate in the Dubai airshow is indicative of the significance for the industry of this venue as a crucial channel into the world aerospace market— both in terms of defence and civilian aviation.

Attendance and sales from every major industrialized country, and regional buyers from Central Asia, Africa, the Middle East and North Africa, clearly demonstrate the trading power and influence of the U.A.E., and Dubai in particular.

The success of this event is largely linked to the phenomenal growth in the demand for defence equipment in the region. The Gulf States are already the world's largest arms market with over US\$ 100 billion in arms procurement forecast by 2010. The recent sale of American F-16s worth US\$8 billion to the U.A.E. indicates the

important aerospace dimension of the Gulf military market. Both Airbus and Boeing estimate that the Middle East/ North Africa region will deliver on 620 aircraft orders worth US\$60 billion over the next 10 years.

For more information, or if you are interested in participating in **Dubai 2001—The 7th International Aerospace Exhibition, November 4-8, 2001**, contact Maher Abou-Guendia, Counsellor (Commercial), Canadian Embassy, Abou Dhabi, U.A.E., tel.: (011-971-2) 445-6969, fax: (011-971-2) 445-8787, e-mail: maher.abou-guendia@dfait-maeci.gc.ca ✪

Tampa Bay to Host IT Trade Mission

TAMPA BAY, FLORIDA—May 15-17, 2000—The World Trade Center Tampa Bay will host a trade mission from Toronto and Montreal in conjunction with the annual **Tampa Bay Information Technology Exposition & Conference (ITEC)**.

The perfect venue to penetrate the lucrative Southeast U.S. market, ITEC will bring together approximately 4,000 corporate and government/ education business professionals for the region's largest business-to-business technology event of the year.

ITEC will feature more than 2,000 products and solutions, representing the latest developments in computers, telecommunications, Internet/ Intranet, software, networking, imaging and records management, multimedia, video conferencing, client server, Y2K solutions, network security, disaster recovery, ATM, and much more.

In addition, ITEC organizers will arrange matchmaking appointments for participating companies to explore distribution channels, investment opportunities or joint venture possibilities, and seminars will be held to discuss how to penetrate the high-tech

Continued on page 16 — Tampa

CHEMEX — THE U.K.'S LARGEST PHARMACY SHOW

LONDON, ENGLAND — September 3-4, 2000 — The Canadian High Commission is organizing a group stand for Canadian small- and medium-sized export-ready companies interested in participating in **Chemex**, the largest retail pharmacy event in the U.K.

First held 18 years ago, the show is attended by over 3000 visitors from the U.K. and Europe and includes more than 150 exhibitors. For more information, visit the Internet at www.dotpharmacy.com

The High Commission will provide each company with both wall and shelf space to display products and brochures and will produce a brochure with profiles of the participating companies for distribution at the show. The companies will also be

included in the Chemex exhibition catalogue, and will benefit from the support services offered by the High Commission at the Canadian stand.

These services include assisting in arranging meetings with potential distributors as well as a one-day briefing session on the U.K. retail pharmacy market. There is an exhibition cost of \$500 per company (travel and accommodation costs are the responsibility of each company).

For more information, or if you are interested in this opportunity, contact as soon as possible Deanne Rourke, Canadian High Commission, London, tel.: (011) (44) 020 7258 6619, fax: (011) (44) 020 7258 6384, e-mail: deanne.rourke@dfait-maeci.gc.ca ✪

German ICT Market Seminars Next Month

KITCHENER, May 2, 2000 — TORONTO, May 3 — OTTAWA, May 4 — MONTREAL, May 5 — The Canadian Consulate in Munich is working together with the Governments of Ontario and Quebec and Industry Canada to launch a series of seminars for Canadian companies on the German ICT market.

The seminars will include presentations by the following experts on the German ICT scene: Dr. A. Pols, EITO/BITKOM (German National Association of Information Technology, Telecommunications and New Media), Berlin, on "Overview of the German ICT Market"; A. de Bochnovits, Managing Director, *Computer Partner*, Munich — the leading distribution and value-added reseller (VAR) magazine — in Germany on "The German

Distribution Market: What Canadian ICT Firms Need to Know"; and Dr. R. Mayer, co-founder, dmmv (German National Multimedia Association), Dusseldorf, on "Opportunities for Canadian/German Multimedia Partnerships".

The seminars are designed to provide practical market information to companies looking at expansion into the German ICT market.

For more information, contact Laura Vasarais, Ontario Exports Inc., Toronto, tel.: (416) 326-1075, e-mail: laura.vasarais@edt.gov.on.ca (for Kitchener, Toronto, Ottawa), or Jacques Fleury, International Trade Centre, Montreal, tel.: (514) 283-8805, e-mail: fleury.jacques@ic.gc.ca (for Montreal). *

New Series of Trade-related Publications

The following publications, which should be of value to Canadian businesses involved in international trade, have recently been released by Ottawa publisher Point-to-Point.

CE Marking for Medical Devices (\$170) explains the medical devices directive in clear language. This practical manual includes examples along with solutions to ensure that your products conform to the directive.

The Directory of 9300 Trade and Professional Associations in the European Union (third edition) (\$230) identifies sources of information from EU trade and professional associations in a user-friendly, bilingual format.

The Directory of EU Information Sources (tenth edition) (\$375) lists Internet sites of key players in the EU and Brussels. Included are some 12,500 contacts as well as published information on EU institutions such as the European Commission's Information Source.

For more information on these and other publications, or to order, contact Hilary R. Burke, Point-to-Point, Box 133, Station B, Ottawa, Ontario K1P 6C3, tel.: (613) 237-4658, e-mail: pointpoint@canada.com, Internet: <http://pointpoint books.com> *

Tampa Bay to Host IT Trade Mission

— Continued from page 15

corridor between Tampa Bay and Daytona.

The trade mission is co-sponsored by the Canadian Consulate in Miami, the Canadian Consulate General in Atlanta, the Canadian American Business Council, the U.S. Department of Commerce and Florida business organizations.

To register for the trade mission on-line or for more information, visit www.wtctampa.com or contact Steve Toner in Tampa at (813) 282-9099 or Rick McElrea at the Canadian Consulate General in Atlanta, tel.: (404) 532-2000, fax: (404) 532-2050, e-mail: rick.mcelrea@dfait-meaci.gc.ca *

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling 1-800-267-8376 (Ottawa region: 944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maaci.gc.ca

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Industry and Government Network

Dept. of External Affairs
Min. des Affaires exterieur
OTTAWA

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Minister for International Trade Pierre S. Pettigrew addressing the National Associations Symposium on Exporting.

to Increase Export Success

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Delegates from Canadian trade associations representing thousands of members from all industry sectors have taken up International Trade Minister Pierre S. Pettigrew's challenge to devise innovative ways in which they can work with the Government of Canada to increase the export success of Canadian businesses.

The associations were gathered at the second annual National Associations



Delegates at the second annual National Associations Symposium on Exporting held last month in Ottawa.

Symposium on Exporting, held in Ottawa, April 6 and 7.

Organized by the Canadian Trade Commissioner Service (TCS) of the Department of Foreign Affairs and International Trade (DFAIT), under the theme "Networking for Export Success," the symposium and its accompanying Info-Fair provided a valuable forum for the associations to exchange ideas on how to assist their members in trade development activities and for DFAIT to showcase its range of export services. At workshops held throughout the first day, delegates were given the opportunity to discuss the development of an export strategy, ways of measuring export success, various options for export promotion, the importance of partnering with other trade associations, and the benefits of e-business.

Continued on page 2 - Industry

Third Country Co-operation with Japan

Within the spectrum of partnership strategies with Japanese companies, "third country co-operation" might lack visibility, but can be nonetheless very rewarding. This concept refers to the collaboration between business organizations in two countries pursuing opportunities in a third country.

Applied to Japan, it means the contracting of a Canadian firm to supply specific goods and/or services for a project won by a Japanese company in a country other than Japan.

Possibilities

Through third country co-operation, Canadian companies can access

Continued on page 10 - Third Country

canadexp

Vol. 18, No. 8 -
May 1, 2000

CANADIAN COMMERCIAL
CORPORATION SUPPLEMENT
(See insert)

Canada

On April 5, Minister for International Trade Pierre S. Pettigrew released *Opening Doors to the World: Canada's International Market Access Priorities - 2000*. The report outlines the Government of Canada's pri-

regional and bilateral initiatives in the year 2000.

The 2000 edition updates and expands on topics presented in last year's report, which noted that Canadian exports of goods and services

trend has continued in 1999, with the new record at \$410 billion, an increase of 11.3 per cent over last year," said Minister Pettigrew. "It is important for the Canadian economy and for generating jobs in Canada that we continue to build on this success in the years ahead."

Opening Doors to the World also presents significant market access results from 1999 that will benefit Canadian business. Subjects range from Canada's broad negotiating objectives at the World Trade Organization to the details of specific bilateral trade irritants.

Some of the agreements that were reached involve the following countries: China (market access issues), Korea (telecommunications), Chile (accelerated tariff elimination), Japan (building products, tomatoes, financial

Continued on page 16 - Market

Minister Pettigrew Releases Canada's International Market Access Report

orities for improving access to foreign markets for Canadian traders and investors through multilateral,

had reached a record level in 1998 for the seventh year in a row.

"I am delighted to report that the

Industry and Government Network to Increase Export Success

—Continued from page 1

As the keynote speaker, Minister Pettigrew stressed the bridge that trade associations provide between the opportunities the Government's trade policy creates, its Trade Commissioner Service network abroad, and the exporters who make the sales.

"Co-operation between government and business is the key to successful exporting," said the Minister. He encouraged association delegates to make more use of the Trade Commissioner Service, stressing that while TCS continues to open doors to international markets, associations need to encourage their members to make use of it, as well as to feed the

network with information about their associations in order that trade commissioners can accurately represent Canadian capabilities. The Minister also emphasized the critical role associations can play in instilling confidence in their members so that they can capitalize on their competence and compete aggressively in the international arena.

The symposium, which received extremely positive delegate feedback for a second year, is itself an example of the kind of ongoing public-private sector collaboration that ultimately benefits Canadian exporters and their international sales. ♦

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canadexport

After almost 10 years in business, Cyntech Corporation has just made its first foreign sale: a US\$3.5 million contract to supply pipeline anchors to Thailand.

Originally a one-man consulting firm begun in 1981, Cyntech designs and manufactures pipeline anchor systems offering advanced technology for buoyancy control, and also provides solutions for storage tank problems.

In five years, Cyntech has gone from being the exclusive supplier to its first client Nova Corporation (since taken over by Trans-Canada Pipelines) to becoming the major pipeline anchor producer in Canada, setting the standard across the country.

Opportunity in a pipeline

It was through Nova that Cyntech President Neale Johannesson first became aware of the Thai project in the summer of 1998.

Nova had recommended Cyntech's anchor products to U.S.-based Bechtel Corporation — one of the largest multi-billion dollar engineering companies with 57 offices worldwide — for an earlier pipeline project in Thailand.

Although Bechtel did not purchase products from Cyntech for that project, it became aware, thanks to Nova's recommendation, of Cyntech and began requesting pricing for other projects it was bidding on.

"When Bechtel was awarded the engineering contract for the Ratchaburi-Wang Noi Pipeline in Thailand," says Johannesson, "it specified the Cyntech anchor system.

So Cyntech negotiated directly with Saipem — part of the ENI Group of Italy — which had been contracted by Bechtel on behalf of the Petroleum Authority of Thailand to carry out the detailed engineering, procurement and construction work. Cyntech's negotiations included the supply of the anchor system for this project, as well as a second contract for the provision of installation equipment and assistance.

The deal was finalized in January 1999 and shipment began in June, with

Cyntech continuing to supply installation equipment and technical assistance to Saipem through the fall of 2000.

"The really good news is that it looks like this project may lead to another one with the same company

Export Development Corporation's performance guarantees, which allowed Cyntech to meet its client's requirements.

"At the time I was negotiating the deal, I was unaware of all the services

Calgary Firm Finds Opportunity in a Pipeline for First-Ever Export... to Thailand

and end-user later this year," says Johannesson.

"We usually employ 12 people but we had 25 on the payroll during the



Installation of pipeline anchors.

production phase of the Thai project, plus many more jobs were created through our suppliers and subcontractors. If we keep working in Thailand, the increase in staff will become permanent."

Anchoring the deal

Johannesson admits that all this may seem like a circuitous route to obtain a foreign contract, but it was all accomplished with minimum cost and risk. "We were able to get to the point of signing the supply contract with only one overseas trip to Italy. All of the other contact with Bechtel and Saipem was done by telephone, fax or e-mail."

He also points out that the Thai deal couldn't have happened without government assistance, such as the

available through the Department of Foreign Affairs and International Trade's Trade Commissioner Service [TCS], including the WIN Exports database which has given us greater visibility. Over the past few months, however, I have made extensive use of TCS in Asia—everyone has been very helpful—and we now have a number of strong possibilities for additional contracts in southeast Asia.

"For instance, Commercial Officer Lies Suroto organized a presentation of Cyntech's products for PGN in Indonesia — 30 company managers and engineers attended. In Malaysia, Senior Trade Commissioner Ottfried von Finckenstein is setting up a high-level meeting with Petronas, the state-owned petroleum company, and also set up a meeting with the manager of pipelines for Technip."

As well, the International Trade Centre in Calgary, through Senior Trade Commissioner Jesse Hislop (she was Senior Trade Commissioner in Milan, Italy) has helped the company enormously, and, in particular, was able to provide a lot of insight into Cyntech's dealings with Saipem.

Johannesson believes that a large Canadian company promoting a smaller company's products or services

Continued on page 9 — Cyntech

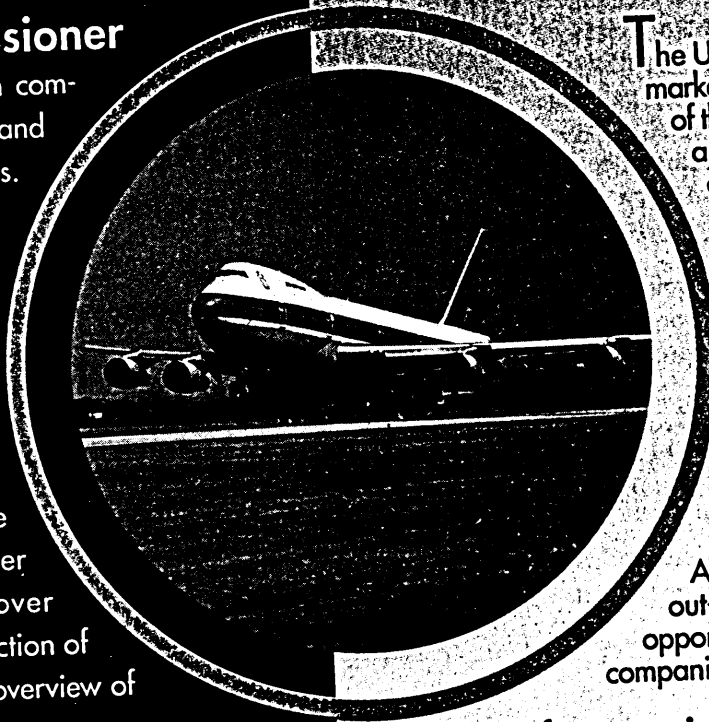
UNITED STATES

The Trade Commissioner Service

helps Canadian companies that have researched and selected their target markets. Successful companies concentrate on one foreign market at a time, moving on to the next only after succeeding in the previous one. To help you select which market you should target, the Market Research Centre of the Trade Commissioner Service has prepared over 600 market reports. This section of *CanadExport* provides an overview of one report.

For more information on this and other reports, or if you want to know how the Canadian Trade Commissioner Service can help you get results in international markets, visit us at

www.infoexport.gc.ca



Aircraft Maintenance and Overhaul

The U.S. is the largest aerospace market in the world. Roughly 40% of the U.S.'s maintenance, repair and overhaul (MRO) activity occurs in its southeastern region. Consequently, this region represents one of the most lucrative MRO markets in the world. As a result of aging fleets, tightening Federal Aviation Administration (FAA) regulations, an increasingly cost-conscious Department of Defense and the growing trend for overburdened American MRO companies to out-source, there are a myriad of opportunities for Canadian MRO companies in this market.

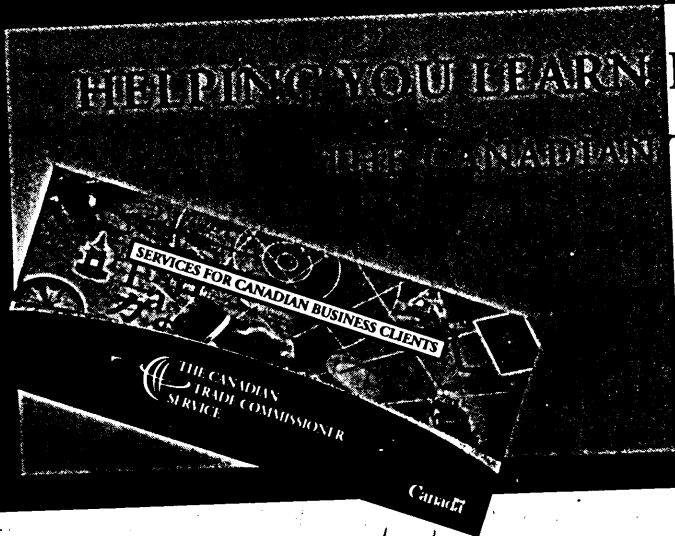
Airframe maintenance and inspections

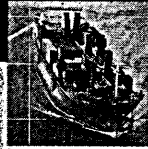
In 1998, the southeastern U.S. market for airframe maintenance totaled approximately \$2.6 billion. Boeing estimates that there are close to 2,000 U.S. aircraft older than 20 years. Most of these are Boeing 727-100/200 models. As the number of aging aircraft

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

See insert for your Aerospace and Defence Industry contacts in the United States





Maintenance, Repair and Overhaul Market



Over 600 market reports
in 25 sectors available at:

www.infoexport.gc.ca

increases; another niche market emerges, as the number of inspections required to keep them in service increases.

Freighter Conversions

There is a surge in the global \$670-million annual aircraft cargo conversion market.

By 2017, estimates forecast a need for approximately 2,050 new and converted freighters world-wide. About 70% of the aircraft entering the freighter fleet in the next 20 years are expected to be conversions, that is, aircraft that were previously used as all-passenger or combination models.

Engine Retrofit and Modernization

Approximately \$2.4 billion is spent on engine maintenance in the southeastern U.S. annually. Although the Stage 3 noise deadline passed recently, legislation is pending that will require U.S. air carriers to meet Stage 4 noise standards. The USAF would like to re-engine its B-52H bombers, E-3A AWACS, E-8 JSTARS and its C-5 transports.

Regional Aircraft

Regional airlines are one of the fastest-growing segments of the U.S. travel market. More than 2,200 jet and turboprop



regional aircraft are operated by U.S. regional airlines, and the FAA expects this number to reach 3,000 by 2009. The maintenance of U.S. regional aircraft presents significant opportunities for Canadian MRO firms.

Avionics Upgrades

Significant activity is taking place upgrading the avionics of all aircraft in the U.S. There are opportunities for suppliers of Traffic Collision/Alert Avoidance Systems (TCAS); NAVSTAR Global Positioning Systems (GPS); Engine Indicating and Crew Alerting Systems (EICAS); Flight Management Systems (FMS); Ground Proximity Warning Systems (GPWS); Head-Up Display (HUD); and Reduced Vertical Separation Minimums (RVSM) systems.

Trends

Canadian MRO companies are poised to take advantage of the fact that American aircraft operators are increasingly outsourcing MRO activities. MRO activities are also expected to experience significant growth in the southeastern U.S. as the

FAA implements a number of regulations governing safety, the environment and noise reduction. Recent FAA regulations also require the installation of fire detection and suppression equipment in all Class D holds of commercial aircraft, and changes to the Boeing 737's centre fuel tanks.

See Potential?

To learn more about opportunities in the southeastern U.S. market, take a look at *The Aircraft Maintenance, Repair and Overhaul Market in the Southeastern United States*, a full report prepared by the Canadian Consulate General in Atlanta and the Market Research Centre of the Trade Commissioner Service. The report is available on-line at www.infoexport.gc.ca

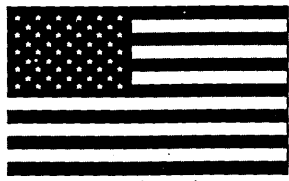
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Aircraft Maintenance, Repair and Overhaul Market

➔ Access our market studies



The U.S. Connection

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Aerospace Northwest Networking Event

Thirty-six Canadian aerospace companies and organizations joined 60 companies from Washington state at a highly successful networking event in Seattle in March. Organized by the Canadian Consulate General in Seattle in association with the Washington Aerospace Alliance (WAA), the Aerospace Industry Association of B.C. (AIABC), the Alberta Aerospace Association (AbAA) and the Alberta Ministry of Economic Development, the occasion provided a unique opportunity for companies from British Columbia, Alberta and Washington to meet and develop new business relationships by identifying common or complementary interests, discussing possible partnerships, and seeking new clients.

The keynote address on the new Boeing quality system was given by Phil Clifford, a quality management consultant. Companies from both sides of the border found this to be helpful information, as the new system will affect not only direct suppliers to Boeing, but others further down the supply chain as well. Particularly useful contacts for Canadians were a number of companies identified in the report *First Tier Suppliers to Boeing*

in Washington State (see box for details). Afterward, the Canadian companies toured Fatigue Technology Inc., a

The report *First Tier Suppliers to Boeing in Washington State* identifies first tier suppliers to Boeing who may be potential sources of offload work for Canadian companies. This report is available on the Seattle Canadian Consulate General Web site at www.canadian.consulate-seattle.org/BUSDEV/CONTENTS.HTM or can be obtained through the Canadian Consulate General in Seattle by calling Kathryn Burkell at (206) 770-4078.

company specializing in fatigue enhancement for the aerospace

industry. After reconvening for a formal networking session, the participants attended the annual General Meeting of the Washington Aerospace Alliance. Roger Simmons, Canadian Consul General in Seattle, spoke on the Canada-U.S. relationship and the need for co-operation at and across the border, followed by Sam Whyte, director of Procurement for Boeing, who described the new Boeing procurement strategy.

All of the associations involved indicated that they would like to follow up on the good work begun at this event, inviting Washington companies to attend the B.C. and Alberta Association meetings last month and this month, and encouraging Canadian companies to participate in future WAA events in 2000 and Aerospace North America in Seattle, scheduled for September 2001. Feedback from participants as well was extremely positive. Said one, "I certainly found the conference worthwhile. I came away with some new contacts, two really good ideas, three really good leads, and who knows where those will go?" *

Upcoming Events

Joint Propulsion Conference and Exhibit, July 17-19, 2000, Huntsville, Alabama

The Joint Propulsion exhibition provides your company with exposure to more than 1,500 leading scientists, engineers, program managers,

and decision makers from both national and international government and industry organizations. All areas of this essential field in aviation and space will be covered including:

Continued on page 7 - Upcoming

For a company specializing in the stitching business, *International Custom Products Inc. (ICP)* has discovered that attending the right trade shows is the way to identify niche markets for its long line of products.

customers, we found that the show geared toward our two strong areas — parachutes and engineered stitched products for the aerospace and defence market — was the Technical and Business Exhibition Symposium

with networking and expanding our contacts and introducing us to new customers. Going to that show translates into an immediate \$12-14 million in potential follow-up sales from new customers, contributing to expanding our operations from 3 to 125 people."

Such leads have allowed the company to make sales — from custom parachutes and ram air decelerators to soft-sided carrying cases for technical instrumentation — to major U.S. customers such as General Dynamics, Alliant Techsystems, GenCorp Aerojet and Lockheed Martin.

Product diversity

But ICP has many other unique products up its "stitched" sleeves.

"We are also exporting automotive products to Mexico — bags for car jack tools," says Harper, "at the rate of 10,000 bags per week."

Other products the company exports to the U.S. include various custom-made soft-sided

stitched cases; sample cases (shoe bags used by salesmen); vacuum

Continued on page 8 — International

A Firm Believer in Trade Shows

Versatile Scarborough Company Lands Parachute — and Other — Contracts in U.S.

Shortly after starting out in business 15 years ago, ICP soon discovered the route to trade shows.

One show leads to another

"It was 12 years ago," recalls ICP President Bob Harper, "that we exhibited at our first show, ARMEX, held in Ottawa, where we met Department of Foreign Affairs and International Trade (DFAIT) representatives who invited us to SUBCON, a show held in Toronto designed to attract U.S. subcontractors.

"In addition to meeting potential

(TABES) held annually in Huntsville, Alabama."

Not only has ICP been attending that show ever since — "we'll be there later this month," says Harper — but that's where the company met Commercial Officer John Alexander from the Canadian Consulate General in Atlanta.

"John has been fantastic throughout all these years," says Harper, "helping us



just about anything!

Looking to Do Business with the U.S. Federal Government?

Opportunities are just a key stroke away at the Internet site (www.gsa.gov) of the General Services Administration (GSA), which facilitates purchases by the U.S. government — "the world's largest consumer" — and the Electronic Posting System site (www.eps.gov). More GSA opportunities are listed on the site of the Canadian Embassy in Washington, D.C., (www.canadianembassy.org) and periodically in *CanadExport*.

Upcoming Events

—Continued from page 6

- rocket propulsion
- vehicle concepts and supporting propulsion technologies
- air breathing propulsion
- energetic components and systems
- component technology and analysis methods
- propulsion education

For more information, contact Mary-Louise Goodie, Business Development Officer, Canadian Consulate General, Atlanta: tel.: (404) 532-2020, e-mail: mary.goodie@dfait-maeci.gc.ca

DUAL TECHNOLOGY SHOWCASE E-Commerce and Information Security, October 2000 (dates TBC), Canadian Embassy, Washington, D.C

This will be a two-day event with morning sessions devoted to brief presentations by Canadian companies to U.S. government/private sector representatives, followed by a luncheon/ exhibition. The first day will focus on e-commerce, and the second on information security.

For more information, contact Gerard Brathwaite-Sturgeon (e-commerce) tel.: (202) 682-7746, e-mail: gerard.brathwaite-sturgeon@dfait-maeci.gc.ca Richard Malloy (information security) tel.: (202) 682-7744, e-mail: richard.malloy@dfait-maeci.gc.ca *

An expanding exporter is using access to preshipment financing to win sales worldwide.

Everything looked great for Hankin Atlas Ozone Limited — except for one slight problem in late 1997.

which has 16 employees divided between Toronto and Calgary offices.

The buyer was impressed with Hankin's technology and service record, and wanted Hankin to supply water purification equipment for the

Hankin Ozone

Building Markets with CCC's Progress Payment Program

There was growing interest in its ozonation systems used to purify water, and the company had completed several export sales. Working hard to develop a new market in the United Arab Emirates (U.A.E.), Hankin had all but signed a series of four contracts for Dubai International Airport.

The total value of the deal was \$1.2 million, a large order for Hankin,

Dubai airport's massive air conditioning system.

However, there was a slight problem: the payment terms on the deal stipulated no down payments, a 60-day term letter of credit, and "acceptance before departure." Hankin needed working capital to win the sale.

Continued on page 13 — Hankin

CCC Shaping Trade Solutions for Canada's Exporters

A federal Crown corporation, the Canadian Commercial Corporation (CCC) partners with Canadian exporters to negotiate and win sales in difficult markets on favourable terms. It provides special access to U.S. defence and aerospace markets and specializes in trade to foreign governments and international organizations.

Whether bringing buyers and sellers together, acting as a prime contractor or working with small- and medium-sized companies to win sales, CCC's access to specialized markets continues to open doors for thousands of Canadian companies doing business in over 60 countries.

For more information, contact CCC at tel.: (613) 996-0034, fax: (613) 995-2121, e-mail: info@ccc.ca Internet: www.ccc.ca

International Custom Products Inc.

— Continued from page 7

cleaner bags for Kirby, and tool bags for vacuum cleaners used by salesmen in demonstrations for HMI Industries Inc., both companies located in Ohio.

How does ICP find customers for these products?

"Again, by working the trade show route," he says. "We find a lot of these leads at industrial trade shows where we can identify the need for products and match them with our products and services fitting these niche markets."

Exposure key to success

From his varied experience in the U.S. market, Harper is certain about one thing: exposure is critical.

"You can be good in your line of business," he says, "but if you don't expose and broadcast your company's services, it doesn't help. It's amazing

all the leads that shows can generate if you pick and work the right ones. "The Internet is also a must," he adds. "All companies should have a Web site, but have it done professionally because it has to look good and be representative of your company's services."

Harper also finds that many Canadian companies need to develop a "yes we can" attitude. And he is talking from experience. As his company is on DFAIT's WIN Exports data base (see box at bottom of page 9), he got a call from the Canadian Embassy in Chile which had received a request from the Chilean Army to supply shelter systems for tanks.

"The Embassy faxed the request to 25 Canadian companies," he recalls, "two responded: one negatively, while we replied 'yes,' landing us a \$3 million contract."

Other advice: tap into government services.

"Every time we go to the U.S., we always call on the local Canadian Consulate General, and Canadian Embassies in other countries such as Chile and Mexico where we are very active. Trade Commissioners and Commercial Officers will fall over backward to help us, but you must keep them apprised of what you're doing and looking for, otherwise they can't assist you."

ICP also finds valuable assistance from Export Development Corporation (EDC). "EDC insures receivables to all our qualified export shipments," says a satisfied Harper, whose company's sales are now over 55 percent export-based, and growing.

For more information on International Custom Products Inc. and its long line of products, contact company President Bob Harper, tel.: (416) 285-4311, fax: (416) 285-7329, Internet: www.icpinc.com



Canadian
Commercial
Corporation

A black and white photograph showing two men in business attire shaking hands on the deck of a ship. The man on the left is leaning over the railing, while the man on the right is standing. In the background, a woman is visible through a window of the ship's cabin. The scene is set against a backdrop of a large, stylized maple leaf graphic.

Put the
power of Canada
behind your export sales

Canada

MESSAGE FROM THE PRESIDENT

An Export Sales Agency with a Difference



Douglas Patriquin
President

The Canadian Commercial Corporation is in the export sales business. Using its governmental status to sign sales contracts on behalf of Canadian exporters, the Corporation puts the power of Canada behind an export sale, guaranteeing its full and satisfactory completion. In 1999-2000, we helped Canadian exporters make sales worth over \$1.1 billion to some 40 countries around the world — a record high.

Still, I am often asked: "What does CCC do, exactly?" And, my answer usually goes something like this. For one, CCC helps exporters access business opportunities and win sales with governments around the world, in particular in the United States. While we specialize in aerospace and defence, we are selling more and more in a wider range of sectors, and not only in the United States.

We know government markets and the contracting business, and we use this knowledge to help companies win lucrative sales contracts.

We also help smaller companies access pre-shipment export financing from commercial sources, we seek out projects and make referrals, and we can bring various parties together in a special way. In essence, we can wrap a project in the Canadian flag, which makes it more credible and saleable in an export market.

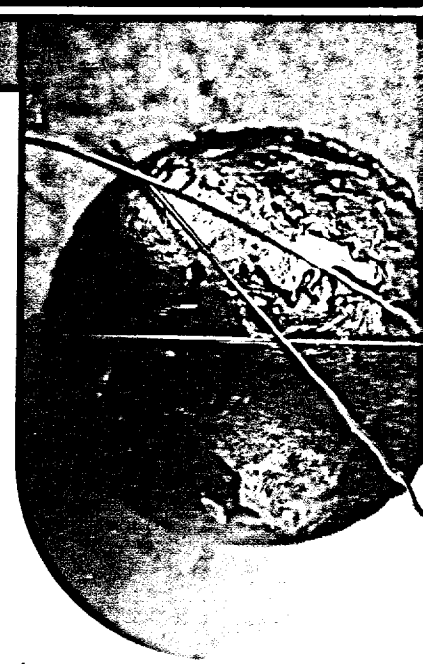
In the last three years, however, we've become increasingly involved in helping small and medium-sized enterprises (SMEs) land sales in foreign markets. We're working with more companies in more markets than ever before and we plan on doubling that over the next five years. We'll be looking for partners, both private and public, for new sources of risk capital, and we plan to take on more deals and help more Canadian companies access a larger share of the world's \$5.3-trillion government procurement market.

We're putting our unique skills to work and looking at new emerging opportunities for Canadian exporters. These include defence electronics, environmental technologies, capital projects, transportation equipment, and electrical power equipment.

The new millennium promises tremendous opportunities for Canadian exporters, particularly in the rapidly expanding knowledge and technology sectors, and we want to be there, opening doors and winning sales.

For over 50 years, we've helped thousands of Canadian companies reap the benefits of international trade. In the next 50 years, we fully intend to do even more — much more.

Helping Canadian Exporters Make Sales Around the World



CCC *helps Canadian exporters win sales in government and private-sector markets around the world, through its unique government-backed guarantee of contract performance.*

An export sales agency, wholly owned by the Government of Canada, CCC significantly increases the ability of Canadian businesses to land export sales on improved terms. Since 1946, we have helped thousands of Canadian companies sell a wide variety of products and services worth over \$25 billion, in over 100 countries.

Serving Canadian Exporters

CCC offers a full range of services, from identifying business opportunities, evaluating projects, developing bids and proposals, acting as a prime contractor, negotiating and administering contracts as well as arranging access to pre-shipment financing for export sales.

Assisting Foreign Buyers

CCC assists foreign buyers to identify sources of supply in Canada. CCC may act as a prime contractor when foreign buyers are sourcing Canadian products and services, whether on a sole-source or competitive basis.

Government-backed Contract Guarantee

CCC's government-backed guarantee of contract performance often results in Canadian exporters enjoying more favourable terms, including the waiving of performance bonds, arranging advanced payment and better project terms.

U.S. Government Sales

CCC specializes in sales to foreign governments and international organizations, particularly in the aerospace and defence markets, and is responsible for maintaining the Canada/U.S. Defense Production Sharing Arrangement (DPSA). Under the DPSA, Canadian companies gain direct access to the U.S. Department of Defense (DoD) — one of the largest purchasers of products and services in the world. When selling products and services in excess of \$100,000 to the DoD, Canadian companies do so exclusively through CCC.

Working TOGETHER Is Better



Team Canada Inc. • Equipe Canada inc

CCC is an integral part of Team Canada Inc, complementing the export financing and insurance activities of the Export Development Corporation, as well as the market intelligence and promotional activities of the Department of Foreign Affairs and International Trade and other federal departments and agencies.

Merging Skills in New Media

When Clickon Technologies of Montreal began to merge its marketing and technical skills for the Internet, clients quickly shared the vision, and Clickon soon won international awards for Web sites. When NAFTA asked for qualified bidders to develop, build and host a custom Web site, CCC turned the sales lead over to Clickon, which won the competition.

"CCC not only gave us the lead on the NAFTA sale, they stayed with us throughout the project. They're experienced exporters, and helped us answer questions from the clients and ensure that all the legalities were in place. In a way, they were like a project manager for us."

Albert Zaccour, President
Clickon Technologies



We Offer the Services You Need to Succeed

In developing, executing and administering export sales contracts, CCC's services to Canadian firms include:

- acting as the primary agent for major procurements involving Canadian exporters selling to the U.S. Department of Defense (DoD) and the National Aeronautics and Space Administration (NASA) as part of formal agreements signed by the Government of Canada;
- acting as an export sales agency and participating in all phases of an export sale including project assessment, bid preparation, sales negotiations and contract management services;
- acting as prime contractor in the sale of Canadian goods and services at the request of Canadian exporters and their customers abroad;
- identifying business opportunities, particularly with the U.S. federal government, and transmitting them to qualified Canadian firms registered with CCC;
- facilitating access by small and medium-sized enterprises (SMEs) to commercial sources of pre-shipment financing for export sales through the Progress Payment Program;
- providing export contract risk analysis and management services when requested.

International Sales

Through CCC, thousands of Canadian companies have sold to buyers in virtually every market in the world, from Argentina to Zambia. Our sales range from manufacturing and systems, to vehicles, rail, marine, environmental and medical technologies, construction, food, livestock, advanced technology, and professional services and training.

Pre-shipment Financing

CCC has helped over 100 small Canadian exporters access pre-shipment financing of over \$300 million since 1995. CCC works with small companies to facilitate access to export pre-shipment financing through arrangements with 17 Canadian banks and financial institutions.

When CCC participates in a sale, it assesses the risks posed by the buyer and the exporter, prepares the bid, participates in sales negotiations, manages the contracts, guarantees performance and arranges payment according to the negotiated terms.

WHAT CCC CAN DO FOR YOU

Selling to Government Markets

As a government agency specializing in export sales to governments and international organizations, the Canadian Commercial Corporation's skills are unique. While these markets are more open than ever, they can still be difficult and intimidating for many exporters. We provide, in one location, knowledge of government procurement systems and regulations, and the hands-on practical advice and experience that exporters need to succeed.

CCC's services help Canadian companies win a larger share of the world's \$5.3-trillion government procurement market.



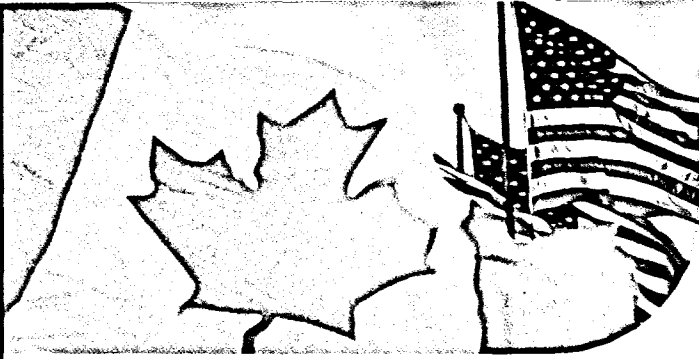
CCC plays a unique role in facilitating sales to United States defence and aerospace markets through formal agreements signed by the Government of Canada, such as the DPSA. We also participate in purchases from Canada by world organizations and international financial institutions like the United Nations and the World Bank.

Red-hot Export Sales

Pro-Safe Fire Training Systems Inc. began manufacturing its fire training units for sale after repeated requests from clients who had seen the units in action. When Canada's Department of National Defence bought a unit for its base in Esquimalt, B.C., Pro-Safe was referred to CCC, and the rest is red-hot sales history. CCC-backed sales to clients like the U.S. Navy and Air National Guard have boosted the Parry Sound, Ontario company's revenues more than tenfold in the past few years... and counting.

"CCC is a security blanket for us and our bankers, and it gives us credibility with foreign buyers. Its involvement enabled us to go from producing a \$20,000 - system to making a \$750,000 - system, resulting in multimillion-dollar sales to the U.S. Navy and U.S. Air Force."

Henriette Martinitz, CEO
Pro-Safe Fire Training
Systems Inc.



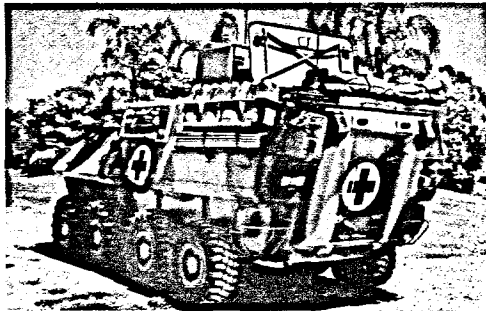
Bid Matching Service Generates Opportunities

CCC has expanded its Bid Matching Service to assist Canadian exporters entering the U.S. market (particularly SMEs). Each day, the Corporation identifies 200 to 400 U.S. federal government opportunities which are open to bidding by Canadian firms. It accesses approximately 140,000 opportunities annually from over 450 departments and agencies in the U.S. federal government. These opportunities are reviewed, and only those which include Canadian participation are displayed on the

Canadian Government Open Bidding System (MERX), and on CCC's U.S. Opportunities Web site.

CCC matches opportunities with the capabilities of firms registered with the Corporation, resulting in over 65 matches daily which are transmitted to Canadian companies, who can then decide whether to follow up on the opportunity. Last year, 13,500 notices were sent to 1,500 companies and generated bids valued at \$616 million in U.S. federal government markets resulting in \$161 million in sales contracted through CCC.

\$2.5 Billion in Worldwide Sales



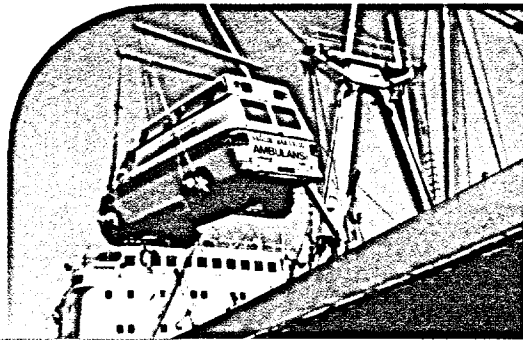
The sales success of the Light Armoured Vehicles (LAVs) built in London, Ontario by GM Canada's Diesel Division illustrates the Canadian defence industry's reputation on the world stage and the crucial part CCC plays.

Manufactured by General Motors and sold through the Canadian Commercial Corporation, the LAVs have served in Kuwait, Kosovo, and most recently in Indonesia, where Australian peacekeepers used them to land in East Timor. CCC has been instrumental in the sale of more than US\$2.5 billion worth of LAVs sold outside Canada since 1981, guaranteeing contract performance on every order.

"We have a world product mandate for General Motors on the LAV, and we export two thirds of our production. We have a long history of working closely with CCC, which allows us to give our export customers the option of dealing on a government-to-government basis. Our LAV customers not only have the guarantee of General Motors, but also the guarantee of the Government of Canada through CCC."

Ken Yamashita
*Manager, Government Relations and Industrial Benefits
Diesel Division, General Motors of Canada Ltd.*

Building a Successful Export Strategy



Tri-Star Industries Limited has an excellent track record in selling custom-built ambulances around the world. The Yarmouth, Nova Scotia company began using CCC eight years ago for help with payment conditions on a contract with Britain's National Health Service. Since then, Tri-Star has partnered with CCC on

sales to government agencies in Turkey, Finland, Cuba and Trinidad and Tobago. On recent projects, Tri-Star has enhanced its product offerings by building a wide variety of ambulance-related services (staffing, training, medical equipment) with its custom vehicles.

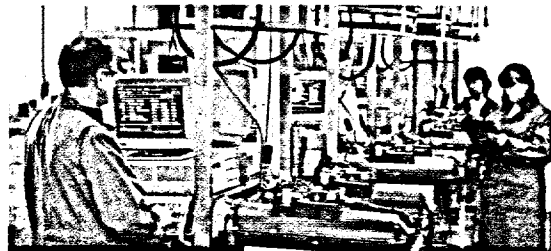
"CCC is an integral part of our strategy in export markets. Through them, our clients get guarantees of contract performance and are spared the extra banking and bid bond costs. We've worked with CCC on contracts totalling more than \$30 million, and we will continue to use them whenever possible, to expand our long-term export business."

Keith Condon, President
Tri-Star Industries Limited

Developing New Products for New Markets

Calgary's Global Thermoelectric Inc. is a recognized world leader in thermo-electric generators. When an opportunity to develop and supply \$18 million worth of heaters for the U.S. military arose in 1996, Global used CCC's contracting services to help win the sale over two larger competitors. Global had to perform a year's worth of testing on the heaters, which are specially designed for tracked vehicles. Operating on diesel fuel, the heaters had to meet strict specifications for electrical power use. Today, Global's heaters have joined an expanding product line that includes exciting new developments in fuel cell technology.

"We've had a very successful relationship with CCC. The sale to the U.S. military was a major breakthrough for us, and took us into a whole new product area. Those heaters now represent about 40 per cent of our revenue stream."



Jim Perry, President
Global Thermoelectric Inc.



Selling to Private-sector Buyers

Our services aren't restricted to government buyers. Canadian suppliers and their potential private-sector customers in foreign markets also use the Corporation's expertise to negotiate deals and manage contracts in a broad range of sectors. With CCC's backing, foreign buyers are assured they will receive high-quality Canadian goods and services, on time and within budget.

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

CCC's involvement improves your standing with your customer. A confident customer can be a lot more flexible on terms and conditions. The Corporation gives your customers the comfort of the Canadian government's guarantee, which:

- assures them that proposed Canadian suppliers are financially and technically capable of meeting bid specifications, contract terms and supplier warranties;



Gushing with Success in Siberia

When FSI International Services Ltd. started work on a \$3.1-million sale to Russian oil company JSC Chernogorneft it soon discovered that the Russian language and Siberian climate weren't the only challenges it faced. Renowned in North America, the North Sea and the Middle East for its innovative oil well control systems, Calgary-based FSI International used CCC's services to expedite the sale. The turnkey operation is now substantially boosting oil field productivity in western Siberia.

"Payment conditions have changed in the export market, and most clients want to hold on to their money as long as possible. We were faced with asking our client for more money up front, but CCC worked out a deal with us and our banking partners that gave us the payment we needed to make the final shipment."

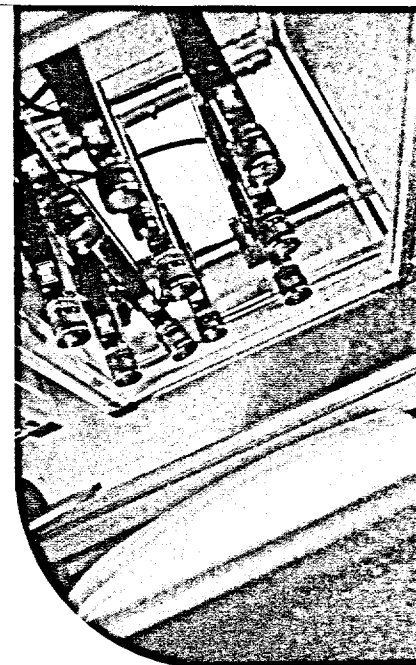
Richard Ball, President
FSI International Services Ltd.

A Vision for the Future

Image Processing Systems Inc. (IPS) is the latest of a growing number of experienced exporters to discover the advantages of working with CCC. The Markham, Ontario manufacturer supplies automated display inspection and alignment systems to most of the world's display manufacturers. The company recently used CCC's services on a US\$1.7-million sale to Chunghwa Picture Tubes (Fuzhou) Limited in China.

"The contract payment terms were 90 per cent due on shipment of the order. We needed some additional working capital to fill it. The Progress Payment Program was very useful for us because it helped us keep our credit lines open for other work. We export 90 per cent of our production, and I know that we'll be using more of CCC's services in the near future."

Terry Clark, Chief Financial Officer
Image Processing Systems Inc.



- gives them a single point of contact for multiple-item purchases, or those involving more than one Canadian supplier;
- provides a cost-effective, efficient alternative to lengthy international tendering processes;
- facilitates access to Canadian technology and expertise.

Accelerated Payment Program Helps Smaller Exporters

For qualified Canadian exporters doing business with the U.S. DoD and NASA, CCC offers the Accelerated Payment Program designed specifically to help smaller exporters that may not have the access to financing that larger companies enjoy.

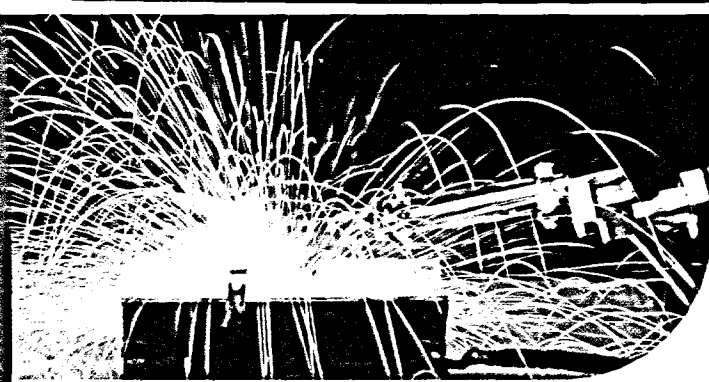
Small businesses that have a contract with CCC receive payment 15 days after presenting a valid invoice and supporting documents.

A company must have sales of \$5 million or less in its previous fiscal year to qualify for the Accelerated Payment Program. To apply, exporters simply complete a certificate for each CCC contract they are awarded.

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

Discount Payment Options

For SMEs and larger companies selling internationally through CCC, we offer a variety of discount and payment options that can improve cash flow and make your sale run smoother.



Working with Small Companies Brings Big Rewards

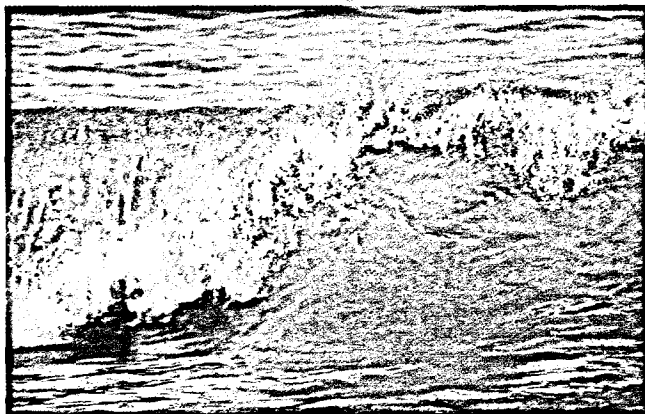
Small and medium-sized enterprises (SMEs) with annual revenues of less than \$25 million continue to grow in importance for CCC.

SMEs represent over 80 per cent of our clients, and SME sales account for 30 per cent of our business, an ever-increasing trend with specific strength in the U.S. marketplace. CCC's experience, knowledge and hands-on commercial approach are particularly effective for new and smaller exporters in identifying and solving contracting problems.

Even for a product or service they like, foreign buyers will often favour a better-known, larger source of supply. CCC levels the playing field, enabling the foreign buyer to choose the best Canadian products and services, and avoid risks.

For SMEs, our greatest asset lies in the value-added knowledge of working in difficult markets, reducing red tape, minimizing risks and negotiating sales — all backed by the Government of Canada. We provide Canadian exporters with more timely, specific market intelligence and improved financing options or access to pre-shipment export financing to ease cash-flow strains during the production phase of the contract.

Reaching New Middle East Markets

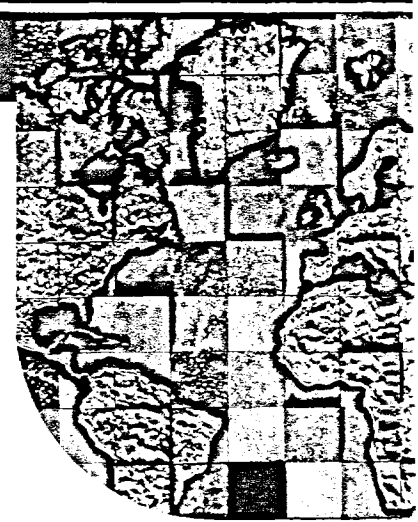


Hankin Atlas Ozone Limited's ozonation systems purify water and enjoy a solid reputation in an expanding number of world markets. A small but growing company, Hankin has 16 employees at sites in Calgary and Toronto, and has been using CCC's services for four years. A recent export effort resulted in a \$1.2-million order to supply water purification equipment for the Dubai Airport's massive air-conditioning system. CCC's Progress Payment Program helped Hankin close the deal.

"The buyer was impressed with our technology and service record, and they wanted our system. But the payment terms on the deal stipulated no down payments, a 60-day term letter of credit, and 'acceptance before departure,' and we needed working capital to win the sale. The co-operative help we got from CCC was a prime factor in our completing the UAE job."

Ronald Larocque, President
Hankin Atlas Ozone Limited

CCC Winning Sales in Markets Around the World



In 1999-2000, CCC sold \$239 million worth of contracts on behalf of Canadian exporters selling outside of the United States.

Since 1998, sales have included a US \$140-million airport in Budapest, technical mining assistance to Argentina, a laboratory automation system for a hospital in the Netherlands, a patient administration system for the Jamaican Ministry of Health, sales to United Nations agencies, rock elevators for Mexico, engine testing software for the United Kingdom, airport security systems in Nepal, composting systems in the United Kingdom and potash and vehicles to Cuba, to name a few.

Larger Companies Also Benefit

There are many governments that prefer the involvement of the Government of Canada when they purchase from a Canadian source. Even for larger companies, CCC's guarantee of contract performance can be an equalizer against better-known competitors.

For larger companies, CCC's participation can be key to raising the profile of the project. There are many sectors where buyers often want the participation of the supplier's own government in a sale before they are willing to buy. Furthermore, purchasing on a government-to-government basis can be a justification for many buyers to sole-source a requirement, thereby reducing the time and cost of international tendering when they've already identified the product or service they want.

When acting as a prime contractor, CCC monitors each phase of the project to ensure that all of the contract's terms and conditions are met. This helps to simplify the process of administering a contract for Canadian exporters and foreign buyers alike.

Gaining a Competitive Advantage

As an export sales vehicle, CCC plays a unique role in strengthening the competitive position of Canadian exporters.

- CCC's participation in a sale gives buyers the commitment of the Government of Canada that the terms and conditions of the contract will be fulfilled, to everyone's satisfaction. This opens doors, reinforces buyer confidence, and provides Canadian exporters with the competitive edge they may need in markets where they are less known.
- CCC's participation enhances your credibility and competitiveness with buyers.
- CCC's commercial focus minimizes the formalities usually associated with government buying. It is flexible in making contract arrangements, works to meet buyers' needs, and can call upon other Canadian expertise to complete its response to requirements. CCC also serves as the focal point for all contract-related matters.
- CCC provides contractual expertise and has experience in many of the world's major markets.

Helping Canadian Firms Access Pre-shipment Export Financing



Canadian exporters, particularly SMEs, can't always get advance payment from customers on foreign sales. Unless they can get pre-shipment financing, the strain on their working capital is often more than they can manage, and sales can be lost.

Through agreements with 17 financial institutions, CCC's Progress Payment Program (PPP) helps SMEs overcome the difficulties of securing pre-shipment export financing. The PPP lets you actively pursue export sales with the peace of mind that comes from knowing your cash flow can cover production costs until the shipment is delivered.

Now in its fifth year of operation, the program has allowed over 100 companies to secure pre-shipment export financing for projects worth over \$300 million. That financing would not have been available without the program, and in most instances, the companies would not otherwise have been able to finance those exports through their existing credit facilities.

How PPP Works

- CCC assesses the exporter's capabilities, and the risks associated with the deal.
- Once CCC approves and backs a deal, the participating financial institution will provide funds for the export sale, beyond the exporter's normal line of credit.
- When this line of credit is in place, CCC verifies work done for the contract, and the exporter can access progress payments.

Who Can Use PPP

- PPP is available to all firms with sales of \$50 million or less.
- Companies should be in good standing with their principal bank.
- Credit lines are generally limited to \$2 million per transaction.

How We Work

The Canadian Commercial Corporation 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, we assess the risk posed by the buyer and the exporter, prepare the bid, help negotiate the sale, manage the contract, guarantee performance and arrange payment according to the negotiated terms.

With the exception of sales to the U.S. Department of Defense, where CCC's presence is required by U.S. government regulations, our role is a responsive one. We participate in a transaction only when our involvement is seen as an advantage by the parties concerned.

Our record in managing contracts efficiently speaks for itself: contracts have been managed so prudently that additional contract costs have been kept to one tenth of 1 per cent of CCC's business costs. It is this record which has led foreign buyers to make CCC their partner of choice when purchasing goods and services from Canadian sources.

Who Uses CCC?

Canadian Suppliers

- companies from every sector, the largest being defence and aerospace;
- over 80% of CCC's suppliers are SMEs;
- each year, 30% of CCC's Canadian suppliers are new;
- 30% of CCC's suppliers use services in both U.S. and worldwide markets;
- 1,900 companies are actively working with CCC.

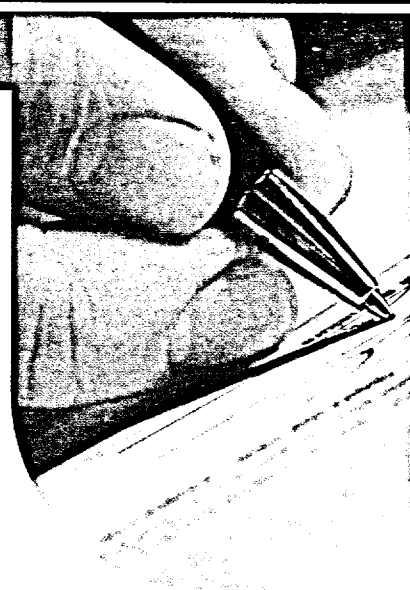
Worldwide Customers

- federal, state, provincial and municipal governments, departments and agencies;
- international organizations;
- private-sector buyers.

CCC's clients gave the Corporation their highest rating for overall value among the sources of trade assistance they use.

You Should Call Us When...

- you've identified a sale involving a foreign government, international organization or private-sector buyer;
- your customer needs the added assurance of the Canadian government's guarantee that the contract will be completed according to its terms and conditions;
- your products or services are not well known to the buyer, or your foreign competition is larger or better known, and you need the added credibility to make the sale;
- you are concerned with the buyer's payment risks or terms;
- you need pre-shipment export financing;
- you need assistance understanding foreign government procurement procedures and regulations;
- you are concerned about the complexity of a sale and need practical advice;
- your buyer might be interested in a sole-source transaction for your product or service.



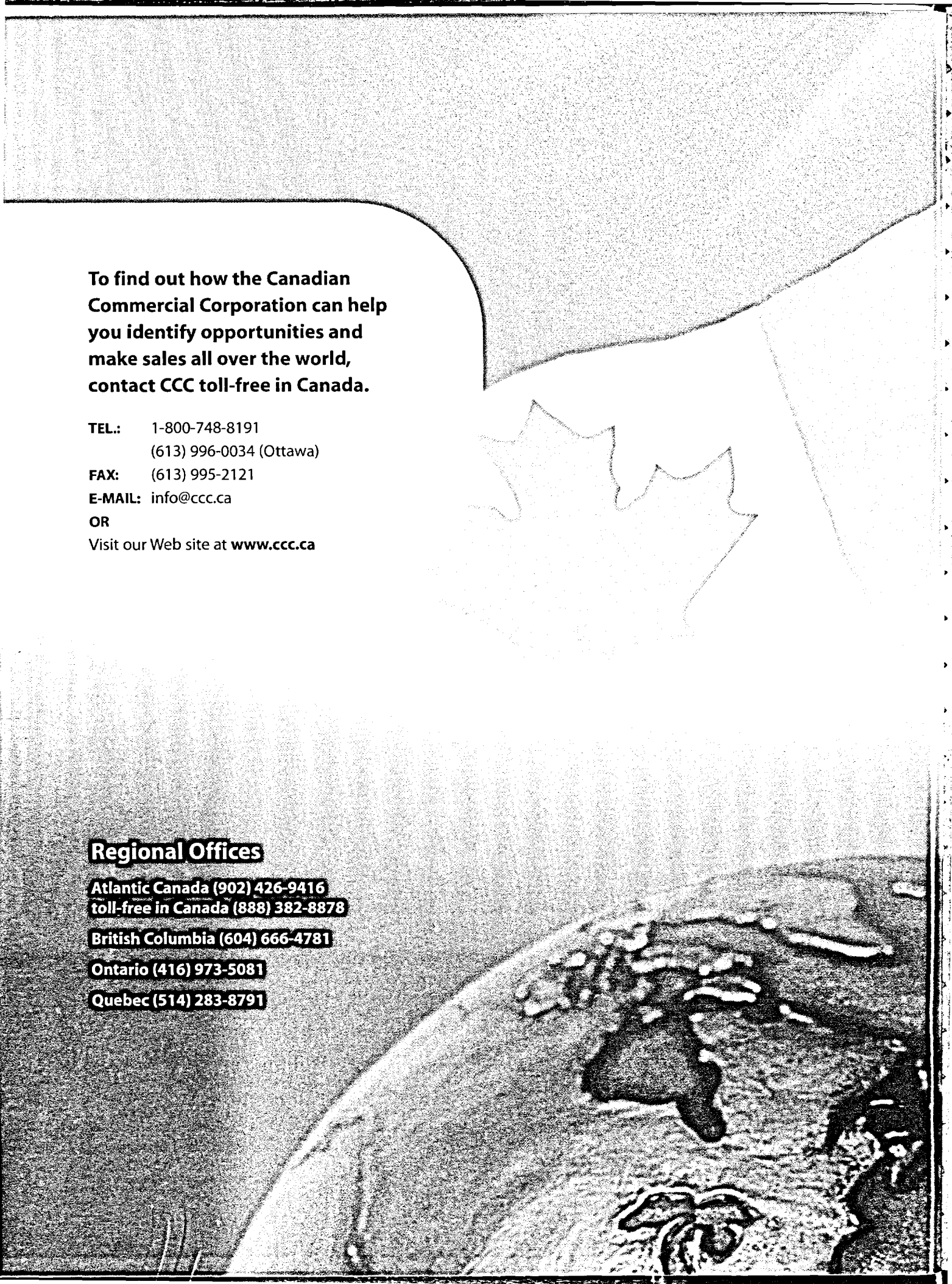
The Canadian Commercial Corporation congratulates the following Canadian exporters who have used our services to sell their high-quality products and services in markets throughout the world. The Corporation looks forward to working with these valued customers, and many new ones, again next year and in the years to come.

3M Canada Company
A S R Technologies Inc.
A-M-M
ADM Agri Industries Ltd.
ADM Milling Co.
AGRA Coast Limited
ALSTDM Canada Inc.
AMS Aviation Maintenance & Support Corporation
Aar-Kel Moulds Ltd.
Accucaps Industries
Acro Aerospace Inc.
Active Gear Co. of Canada Ltd.
ActiveSystems Inc.
Acton International Inc.
Advanced Railway Signal Technology
Affiliated Customs Brokers Limited
Agricole East Special Crops
Air Canada
Air Data Inc.
Air Labrador
Aircraft Appliances and Equipment Ltd.
Aklak Air Inc.
Alain Jegen
Alberta Wheat Pool
AlliedSignal Aerospaciale Canada
Amerace Limited
Anachemia Canada Inc.
Andrew Canada Inc.
Anotec (Hansa-Sealand Limited)
Apex Industries Inc.
Technology Division
Apotex Inc.
Aqua Jen Farms Ltd.
Artissimo Prints Inc.
Arvin Ride Control Products Inc.
Asea Brown Boveri Inc. (Canada)
Atlantic Canada Timber, Inc.
Atlantis Aerospace Corporation
Automatic Coating Ltd.
Autoship Systems Corporation
B & S Emblem Limited
B G Technology Inc.
B.C. Research Inc.
BAE Systems Canada Inc.
BABO Manufacturing Industries Ltd.
Barer Engineering Co.
Barringer Research Limited
Baulter Composite Inc.
Beaver Dental Division
Bell Helicopter Textron
Bexcan Div. 2891531 Canada Inc.
Broniche Inc.
BlueStar Advanced Technology Corp.
Bluestar Battery Systems Corporation
Bombardier Inc.
Bomem Inc.
Bovar Inc.
Bradley Air Services Limited
Bragwear Inc.
Bristol Aerospace Limited
Burdens Services Ltd.
C & L Technologies Inc.
C&H Engineering
C-Core
C.Y.M.C. Inc.
CAE Electronics Ltd.
CARE Canada
CEL Aerospace Test Equipment Ltd.
CEM Specialties Inc.
CGI
CGI Telecommunication Information Systems and Services
CRESTech
CSP Security Consulting Inc.
CTF Systems Inc.
Canlan Technology Ltd.
CanAmra Foods
Canada Allied Diesel Co. Ltd.
Canada Cordage Inc.
Canada Forgings Inc.
Canadian Airlines International Ltd.
Canadian Helicopters Limited
Canadian Instrumentation & Research Ltd.
Canadian Technology Human Resources Board
Canadiana Homes
Cancer Care International
Canstar Communications
Cara Operations Limited
Cargill Ltd.
Carleton Life Support Technologies Ltd.
Cary Peripherals Inc.
Casavant Freres Ltée
Cascart Incorporated
Champion Road Machinery Limited
Champlain Graphics
Chase Tools & Equipment
Chatham Beans Co. Ltd
Chemac Industries Inc.
Chianti Food Processors Inc.
Clear Creations Inc.
Clickon Technologies Inc.
Codalex Limited
Code Incorporated
Communications & Power Industries Canada Inc.
Computing Devices Canada Ltd.
Connors Brothers Ltd.
Consulting & Audit Canada
Control Fire Systems
Cook's
Corrigan Canada Ltd.
Covipak Inc.
Creative Connectors Corp.
Cromar Woodward Central Distributor
Cryo-Line Supplies Inc.
D.W. Gill Supply Company Ltd.
DAC Aviation International Ltd.
DGB Développement International Inc.
DGB Systems Integrators (1993) Inc.
DLB Aviation Inc.
DPS Railway Equipment Inc.
DRS Flight Safety & Communications
DY 4 Systems Inc.
Data Capture Technologies Inc.
Davanac Inc.
Davie Industries Inc.
Defence Research Establishment Suffield
Delcan International Corporation
Deltavive Corporation
Department of National Defence
Department of National Resources
Dependable Turbines Ltd.
Dertan Aerospace Canada
Dessau-Soprin International Inc.
Diemaco
Diffracto Ltd.
Distribution Rémillard
Dixon Manufacturing Inc.
Dupon Precision
Dunlop Trolley Industries
Dynapro Systems Inc.
E G & G Canada Ltd.
E.D. Paton International Holdings Inc.
EIS Electronic Integrated Systems Inc.
ELCAN Optical Technologies
ELI Eco Logic International Inc.
Enviro-Care Corp.
Environment Recovery Equipment Inc.
Equipements d'Acier Inoxydable Falco Ltée
Esquimalt Defence Research Excalibur Systems Limited
Explo Chemical Products Inc.
FAG Bearings Limited
FSI International Services Ltd.
Fematics Canada Inc.
Ferguson Bros. of St. Thomas Ltd.
FilterVac International Inc.
Finora Canada Ltd.
Flags Unlimited (1276883 ON Ltd)
Focus Manufacturing Inc.
Forensic Technology (WAI) Inc.
Forest Technology Systems Limited
GE Capital
Gill Ltd.
Garlock of Canada
Gasguard Safety Systems Inc
Gem Systems Inc.
General Electric Canada Inc.
General Kinetics Engineering Corporation
General Motors of Canada Limited
Global Precast
Global Thermoelectric Inc.
Government of New Brunswick
Grace Bioremediation Technologies
Grant Emblems Limited
Gravenhurst Plastics Limited
HRAI of Canada
Hankin Atlas Ozzone Systems Ltd.
Hard Suits Inc.
Hedley Technologies Inc.
Hensall District Co-Operative Inc.
Heptum Engineering Inc.
Hermes Electronics Inc.
Heron Technology Corp.
Heroux Inc.
Hike Metal Products Limited
Hitek Products Inc.
Honeywell ASCA Inc.
Honeywell Limited
Huang & Danczky Properties
Hutton Communications of Canada Inc.
I.S.M. International Systemap Corp.
IDS Intelligent Detection Systems Inc.
IMP Aerospace Avionics
IMP Group Limited
IMT Corporation
IRD Teleride
Ideal Knitwear Ltd.
ImStrat Corporation
Image Processing Systems Inc.
Image Video
Import Export Alouache International Ltd Technologies Inc.
Industrial Commutator Company
Industrial Rubber Co. Ltd.
Industry Canada
Infomission Group Inc.
Infotrade International Inc.
Iniine Fiberglass Ltd.
Instrument Papers
Inter City Papers International
Interactive Circuits & Systems Ltd.
International Centre for Human Resources Management
International Code Services Inc.
International Datacasting Corporation
International Demining Alliance Canada Inc.
International Interior Specialists Inc.
International Submarine Engineering Ltd.
Interpac Corporation
Inuvialuit Projects Inc.
Ire-Polus Group
Irvin Aerospace Canada Ltd.
JANSSEN-ORTHO Inc.
Jones Marine Services Ltd.
Jordair Compressors Inc.
Jugot-Sinclair Inc.
KB Electronics Limited
KCO Metal Products
Kanlift Design Inc.
Kenn Borek Air Ltd.
Ker-Train Research Inc.
Kessier International Corporation
Kildair Services Ltée
Kumzone Solutions Inc.
Kumaran Systems Inc.
LNS Systems Inc.
La Peausserie de Quebec Inc.
Lalobix Automation Inc.
Lalonde Electronique Inc.
Lanark Communications Network
Lancaster Aviation Inc.
Les Bois Lessor — Tessier International Inc.
Les Produits FREDDY Inc. Products
Les Villements Rewind Inc.
Liburdi Engineering Ltd.
Lifting Industries Inc.
Light Steel Technologies
Liton Marine Systems Canada
Liton Systems Canada
Lockheed Martin Canada
Logo Computer Systems Inc (LCSI)
Lucas Industries Canada Limited
MDS Aero Support Corporation
MDS-PRAD Technologies Corporation
METOCLEAN Data Systems Limited
MPB Technologies Inc.
MPF Geosystems Corporation
MTI Marine Technology Inc.
MTU Maintenance Canada Ltd.
MacDonald Detweiler and Associates Ltd.
Macdonald Detweiler Robotics and Advanced Spacing Ltd.
Machine Outils Henri Line Ltée
Macrodyne Technologies Inc.
Madelimer (1989) Inc.
Magneto-inductive Systems Limited
Marathon Watch Company Limited
Marine Diesel Engines Ltd.
Mechair Inc.
Mechron Power Systems Inc.
Med-Eng Systems Inc.
Menasco Aerospace
Menasco Aviation Services Ltd.
Mercator Systems Ltd.
Merrill Engineering Ltd.
Messier-Dowty Inc.
MetalCraft Marine Inc.
Mid Canada Millwork Ltd.
Montreal Bronze Foundry Limited
Montreal Parquetry Floors Inc.
Motorola Canada Ltd.
Mustang Survival Corp.
Nanaktek Corporation
Nanowave Technologies Inc.
National Research Council of Canada
Nautil Limited
Nav-Aids Limited
Navigation Aeronav International Inc.
Neptec Design Group Limited
NewSun Technologies Ltd.
Niederer Limited
Nordic Systems Inc.
Norland Canada Inc.
Norpak Corporation
Nortech Fibronc Inc.
North American Energy Systems Corp.
Northern Digital Inc.
Northwest Territorial Airways Limited
NovAtel Inc.
Nunasi Corporation
O-Two Systems International Inc.
Olympic Gear and Manufacturing Inc.
Optech Inc.
Optrotek Limited
Orenda Aerospace Corporation
Orgues Lébourneau Ltée
Orica Canada
Ovalys International Inc.
P.J. Hannah Equipment Sales Corp.
PDI Proform Distributors Inc.
POL R International Inc.
Pacific Bio Energy Corp.
Pan Atlantic Building Systems Inc.
Papp Plastics & Distributing Ltd.
Parent Seed Farms Ltd.
Park Thermal International (1996) Corp.
PathMinder Inc.
Pelorus Navigation Systems Inc.
Pécheries Norpro Ltée
Planet X Clothing & Design
Pol-E-Mar Inc.
Poly-Pacific International Inc.
Potash Corporation of Saskatchewan
Pratt & Whitney Canada Inc.
Premiere Vision
Pro-Eco Limited
Pro-Safe Fire Training Systems Inc.
Professional Machine Systems
Protocol Resource Management Inc.
Public Works and Government Services Canada
Pyramid Transit Products Ltd.
PyroGenesis Inc.
Q-Tron Limited
Raber Glove Manufacturing Co. Ltd.
Rail Industries Canada Inc.
Ramsay Machine Works Ltd.
Ranojoy Basu Ray
Raytheon Canada Limited
Receiver General for Canada
Refrigerant Services Inc.
Refrigeration Masseau et Fils Inc.
Regan-Grant Corporation
Regor Inc.
Remcor Brains
Remtec Inc.
Rollis-Royce Canada Limited
Roy Legumex Inc.
Russel Metals Inc.
S.J. Precision Machine & Tool Inc.
SNC Technologies Inc.
SNC-Lavalin International Inc.
Sanima Enclosure Systems
Santamic Inc.
Scepter Corporation
Scotia Rainbow Inc.
Scythies Inc.
Serco Facilities Management Inc
Shell Canada Limited
Shell Canada Products Limited
Shel Systems Inc.
Simunition
Sipco Aviation Fuels Inc.
Site Oil Tools Inc.
Sitrao
SkyWave Mobile Communications Inc.
Soheil Mosun Ltd.
Soucy International Inc.
Soucy Techno Inc.
Spar Aerospace Limited
Spar Aviation Services
Sparton Corp.
Spielo Manufacturing Inc.
Spring Quilt Industries Inc.
Standard Aero Ltd.
Standard-Modern Lathes Inc.
Standers' Limited
Stephens Analytical Inc.
Stevested Machinery and Engineering Limited
Stone Marine Canada Ltd.
Stride Industries Ltd.
Systems Plus
TECNDVIR International Inc.
TRECAN COMBUSTION LIMITED
Targa Electronics Systems Inc.
Tectsol Inc.
Tectmotiv Corporation
Tecsult Edulplus Inc.
Pan Atlantic International Limitée
Tektrend International Inc.
Teleflex (Canada) Ltd.
Telermus Inc.
Terra Aerospace Corporation
Terra Surveys Limited.
Teutech Industries Inc.
The Great Canadian Bean Company Ltd.
The Lunny Communications Group
Tokmakjian Limited
Tokmak Standards Consortium (TSC) Inc.
Trackless Vehicles Limited
TradeBytes Data Corporation
Trenton Industries Limited
Tri-Star Works Limited
Triangle Engineered Products Co.
Triton Air-Terrain
Ultraplex Inc.
Uni-ram Corporation
Unique Broadcast Systems Inc.
Unitron Industries Ltd.
Universal Systems Ltd.
University of Calgary
University of Waterloo
Ukraine Wild Cat Inc.
V & F Gas Analysis Systems Inc.
VR Electronics Co. Ltd.
Valcom Limited
Valley Associates Inc.
Virtual Prototypes Inc.
Visible Decisions Inc.
Vidan Veljovic
Vulkan Harex Steelfiber (North America) Inc.
W R T Equipment Ltd.
W.G. Thompson & Sons Limited
Wabco
Wajax Industries Limited
Walbar Canada
Watts, Griffiths and McQuat Limited
Web Machinery Sales Inc.
Wescam Inc.
West Heights Manufacturing
Western Instruments Inc.
Winsafe Corp.
Wire Rope Industries Limited
Woodward Group of Companies
Woodwards Oil Limited
Wright Environmental Management Inc.
Xantrex Technology Inc.
York University
Zenon Environmental Systems Inc.



CCC's Activities Around the World

- | | | | |
|---------------|-------------------|---------------------------------|--------------------------|
| 1) Argentina | 22) Ghana | 43) Mexico | 61) Slovakia |
| 2) Australia | 23) Greece | 44) Morocco | 62) South Africa |
| 3) Austria | 24) Guinea | 45) Mozambique | 63) Spain |
| 4) Bahamas | 25) Hong Kong | 46) Nepal | 64) Sweden |
| 5) Bangladesh | 26) Hungary | 47) Netherlands | 65) Switzerland |
| 6) Barbados | 27) India | 48) New Zealand | 66) Tanzania |
| 7) Bermuda | 28) Indonesia | 49) Norway | 67) Taiwan |
| 8) Bolivia | 29) Iran | 50) Pakistan | 68) Thailand |
| 9) Botswana | 30) Ireland | 51) Palestinian Authority, Gaza | 69) Trinidad and Tobago |
| 10) Brazil | 31) Israel | 52) Panama | 70) Turkey |
| 11) Burundi | 32) Italy | 53) Peru | 71) United Arab Emirates |
| 12) Chile | 33) Jamaica | 54) Portugal | 72) United Kingdom |
| 13) China | 34) Jordan | 55) Romania | 73) United States |
| 14) Colombia | 35) Kenya | 56) Russia | 74) Uruguay |
| 15) Cuba | 36) Kenya | 57) Saint Kitts-Nevis | 75) Venezuela |
| 16) Denmark | 37) Korea (South) | 58) Saint Lucia | 76) Vietnam |
| 17) Finland | 38) Kuwait | 59) Saudi Arabia | 77) Yemen |
| 18) France | 39) Lebanon | 60) Singapore | |
| 19) Egypt | 40) Luxembourg | | |
| 20) Gabon | 41) Malaysia | | |
| 21) Germany | 42) Mauritania | | |



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Small business is thriving; it is the motor of the economic engine humming across the country. The small business sector created 453,100 new part-time and full-time jobs in 1998 alone.

Hitting It Out of the Global Ball Park

by Scott Shepherd, President and Chief Executive Officer, NORTHSTAR Trade Finance Inc.

And new and growing exporters in particular are all revved up for success in the new millennium.

Southam News reported in December that "Exports, the lifeblood of the economy, continue to surge, boosting the surplus in the trade of goods to a three-year high, setting the stage for a further acceleration in overall economic growth."

They got that right.

According to Statistics Canada, exports grew by more than 11 percent in 1999. That is more than double the rate of GDP growth, and exports have more than doubled in five years.

Still, more than 80 percent of Canada's exports are to the United States. Does that spell missed opportunities?

True, the U.S. is not only the biggest market in the world, it is also the most creditworthy and Canadian exporters enjoy privileged access through NAFTA.

But why aren't Canadian exporters running to get on board the same growth train in other markets that Canadian mutual fund investors have been buying tickets for?

In December, Southam News reported "Recoveries in emerging markets in the Far East and Latin America helped produce some impressive gains in mutual funds...." The Cambridge Pacific Fund, by way of



Scott Shepherd,
President and Chief
Executive Officer,
NORTHSTAR

example, by November had pushed its one year return to 131.5 percent, which is the 11th best among more than the 2,500 funds ranked by Southam Information and Technology Group."

According to Southam, other international funds, especially those invested in emerging Far East and Latin American countries were "the second best performers over the one-year period with a 29.3 percent gain in the 12 months ended November 30."

It is true that exporting can become a lot more complicated beyond the United States. Still, even the American corporate market is far from problem free. And a variety of export insurance products are available to lighten the burden of risk in even the most far-flung markets.

For example, virtually every major Canadian financial institution will hedge currency exposure. And Export Development Corporation (EDC) offers insurance policies that will "protect exporters against various losses due to commercial and political risks."

We and the partners at NORTHSTAR, the Bank of Montreal, the Royal Bank

of Canada, HSBC Canada and the newest member of our team, the National Bank of Canada, work with EDC every day to structure customized export finance solutions for our new and growing business clients.

We have learned over the years that you can always rely on EDC to keep its eye on the small business ball. Its attentiveness is a key reason why our clients can keep hitting the ball out of the global export ballpark on a regular basis.

But first it is up to you to focus on those long ball opportunities, which believe me are very real and very attractive, while others content themselves with only hitting singles in the U.S. market.

For more information, contact Scott Shepherd, tel.: 1-800-663-9288, e-mail: s.shepherd@northstar.ca Internet: www.northstar.ca *

CYNTECH CORPORATION

— Continued from page 3

to its foreign partners can be invaluable to a small firm trying to access foreign markets.

"Because of our experience through Nova, we think that the best way for small Canadian companies to expand internationally is to follow the lead of their large Canadian clients. If your Canadian clients like your products and services, they will take you with them into foreign markets."

For more information about Cyntech Corporation, contact company president Neale Johannesson, tel.: (403) 228-1767, cell: (403) 803-5422, fax: (403) 245-6632, e-mail: njohannesson@cyntechcorp.com Internet: www.cyntechcorp.com *

Looking for Export Opportunities?

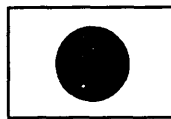
Make sure you are registered in the WIN Exports database, which is used by trade commissioners abroad to promote your company's capabilities to foreign buyers. Fax your request for a registration form to 1-800-667-3802 or (613) 944-1078. Or call 1-800-551-4946 (613-944-4946 from the National Capital Region).



— Continued from page 1

opportunities generated by the Japanese aid program, which is the most generous worldwide. Indeed, in recent years the Japanese have provided nearly 25 percent of the world's total official development assistance, accounting for about \$20 billion annually.

Third Country Co-operation with Japan



Within the technical co-operation activity of the Japanese International Co-operation Agency (JICA), there are development studies for which services are contracted from consulting firms. Although contracts are let with Japanese consulting companies, they may in turn subcontract up to 50 percent of the participation to non-Japanese consultants.

Canadian companies can also access loans for the improvement of social and economic infrastructure provided by the Overseas Economic Co-operation Funds (OECF), the larger source of Japanese aid. All OECF loans are currently untied, so Canadian firms can bid for contracts funded by those loans.

Third country co-operation with Japanese companies can also entail shared bidding for some projects funded by international financial institutions such as the World Bank and the Asian Development Bank and some projects carried out by the Canadian International Development Agency (CIDA).

Why choose this approach?

The following trends are offering positive incentives to Canadian

companies to collaborate with Japanese companies:

- Despite recent declines in the value of the yen, Canadian goods and services are very competitive on world markets. Through inclusion of Canadian content in a project proposal, a Japanese business could achieve a more cost-com-

petitive bid while providing opportunities to Canadian companies which would otherwise not be as available to them.

- A maturing population in Japan has resulted in selected skill shortages.
- Feasibility study projects, including those funded by Japanese Official Development Assistance (ODA), have increased requirement for "softer" services such as training, environmental assessment, institution building as well as assessment of issues such as impacts on women and families. These are all areas where Canadian consultants have recognized expertise.
- While the Japanese have very extensive experience in nearby Asian countries from which Canadians could benefit, there are many parts of the world where Canadian company experience is more extensive. This experience is often complemented by the wide variety of foreign languages and cultural understanding that Canadians possess about differing markets. Canadians can bridge

the gap that may exist in some Japanese companies.

- With constraints on increased debt and a new belief in the benefits of privately owned and operated public infrastructure, countries that formerly developed their own capital projects through government-to-government borrowing are increasingly transferring the responsibility for these developments to the private sector. Japanese companies are also interested in sharing these types of projects with other companies to improve their competitiveness.

How to succeed?

Many Canadian companies, large or small, have already directly benefited from this form of collaboration with Japanese companies, and positive business relationships have been formed for future opportunities.

These success stories include examples of the construction of a series of coal-fired power stations in South East Asia (Canadian participation by Babcock and Wilcox, Cambridge, Ont., and by MONENCO, Montreal) and the construction of the recently completed Kuala Lumpur Light Rapid Transit system (SNC Lavalin International, Montreal). These companies have succeeded in building relations based on trust and respect with Japanese partners.

Market intelligence on these experiences can be obtained from contacts (see below) at the Department of Foreign Affairs and International Trade (DFAIT), Export Development Corporation (EDC) and CIDA. These institutions could also help you shape your partnering strategy and assist you in identifying an appropriate partner.

For more information, contact Graham Gleddie, DFAIT, tel.: (613) 996-2467, fax: (613) 943-8286, e-mail: graham.gleddie@dfait-maeci.gc.ca or Rob Simmons, EDC, tel.: (613) 598-3022, fax: (613) 598-2503; or Robert Derouin, CIDA, tel.: (819) 997-0537, fax: (819) 953-5024. ★

Science and technology (S&T) has been instrumental in Canada's industrial modernization, and is critical to the electronic age. Benefiting from increasing development and use of S&T, Canada now enjoys an international reputation for being at the forefront in this field. While many other developed economies have experienced success in this sector, China is just now poised to undergo a similar modernization, providing many opportunities for Canadian S&T exporters.

The Chinese government has placed a significant emphasis on the role of science and technology in its economic development plan, and consistently looks to foreign partnerships as a means to access, and build upon, technology for commercial applications.

Looking toward more co-operation on S&T, the National Research Council (NRC) signed a co-operation agreement on S&T during last September's visit to China by NRC President Dr. Arthur Carty.

Telecommunications

Telecommunications infrastructure and equipment is a key element for continued economic growth, and Canadian firms are exporting these types of products to the Chinese market in significant volume.

China is viewed as the largest emerging software market in the world, and, with increased enforcement and awareness of copyright laws, opportunities for foreign suppliers are becoming more attractive. Canadian software producers and distributors are reacting to these changes and focusing their attention on the Chinese market.

Energy and environment

Energy and environmental technologies also represent significant potential in the Chinese market. Chinese senior officials have noted Canadian capability in oil field extraction, in gas pipeline development, and in cleaner process technologies for industrial applications.

Environmental systems for water treatment, waste management and

treatment, emission reduction, and recycling/reuse of resources have tremendous potential for application in China.

Bridging the distances

Canada has gained significant expertise in the application of technol-

Canada and China have made significant efforts to develop and expand this area of bilateral relations in order to broaden commercial co-operation, and to stimulate a market-driven, technology-based economy.

Besides these two high-level visits by Canadian officials, the Vice-Minister

Canada-China Co-operation and Opportunities in Science and Technology



ogy to address the needs of a dispersed population and of remote communities.

The recent policy emphasis placed by the Chinese government on its Western Development Strategy — which seeks to encourage economic growth in the less developed regions of the interior provinces — offers important opportunities for Canadian firms in telecommunications, distance health and learning, transport systems and infrastructure.

Bilateral visits

The recent visit to China by Secretary of State (Science, Research and Development) Gilbert Normand was designed to promote Canadian science and technology.

With visits to Beijing, Qingdao, Shanghai, and Guanzhou, Dr. Normand was able to review co-operative projects in S&T, promote S&T investment in Canada by Chinese enterprises, meet with Canadian S&T companies active in China, and assist Canadian S&T companies with establishing links with senior Chinese government officials.

of Foreign Economic Trade and Co-operation responsible for S&T visited Canada with a Chinese delegation last year, and the President of the Chinese Academy of Sciences will be discussing S&T co-operation during his August visit to Canada.

Most high-level Chinese delegations as well as Canadian delegations to China comprise an S&T element in their program. This reflects the strong commitment of both governments to this important area of co-operation.

Canada-China co-operation in the field of science and technology has been extensive and successful. With current market trends and a Chinese government determined to "better develop science and technology to build a stronger country," Canadian science and technology exporters are encouraged to consider China as a potential market.

For more information, contact Marcel Belec, China and Mongolia Division, DFAIT, tel.: (613) 995-6962, e-mail: marcel.belec@dfait-maeci.gc.ca *

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

PERU—Public Telecom Services in Rural Areas —The Supervisory and Regulatory Agency for the Private Investment in Telecommunications (OSIPTEL) is calling for an international public tender for the supply, installation, operation and maintenance of telecommunication systems capable of providing: 1) telephone services through at least one public telephone in each of the localities; 2) public Internet cabins in the district's

International Business Opportunities Centre

capital. The winner of the bid will install one or more telecom systems (or networks), in accordance with their respective technology and configuration of network, and will assume the operation and maintenance of services for a 20-year concession period. Bidding documents are available in Spanish only. Closing date: **June 16, 2000**. Cost of bid documents: \$600 (approx. US\$175). Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca Internet: www.iboc.gc.ca/webleads.asp?id=212en quoting case no. 000322-01133.

CROATIA — International Partnering Opportunity — The Board of Directors of MAGU INTERNATIONAL, a newly founded company, is inviting investors to participate in one of the largest projects ever realized in this region. The project includes: 70 discount markets, 12 cash and carry markets, 1 slaughterhouse equipped for slaughter according to Islamic rite, 1 meat dismantling operation, 1 meat and sausage production operation, 1 cold storage house in Kuwait or Bahrain, 1 refrigeration logistics operation, greenhouses in Croatia, plantations in Spain and Paraguay, 1 biogas plant, 1 purification plant, 1 incineration plant, and a forwarding agency with 72 trucks. All blueprints, invitations to bid, offers, descriptions, pre-contracts, and original documents from local authorities and from the Croatian Treasury Department and Department of Commerce are available. The

Croatian company's concepts of vision and operational efficiency create a unique opportunity to achieve a 60 percent market share within a few years. These concepts include efficient and state-of-the-art techniques and production, adherence to EU standards, high demands in quality and service, and unrivalled price and performance relationship. There will be further possibilities to expand within and outside Croatia. The capital demand in the next two years will be approximately US\$220 million, of which only US\$185 million is necessary as loan or equity. This amount can be distributed to different partial projects of between US\$15-25 million. With a sales yield of approximately 18 percent, a return on investment in the 30 percent range is possible. Canadian companies with considerable business experience in Eastern Europe (i.e. non-European Union markets) are invited to pursue this opportunity. Closing date: **May 31, 2000**. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca Internet: www.iboc.gc.ca/webleads.asp?id=225en quoting case no. 000328-01240.

MALAYSIA — Plywood Strips — There is an opportunity with a major parquet manufacturer to supply plywood strips: thickness 8.5mm (+/- 0.15mm), width 130mm, length 432mm, moisture content 6-8 percent, no twisting, no bending, export quality packing, all sides must be covered with plastic. Closing date: **June 19, 2000**. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca Internet: www.iboc.gc.ca/webleads.asp?id=207en quoting case no. 000316-01074.

IBOC trade opportunities — find out more at www.iboc.gc.ca *



Quick Facts

Since it opened in 1995, IBOC has contacted more than 25,000 Canadian companies and has responded to more than 16,000 inquiries from foreign buyers.

Thanks to IBOC, more than 8,500 Canadian firms have been in contact with foreign buyers.

IBOC's sourcing experts use a variety of databases as well as a large network of business contacts across the country to identify Canadian companies of all sizes.

IBOC is jointly operated by the Department of Foreign Affairs and International Trade and Industry Canada, with special co-operation from Agriculture and Agri-Food Canada. It is the sourcing centre for Team Canada Inc.

Because of the lack of investment during the past 10 years, production for most mineral commodities in Russia has declined. The transition of Russian gold production from alluvial to hard rock mining over the next 10 to

their mining projects in Russia, more than the rest of the world combined.

Market opportunities

Major opportunities for equipment and services exist in the following areas:

Business environment

There are some constraints in the Russian market, including uncertain land tenure — ownership and transfer of mineral license is currently unpredictable. However, the potential amendment to the existing Mineral Resource Law may address some existing problems.

The high taxation level, including revenue-based taxes, make several projects in Russia unattractive, particularly during a period of low commodity prices. Russia's unstable regulatory framework, frequent institutional changes, political instability, unstable currency and a weak domestic financial sector represent serious challenges for foreign investors wishing to finance a mining project in Russia.

Main competitors

The main competitors for investing in Russian mining projects or for providing equipment and services to the Russian market are from companies from the United States, Australia and South Africa, including Alfa Laval, Amot Controls, Caterpillar, Kroll & Ziller, and Komatsu Mining Systems.

For more information on this market, contact Gilles Couturier, Commercial Counsellor, Canadian Embassy in Moscow, tel.: (011-7-095) 956-6666, fax: (011-7-095) 232-9949, e-mail: mosco-td@dfait-maeci.gc.ca Internet: www.infoexport.gc.ca/ru ✪

Mining in Russia

Sector Profile and Market Opportunities

20 years represents a significant market opportunity for mining equipment and service suppliers.

Russia's world ranking for production of selected mineral commodities is as follows: 1) nickel, 2) platinum group metals, 3) potash and diamonds, and 4) gold and copper.

Russian mining companies tend to be small and, in most cases, lack the financing to buy new equipment. However, highly specialized suppliers of mining equipment and services may succeed with local alluvial producers.

Canadian companies have been actively pursuing mineral development opportunities in Russia over the past five years. Since 1995, Canadian mining and exploration companies have expended nearly US\$500 million on

- electronic softwares for mineral exploration and ore resources development;
- geochemical and geophysical equipment;
- dredge and concentrators for gold alluvial producers;
- precious metals refinery equipment;
- engineering services and computerized systems and equipment for a milling and smelting complex;
- introduction of sulphuric acid (SO₂) recovery systems in non-ferrous smelters;
- equipment and technology for production of specialized metal alloys;
- engineering services for improving technology at an existing mining and smelting complex.

Hankin Ozone — Building Markets with CCC's Progress Payment Program

— Continued from page 8

"Hankin had used our preshipment financing service before, so they suggested it to their banker," says CCC's Donald Olsen. "We worked with Doug Raynor at CIBC in Toronto, and issued a progress payment program (PPP) revolving line of credit for \$750,000. We also suggested that Hankin discount the letter of credit, which was less

expensive than waiting 60 days for payment."

With the sale financed, Hankin delivered the systems on schedule and on budget, in less than five months. Hankin President Ronald Larocque credits CCC's progress payment program and its banking partner CIBC with the seamless execution of the contract.

"We started working with CCC four years ago, and we've done nine projects using the PPP," says Larocque. "The co-operative help we got from our bank CIBC and CCC was a prime factor in our completing the U.A.E. job. And the best is yet to come because that success has helped establish us in a growing new market."

Hankin currently makes more than 60 percent of its sales outside North America. Larocque says that the sale to the Dubai airport has helped his company identify a market potential of more than \$5 million in the Middle East alone. ✪

PARIS-LE BOURGET — June 19-23, 2000 — The next international ground and air-ground defence equipment show, **EUROSATORY 2000**, will see a strengthened Canadian presence in the form of a national pavilion with more than 150 m² of space.

The pavilion will host approximately ten companies, including SNC Défense Simunition, IMT, Expro, Soucy, NuTech,

If you are a small- or medium-sized business and want to participate in this show, contact the team whose names appear below or visit the Web site at www.eurosatory.com/

The market

In 1998, total sales of the land arms industry, which until now has been penalized in the French market by

ing an all-purpose Armoured Infantry Combat Vehicle (AICV), and are planning to award a contract for 600 units worth a total of \$770 million. The Délégation pour l'Armement française (DGA) [Delegation for French Armaments] will issue a new international tender call for a vehicle uniquely designed to meet the needs of the French land army. The vehicle will have a turret equipped with a 25 mm cannon.

One of the consortiums bidding on this contract brings together the national arms manufacturer GIAT Industries with other firms, including a Swiss subsidiary, Mowag, and GM Defence of Canada. Five hundred armoured vehicles of this type will be required by 2005, the majority of which could be manufactured in co-operation with Canadian firms.

In addition, other programs such as the Eryx anti-bunker/anti-tank missile and the C3 system, used by the Canadian and French forces, have been developed in co-operation with Canadian partners and marketed for export.

For more information on this sector, contact Guy Ladequis, Commercial Officer, or John Broadbent, Commercial Counsellor (Aeronautics and Defence) at the Canadian Embassy in France, tel.: (011-33-1) 44.43.23.59, fax: (011-33-1) 44.43.29.98, e-mail: john.broadbent@dfait-maeci.gc.ca

To register at the Canada Pavilion, contact Elisabeth Veauvy-Charron, Promosalons Canada, Montreal, tel.: (514) 861-5668, fax: (514) 861-7926, e-mail: infofr@promosalons.com Trade Team Canada, Anne Healey, CDIA, tel.: (613) 235-5337, fax: (613) 235-0784, e-mail: cdia@cyberus.ca or Charles Hall, IC, tel.: (613) 952-2433, fax: (613) 998-6703. ✱

EUROSATORY 2000

A Show Devoted to Defence and Market Opportunities

Scepter, the Valcartier Research Establishment (DREV) and the federal government's Trade Team Canada.

The Trade Team Canada booth, part of the Canadian Pavilion, will be able to host two or three small- and medium-sized companies specializing in this sector. The booth will be staffed by representatives of the Canadian Defence Industries Association (CDIA), Industry Canada and the Canadian Embassy in France.

Market opportunities

The range of Canadian goods and services to be exhibited at the show, and for which there are real commercial opportunities in this market, include training ammunition for the Gendarmerie Nationale, conventional ammunition, industrial rubber components or thermoplastic compounds for armoured support vehicle tracks, specialized containers, NBC decontamination procedures and services, and microelectronics components.

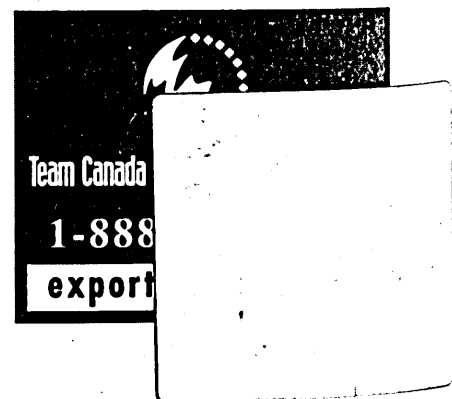
In addition, the Canadian Commercial Corporation (CCC) will sponsor a partnership event to which more than 200 government buyers and decision makers will be invited. This event will provide an opportunity to strengthen networks of international contacts and to promote Canadian interests in this sector.

budget restrictions, were 22.4 billion francs (\$5.3 billion). As a result of more favourable economic conditions, orders rose by 13.3 percent to 22.1 billion francs (\$5.26 billion), after a decline in activity of more than 40 percent since the end of the Cold War.

Exports accounted for nearly 50 percent of this activity, compared to an average of 40 percent over the last few years. In 1998, member companies of Groupement des Industries Concernées par les Matériels de Défense Terrestre (GICAT) [Association of Land Defence Equipment Industries], which has 75 member firms including 65 small- and medium-sized businesses, did 44 percent of their business in traditional land weapons (armoured equipment, artillery, ammunition), 33 percent in electronics (transmission equipment, combat systems) and 23 percent in aeronautical equipment (helicopters, drones or missiles for land forces).

Manufacturers view 1999 as a confirmation of the strengthening of activity in this sector. In the French market in particular, professionalization of the military might quickly lead to a surge of modernization of the extensive array of land army equipment.

In the land arms sector, the Germans and the French are currently develop-



A First for QSPC Euralliances — Information Technology and Telecommunications Trade Show



PARIS — May 23, 2000 — The Quebec Software Promotion Centre (QSPC), in co-operation with the Quebec Delegation in Paris and the Fédération de l'informatique du Québec (FIQ), is organizing an exhibition called **Euralliances** at the Paris convention centre.

The first Quebec IT and telecommunications trade show to take

place in Europe, **Euralliances** will provide companies with an opportunity to identify potential partners and clients in France.

"Marketing is crucial to companies in this sector and, if they are to grow, they must expand into international markets," says Claude Pineault, President and CEO of QSPC. "France is a natural export market for our companies and, for a good number of them,



a gateway to the European market."

Euralliances will bring together between 50 and 80 Quebec companies from the IT, telecommunications and professional multimedia sectors for a day of lectures, networking and exhibits geared to European software publishers, distributors, resellers, systems integrators

and investors.

The themes of the show will be software, software development tools, Internet and telecommunications, as well as IT consulting services. The exhibition is the first of this magnitude in this area of activity in France.

In order to encourage service industry businesses to participate in the trade show, a series of lectures will be held concurrently with the exhibition

to allow speakers from major contract givers, such as Hydro-Québec, Bell Canada, and Bombardier, to present their companies' computer technology needs. A second series of lectures, called the "tandem" lectures, will allow participating companies to talk to their clients about their achievements.

Euralliances is an international extension of **Alliances**, the annual networking event organized by QSPC, which has been held in Quebec each year for the past six years.

Established in 1990, QSPC is the largest association of software developers in Canada, with a network of more than 400 members. Involved in all areas of IT activity, it maintains close links with software development associations in the United States, Europe, Asia and Latin America. QSPC also provides a full range of services in business development.

To register on-line, visit www.euralliances.com or contact Danielle Vernet, Director of Partnership Development for QSPC, at (514) 874-2667, or via e-mail at dvernet@cplq.org *

Opportunities on the Menu at Mexican Trade Show for Hospitality Industry

CANCUN, MEXICO — June 14-16, 2000 — Canadian food and beverage exporters are invited to participate in the official Canadian food pavilion at **Exphotel 2000** — the 4th Annual International Exhibition for the Hospitality Industry — the largest annual trade show for hotels, restaurants, industrial cafeterias, bars and discos in eastern Mexico. Cancun and the surrounding area attracts more than 3.5 million visitors a year, and has over 36,000 hotel rooms.

Exhibitors will benefit from high quality services featuring market

information and intelligence and on-site organizational and trade promotion support. The Canadian Embassy in Mexico in co-operation with Agriculture and Agri-Food Canada will organize and manage the Canadian participation in **Exphotel 2000**, including a culinary demonstration "Chef de Cuisine" in which two Canadian chefs will cook on site for visitors.

Exphotel 2000 will also include workshops and seminars on emerging trends in food distribution and marketing, and will provide an excel-

lent venue to meet top hospitality executives and buyers from the United States, Latin America and Europe and to introduce new products to a global audience.

For more information on the Canadian Pavilion at **Exphotel 2000**, contact David P. Watters, International Trade Show Manager, Agriculture and Agri-Food Canada, Ottawa, tel.: (613) 759-7739, fax: (613) 759-7506, e-mail: wattersd@em.agr.ca or Kim O'Neil, Trade Commissioner, Canadian Embassy in Mexico, tel.: (011-52-5) 724-7900, fax: (011-52-5) 724-7982, e-mail: kim.oneil@dfait-maeci.gc.ca *

ABIC 2000: Agbiotech — The Science of a New Century

TORONTO — June 5-8, 2000 — The new century will be shaped by the science of agricultural biotechnology. The third Agricultural Biotechnology International Conference (ABIC 2000) will help to define agbiotech's evolution as a global science.

ABIC 2000 will bring together an international array of leading agbiotech scientists, policy makers and industry members. Participants can take part in a comprehensive program of business and research themes targeted at both established industry players and emerging entrepreneurs.

Expert plenary speakers will initiate sessions centred around the following five topic streams: innovations in the areas of crop science; livestock production and value-added processes and activities; trends and techniques

for protection of intellectual property; and trends in international business.

ABIC 2000 will also offer pre-conference networking on its on-line bulletin board, an on-site, business-to-business desk facilitating partnership options, and a tech-transfer forum where leading Canadian universities and research institutes will showcase their latest innovations.

Visit ABIC 2000's Web site at www.abic.net for full conference details, or contact Sharon Murray, ABIC 2000 Conference Co-ordinator, c/o The Signature Group, Inc., tel.: 1-877-925-2242 (North America), 1-306-934-1772 (international), fax: 1-877-333-2242 (North America), 1-306-664-6615 (international), e-mail: siggrou@sk.sympatico.ca ✪

Set Your Sights on the World

TORONTO — May 7-8, 2000 — The Forum for International Trade Training (FITT) Inc. will hold its 3rd Annual Conference at the Hilton Toronto Airport Hotel.

The event offers an excellent opportunity for businesses to enhance their knowledge and broaden international trade networks.

The conference will include seminars with industry leaders and national certified international trade professionals, and will feature major trade issues sessions and formal networking opportunities with over 300 people engaged in international trade activities.

This year's sponsors include Team Canada Inc, Export Development

Market Access Report

— Continued from page 2

services), Mexico (satellite services), and Thailand (canola meal). Canada will pursue further market access negotiations with several of these countries and also with India (telecommunications) and Indonesia (wheat).

The report also includes a section entitled "Focus on Atlantic Canada," the first in a series that will profile the trade impact on the regional economies of Canada.

In closing, Minister Pettigrew stressed that the Government is committed to maintaining an ongoing dialogue with Canadians on trade issues, and encouraged them to pass on their views on the global trade environment. This can be done through the Department's Trade Negotiations and Agreements Web site at www.dfait-maeci.gc.ca

Opening Doors to the World and additional export information are available on-line at the DFAIT site or at www.exportsource.gc.ca ✪

Corporation, the Royal Bank of Canada, Ontario Exports Inc, CGA-Canada, BDC, PROFIT Magazine, and the Canadian Professional Sales Association.

For more information on the conference, visit the Internet site at www.fitt.ca or call (613) 737-9247. ✪

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling 1-800-267-8376 (Ottawa region: 944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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Vol. 18, No. 9 -
May 15, 2000

ANDEAN COMMUNITY
SUPPLEMENT
(See insert)

LATEST ISSUE
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Canadian Power Mission to India

Finds Good Prospects

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A 15-member Canadian power delegation visited India two months ago, making presentations on "Canadian Energy Solutions for India" to key government officials, independent power producers, chambers of commerce and representatives of local business communities.

The largest Canadian sectoral delegation ever to go to India, it was also the first to encompass so many states via regional seminars (the audience included representatives from 15 states) even though the mission travelled to only three cities, Chennai, Calcutta and Chandigarh.

Presentations made by the Canadian companies were well received, attracting 40 to 80 participants in each city visited, and were followed by lively question and answer sessions. Other interactive sessions provided further opportunities for networking with key Indian officials and private sector companies ranging from Chief Minister and state ministers to Chairmen of Electricity Boards and Managing Directors of public sector companies to Chief Engineers and CEOs.

The seminars were followed by one-on-one meetings with interested

Continued on page 3 - Canadian Power

International Trade Minister Pettigrew Talks Trade to Canadians



Minister Pettigrew presents the New Exporter of the Month Award to Neale Johannesson (left), President, Cyntech Corporation (featured in the previous issue of CanadExport, p. 3), in Calgary.

See complete story on page 10

Two years after the 1998 Team Canada trade mission to Latin and South America and the signature of a \$200,000 contract in Mexico which generated revenues in excess of \$1 million, prospects for Saskatchewan-based Massload Technologies are not

an area that allows us to take one step ahead of our American- and Canadian-based competition."

Company strategy

Deals in that region are always set up around a joint-venture agreement, a

contact information, help with legal matters and meeting with the right people from the start.

"The context of the mission meetings and the presence of the Premiers have also helped in establishing the necessary confidence for team-building and synergy," says Elliott. "Depending on the regions, the Premiers add to various degrees a significant impact on the meeting process.

"However we did most of the work ourselves, and with our counterparts in Mexico."

The secret weapon revealed

A Team Canada mission is not a free ride. "You need to do your homework, contact the people, your partners and the Embassy, before the mission.

Continued on page 16 - Massload

Massload Technologies

In the Heavyweight League

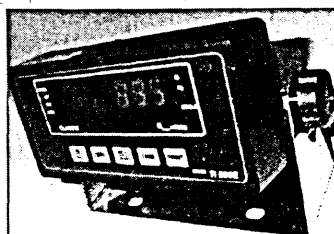
diminishing in the southern part of the Western Hemisphere. On the contrary.

The company is now building up some muscle for the whole South American continent, including the Andean countries of Bolivia and Colombia. "These markets represent a really big potential for us. We are very competitive out there," says a confident Bill Elliott, President of Massload, an electronic loadcells and weighing systems builder.

His secret weapon for the Andean market? Elliott smiles but will not give it away.

However, he talks heartily about the markets themselves. "We always look for a special opportunity. The regulations there are flexible and it's

move that costs far less than a full foreign investment and which allows local partners, namely in Mexico, to



Massload's TI500 readout

better target the marketing strategy to local conditions in return for the technology transfer that Massload quality equipment provides, both in the industrial and agricultural sectors. Things are going so well that conditions call for expansion at the highly regarded producer of loadcells, which equip almost 70 percent of all truck scales in Canada.

Says Elliott, who employs close to 50 people, "We will be hiring 5 to 10 more people in the coming year." That's an increase in human resources in the scale of 10 to 20 percent. This is hopefully the tip of the iceberg."

During the Team Canada mission, Massload Technologies, a manufacturer and exporter of a wide range of products that includes animal scales, truck scales, wireless weighing, bulkweighers and loadcells, received help from the Trade section of the Canadian Embassy in Mexico. This included pointers on how to approach the different business communities, some

Readers' Corner

Dear Editor,

Thanks for the great front page article on our company that appeared in last month's *CanadExport* (3).

We are at new b

Regards,

Michael Logo Cor Montreal

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canadexport

— Continued from page 1.

Indian clients. Delegation members not only addressed Indian power generation needs but discussed approaches and options in such areas as power distribution, where it is estimated that power losses, in some districts, may be as high as 60 percent.

Mission accomplished

One of the main objectives of the mission — organized by the Department of Foreign Affairs and International Trade (DFAIT) and the Canadian High Commission and Consulates General in India — was to promote Canadian companies both new to the market (IntraCoastal, UMA Engineering) and those already doing business in India (SNC-Lavalin, Acres, Agra) to further expand their network of contacts in other states.

The delegation also included a representative from Export Development Corporation (EDC). To date, EDC has approved approximately \$700 million in financial loans for power generation and renovation projects in India.

Over 95 percent of Canadian participants gave top rating to key elements of the program — effectiveness of the events, appropriate client-mix at seminars and receptions, mission objectives and a chance to identify potential clients and sales opportunities.

In addition, the mission served a key objective in raising Canada's profile as a world leader in hydro power and other areas such as repair and maintenance (R&M), transmission and distribution, power smart technologies, advanced metering systems, simulation products, testing equipments,

system designing and engineering, dam safety measures and a number of other related products and technologies.

Market potential

India offers one of the most poten-

cially attractive power sector markets in the world. During the ninth five-year plan (1997-2002), 56,000 MW of new capacity has been targeted by the government which could attract an estimated \$215 billion in total investments.

Canadian Power Mission to India Finds Good Prospects

tially attractive power sector markets in the world. During the ninth five-year plan (1997-2002), 56,000 MW of new capacity has been targeted by the government which could attract an estimated \$215 billion in total investments.

Some of the areas offering the best prospects for Canadian companies include new medium-sized green field projects (up to 200 MW), captive power projects, co-generation projects, small hydro projects (up to 15 MW), renovation and modernization of old power projects (an estimated 30,000 MW of installed capacity requires R&M), advanced metering systems, simulation equipment, electrical testing products and equipment, emergency towers and environmental control technologies.

As the delegation representative for System Strategies Inc. noted, "In our assessment, institutional development in terms of governance framework, organizational restructuring, human resource development, electronic infrastructure, customer services, business process improvement, communications and sector policies is a prerequisite for bringing a sustainable improvement in the Indian power sector. It is a low capital investment area with a high return and

Follow-up

able to participate, has been provided with leads on potential clients and opportunities for its products. Canadian trade offices in India will be following up with Indian power authorities on the numerous proposals identified during the visit. Also under consideration is a suggestion to bring a group to Canada comprised largely of independent power producers (IPPs), most likely in 2001, with a view to encouraging further dialogue and co-operation in this segment of the power industry.

Some of the Canadian participants are already following up on potential leads generated during the mission, while one company, MMC, which wasn't able to participate, has been provided with leads on potential clients and opportunities for its products. Canadian trade offices in India will be following up with Indian power authorities on the numerous proposals identified during the visit. Also under consideration is a suggestion to bring a group to Canada comprised largely of independent power producers (IPPs), most likely in 2001, with a view to encouraging further dialogue and co-operation in this segment of the power industry. The mission, according to trade officials, was perfectly timed as India is in the process of reforming and giving top priority to its power sector. It has generated ample interest in the Canadian power sector to form the basis for potential partnerships which could lead to an accelerated growth of business between Canadian and Indian firms with Canada bringing key technologies and expertise to help India address its burgeoning energy requirements.

For more information on the Indian power market — or for a complete list of mission participants — contact John Burbridge, South Asia Division, DFAIT, tel.: (613) 996-5903, fax: (613) 996-5897, e-mail: john.burbridge@dfait-maeci.gc.ca *





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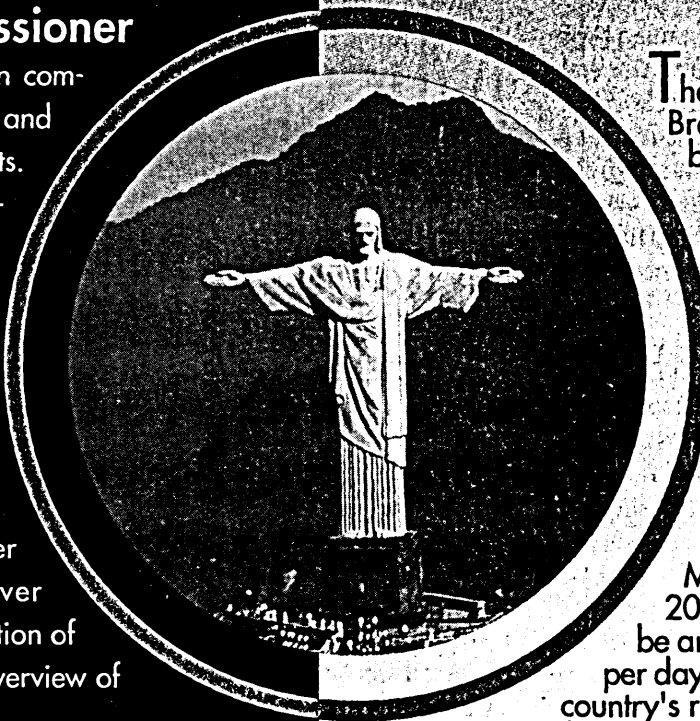
BRAZIL — The Oil

The Trade Commissioner Service

helps Canadian companies that have researched and selected their target markets. Successful companies concentrate on one foreign market at a time, moving on to the next only after succeeding in the previous one. To help you select which market you should target, the Market Research Centre of the Trade Commissioner Service has prepared over 600 market reports. This section of *CanadExport* provides an overview of one report.

For more information on this and other reports, or if you want to know how the Canadian Trade Commissioner Service can help you get results in international markets, visit us at

www.infoexport.gc.ca



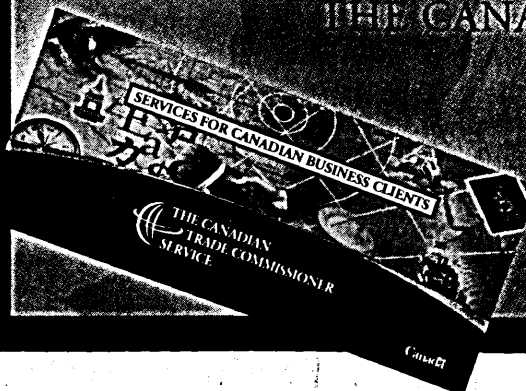
The oil and gas market in Brazil is highly competitive, but there are many opportunities for Canadian companies. The Brazilian government estimates that oil consumption will grow between 4.1% and 5% per year for the next decade. In other words, it should have increased by at least 50% in ten years' time.

The Mining and Energy Ministry forecasts that in 2005 demand for fuel should be around 2.3 million barrels per day, which is beyond the country's refining capacity. The state petroleum company, Petrobras, expects to hit 1.5 million barrels/day this year. Despite its significant domestic production, Brazil still needs to import about 35% of the petroleum it consumes.

Natural gas production and consumption are also expected to rise. Petrobras' natural gas produc-

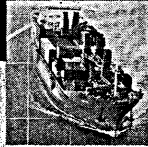
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Oil and Gas Market

tion currently amounts to 31.1 million m³ per day. The government estimates that gas consumption will increase 6.6% a year over the next decade.

Oil Industry

The end of the state oil monopoly (in 1997) has roused the industry. More than \$40 billion in contracts will be awarded over the next few years to companies including equipment manufacturers, platform builders and service providers.

Opportunities

Opportunities include exploration and production, drilling and well servicing, and investments in expansion and construction projects. Other projects that present opportunities for Canadian companies include enhanced recovery techniques, reservoir engineering, advanced petrophysical and geological study methods.

Petrobras is also interested in new cleanup technologies, refinery pollution control devices



and environment management equipment.

In the equipment and services sector, there are opportunities for deep water production technologies, pipeline construction, engineering, testing, monitoring and inspection, Supervisory Control and Data Acquisition (SCADA) systems, data interpretation software and services, process simulation software and services, and turnkey projects such as offshore production platforms.

Natural Gas Sector

The Brazilian natural gas sector is undergoing an expansion. The government plans to increase the use of natural gas in the Brazilian energy grid to 10% by the year 2005 (currently it is between 2% and 3%).

Opportunities

In the natural gas sector, opportunities exist for distribution, consulting services and technologies,

compressors and turbines, conversion kits for vehicles, as well as the array of pipeline technologies and services and SCADA systems associated with a major transmission project. Foreign investment will also be needed to complete several transmission and thermal generation projects.

See Potential?

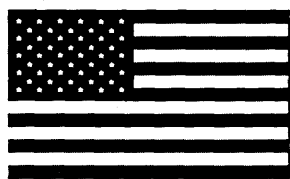
For a more in-depth look at the opportunities in the Brazilian oil and gas market, read the full report *Market Overview of the Oil and Gas Sectors in Brazil*. The report is available on-line at www.infoexport.gc.ca

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The Oil and Gas Market

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The U.S. Connection

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Washington, D.C. Your Business is Here!



The Mid-Atlantic States make up three major markets — the Delaware Valley (Philadelphia-Washington), the Baltimore-

Washington corridor, and the state of Virginia — which support major industries, including business services, government, tourism, manufac-

turing, wholesale and retail trade. Sixty-one Fortune 500 companies are headquartered here. The region is also the centre of the lucrative U.S. federal government market, has employees with the highest level of education and the highest average income in the U.S., and has the largest concentration of technology firms outside Silicon Valley. ★

Promoting Canadian Goods and Services

The three units that comprise the International Business Development (IBD) Section at the Canadian Embassy in Washington, D.C. actively promote Canadian products, services, technologies, and investment opportunities to three major client groups in the region: the Mid-Atlantic business community (Trade and Investment

Development Unit), the U.S. federal government (Government Markets Unit), and the international financial institutions (IFIs), which include the World Bank and the Inter-American Development Bank headquartered in Washington, D.C. (Office of Liaison with International Financial Institution (OLIFI)). ★

A Market of 22 Million Consumers

Looking for Commercial Opportunities?

The Trade and Investment Development Unit at the Canadian Embassy in Washington, D.C. helps export-ready companies explore opportunities in all industry sectors. As the birthplace of the Internet, the Mid-Atlantic region is a national and global hub for the communications industry. Anchored by the U.S. National Institutes of Health and leading research universities, it is

also a hotbed of life science advancements. But no matter what your industry — biotechnology, information technology, corporate training, consumer products or environmental technologies — contact us!

For more information, visit our Web site at www.canadianembassy.org/business/index.html or fax (202) 682-7619. ★

DOING BUSINESS WITH THE U.S. FEDERAL GOVERNMENT?

The Government Markets Unit at the Canadian Embassy in Washington, D.C. promotes the sale of Canadian products, services and technologies to the U.S. federal government, which spends over \$150 billion annually through contracts with civilian and defence departments. Successful Canadian firms have sold technologies in many areas, including information systems, demilitarization applications, ocean applications, avionics, and training and simulation. A wide range of Canadian commercial goods, services and technologies are also sold to U.S. federal, state and local governments.

For more information, visit our Web site www.canadianembassy.org/business/index.html or fax (202) 682-7795. ★

Procurement Leaders Mission: Top Marks

The Government Markets Unit at the Canadian Embassy held a Procurement Leaders Mission, February 22-25. The workshop introduced Business Development Officers working in Canada and at the Canadian Consulates General across the United States to U.S. federal and state procurement opportunities. The 30 participants (pictured here with Ambassador Raymond Chrétien) also received an

extensive briefing on the business opportunities available to Canadian companies interested in the Mid-Atlantic States, as well as one-on-one briefings with U.S. federal and state



procurement officers and private sector systems integrators operating in this region. This event was so successful that plans are already underway for a similar workshop in February 2001.

For more information, fax your enquiries to (202) 682-7619, Attn: Government Procurement Mission, Government Markets Unit, Canadian Embassy, Washington, D.C. ✪

Training Industry Conference

Promoting Cross-Border Partnerships

From February 29 to March 2, 45 Canadian and 110 U.S. training and development professionals came together for an exciting program of market orientation, site visits, hospitality, industry presentations and one-on-one meetings designed to promote cross-border partnerships. With Canadian training providers increasingly poised to leverage strong content, innovative training products and technical expertise in U.S. and global markets, the Trade and Investment Development Unit, which two years ago launched a

ber of training firms. Twenty-seven U.S. and Canadian panelists addressed industry trends, the business aspects of partnering, accreditations and distribution channels. A seminar highlight, the "partnering" panel, showcased four sets of U.S. and Canadian training partners who described their successful partnerships.

The networking opportunities have to date resulted in one joint venture and numerous potential alliances. For further information, contact Cynthia Stevenson, Trade and Investment Development Unit, fax: (202) 682-7619. ✪



U.S. and Canadian training firms exchange information at matchmaking meetings during *Partners in Training*.

training industry newsletter, *SERVEExport*, capitalized on reader response to organize *Partners in Training*. Canadian participants included the University of Winnipeg, the University of Waterloo, York University's Schulich School of Business, the B.C. and Southern Alberta Institutes of Technology, the Willis College of Business and Technology and a num-

Key International Financial Institutions

The Canadian Embassy's Office of Liaison with International Financial Institutions (OLIFI) is a good port of call for experienced exporters to the U.S. who are considering government markets in the developing world, including Mexico. A large portion of government procurement in developing countries is financed by the World Bank and the Inter-American Development Bank, both headquartered in Washington. OLIFI can help you plan your business strategy and make the right connections at the IFIs.

For more information, visit our Web site at www.canadianembassy.org/olifi or fax (202) 682-7789. ✪

Want to be a new exporter to the region?

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WASHINGTON, D.C.— June 5-6, 2000 — CATA's GlobeTech 2000. For more information, contact Gerard Brathwaite-Sturgeon, tel.: (202) 682-7746, fax: (202) 682-7619, e-mail: gerard.brathwaite-sturgeon@dfait-maeci.gc.ca or visit the CATA Web site at www.cata.ca/globetech (See p. 16 for more details.)

WASHINGTON, D.C.— September 20-24, 2000 — Natural Products Expo. For more information, contact Cynthia Stevenson, tel.: (202) 682-7765, fax: (202) 682-7619, e-mail: cynthia.stevenson@dfait-maeci.gc.ca

BALTIMORE, MARYLAND— October 26-27, 2000 — Maryland Bio-Alliance Symposium. For more information, contact Manuel Ellenbogen, tel.: (202) 682-7766, fax: (202) 682-7619, e-mail: manuel.ellenbogen@dfait-maeci.gc.ca

Canadian companies interested in participating in any of these events should contact their local International Trade Centre or the Canadian Embassy officer listed above for further details and sub-sector focus. ✪

The Canadian-Venezuelan Chamber of Commerce (CVCC), founded last October, is a non-profit organization whose mandate is to promote commercial, industrial, financial, scientific and economic exchanges of all types between Canada and Venezuela.

Other goals of the Chamber include:

- assisting Canadian and Venezuelan companies to do business in either

the oil and mining sectors, are active members of this Chamber. The agreement is designed to:

- link with each Chamber's Web page;
- offer new members a discount. (A member of either one of the Chambers will pay 10 percent of the fee of the other Chamber to join it as well — this discount applies only to the first year.)

ing new business in Venezuela include:

- a database of Venezuelan companies with investments in Canada;
- a directory of Venezuelan companies which provide outsourcing services in Venezuela in several fields;
- a Web page with links and information about seminars, activities, people, and services on-line;
- a directory on the new Web site to be launched on June 1 as a link with Venezuelan companies with interest in Canada. CVCC members will have the opportunity to summarize their business interests;
- periodical and specific information on how to do business in Venezuela;
- information about import, export and tax laws, as well as other legal issues of interest to Canadian and Venezuelan companies both in Venezuela and in Canada;
- international logistics and transportation orientation for Canadian exporters-importers;
- discounts on air fares to Venezuela, hotels and car rental.

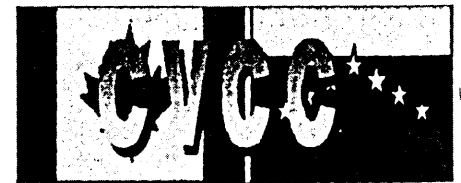
The Canadian-Venezuelan Chamber of Commerce

Up and Running

country by facilitating contact, co-operation and exchange between business people and business organizations;

- organizing meetings for their members and guests to promote specific events and to keep members up to date on current opportunities;
- helping members with their specific inquires; and
- collecting and managing information and other forms of communication and distributing it to their members.

- offer members access to each other's database;
- offer joint participation in events beneficial to the promotion of both Chambers such as
 - * trade missions
 - * road shows
 - * conferences and seminars
 - * luncheon meetings with guest speakers from either Chamber;
- regular reporting from each Chamber to their members to keep them informed of new developments in each country and the status of various issues.



Upcoming activities of the CVCC include the promotion of the Chamber at next month's National Petroleum Show in Calgary, where a Venezuelan delegation is expected, and the launching of a newsletter.

For more information on the Canadian-Venezuelan Chamber of Commerce, located in Toronto, contact CVCC President David J. Ostos, tel.: (416) 322-0272, fax: (416) 322-6113, Internet: www.cvcc.ca

Close Links with Chamber in Venezuela

The CVCC has a co-operation agreement with the Venezuelan-Canadian Chamber of Commerce established over 10 years ago in Caracas. Some 15 Canadian companies, mainly in

The Chamber also counts on the support of the Venezuelan Consulate in Toronto.

Services offered

Some of the services offered to members to assist them in develop-

The Andean Community: Visit the Other Side of South America

It's time to check out some of the exciting new business opportunities opening up in the Andean Community, or Comunidad Andina (CAN), in Spanish.

With a land mass of 4.7 million square kilometres and a combined population of over 108 million people, the Andean Community groups together the five countries of Bolivia, Colombia, Ecuador, Peru and Venezuela, which have a gross domestic product (GDP) of approximately \$288 billion. The Andean region has significant natural resources (petroleum, copper, gold) and a large agricultural and agri-food market, which play well to Canada's extensive capabilities in these sectors.

The CAN has become an important trading partner for Canada with total two-way trade exceeding \$2.69 billion in 1999. Our exports accounted for about \$1.1 billion, while imports totalled \$1.6 billion. In return, the Andean Community has been targeting Canada as a key trade and investment partner. Canadian accumulated investment in the CAN countries is some \$13 billion, mostly in the energy, mining and telecommunications sectors.

The May 1999 Canada-Andean Community Trade and Investment Cooperation Arrangement (TICA) established the framework for pursuing stronger commercial and economic co-operation in the future by:

- ◆ promoting trade and investment liberalization as well as maintaining a favourable international business environment;
- ◆ facilitating greater private-sector co-operation and participation;
- ◆ encouraging both sides to share information about trade and investment activities and opportunities; and
- ◆ creating a bilateral Consultative Group which would meet periodically to ensure compliance with the Arrangement and its objectives and the implementation of the TICA Action Plan.

Canadian companies are advised to familiarize themselves with the current political, economic and security environments in Andean Community markets in which they are active, stay informed, and be prepared to respond quickly to new developments. It is always a good idea to check the Department of Foreign Affairs and International Trade's (DFAIT) site at www.dfait-maeci.gc.ca/travel/menu-e.asp for updates and advisories before undertaking business or other travel.

Despite the complexities, uncertainties and risks of doing business in the Andean region, commercial opportunities are still available to those showing perseverance, patience and a long-term commitment.

This special *CanadExport* supplement on the Andean Community highlights the opportunities in this marketplace for the Canadian export community with the purpose of expanding the range and volume of Canadian exports into the region.

For further information, contact the South America Division (LSR), International Business Development Section, DFAIT, tel.: (613) 992-0384, fax: (613) 943-8806, e-mail: enqserv@dfait-maeci.gc.ca

Prepared by the South America Division



Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Canada

Bolivia: Free Market Policies Encourage Foreign Participation

Bolivia is an important producer of natural gas and a traditional mining country that, after many years of protectionism, has introduced a free market policy and private investment.

Canada's exports to Bolivia totalled some \$15 million in 1999, the main commodities being wheat, newsprint, telecommunications, and oil and gas equipment. Despite the relatively low volume of trade between the two countries, there are many opportunities for Canadian companies in Bolivia. Public and private investment is increasing, fuelled by infrastructure projects funded by international financial institutions as well as by new investments in energy, mining and telecommunications.

The government estimates that public and private investment could total US\$13.2 billion from 1999 to 2005, mostly in the hydrocarbon, mining, electricity, telecommunications, industry, agriculture and construction sectors.

Opportunities, Opportunities, Opportunities

Oil and Gas

Bolivia is a world leader in natural gas, but produces very little crude oil. The state oil company, YPFB (Yacimientos Petroliferos Fiscales Bolivianos), began its privatization process in 1996, and is now responsible only for the distribution of petroleum products, while exploration, production, refining and transportation functions have been transferred to private companies. More than 20 foreign oil and gas companies operate in Bolivia, mostly in exploration.

Three years ago, Propak Systems (Alberta) secured the largest-ever sale by a Canadian company in Bolivia, when

it signed a contract worth US\$14 million with ENERSA, a Bolivian private group, to supply a propane processing plant.

Petro-Canada and the Canadian International Development Agency entered into a technical co-operation program with the Bolivian Secretariat of Hydrocarbons more than eight years ago, which has proven highly successful. This program has been instrumental in introducing Canadian products and technology into the Bolivian market, and played an important role in the Propak sale.

Mining

The Andes mountains occupy more than a quarter of Bolivia and hold enormous mineral wealth. Although mining activity has declined somewhat in recent years, Canadian expertise in this sector, together with its acumen in sustainable development, is highly regarded in Bolivia.

A frenzy of mining exploration has discovered new, interesting prospects in non-traditional areas like Sud Lipez and the Pre-Cambrian, where many foreign companies (including several Canadian ones) are now carrying out exploration work.

The Bolivian government has granted a concession for the San Cristobal mine in southern Bolivia, with reserves of 259 million tonnes of silver ore, making

it one of the world's largest open pit silver mines and zinc deposits. Construction is to begin this year, with startup projected for 2002. The government also plans to privatize the country's tin smelter (ENAF-Vinto) and establish long-term leases and joint ventures for the Colquiri and Hanuni mines.

The new mining code, when implemented, will create more favourable conditions for private investors and allow foreign firms access to mining activities within 50 kilometres of international borders.

Companies providing equipment and services for mining exploration have the best possibilities in Bolivia, as well as suppliers of good reconditioned equipment. There are no trade barriers on importation of equipment, and licences or permits are not required.

In 1999, a US\$30-million contract was signed between COMIBOL, the government-owned mining company, and **Panamerican Silver**, for the San Vicente mine, located near Oruro. Panamerican also operates the Quiruvilca mine in northern Peru and has recently acquired the Huaron mine in Peru's central Andes.

Telecommunications

There is strong demand for local telephone systems, long-distance carriers, cellular telephony, TV and radio broad-

casting, cable TV and data transmission in Bolivia. Entel (Italy) presently has a monopoly on long-distance telephony, and independent local co-operatives enjoy exclusive rights on local telephone services. Data transmission, cable TV and value-added services are open to competition.

<p>Bolivia Capital: La Paz Population: 7.9 million (1998) GDP: \$8.4 billion (1998) GDP Growth Rate: 4.7% (1998) Inflation Rate: 7.8% (1998) Canadian Foreign Direct Investment: \$237 million (1999) Canadian Exports: cereals, electrical machinery, machinery, prepared meat and fish, paper and paperboard, iron and steel products Canadian Imports: tin, ores, slag and ash, edible fruit and nuts, wood, knit apparel, beverages, spirits and vinegar</p>

Entel's monopoly will come to an end in 2001, at which time the market will undergo major changes. To encourage foreign participation, the Bolivian government is trying to implement its market-opening legislation now,

one year ahead of the projected implementation date.

Imports are critical to the Bolivian telecommunications market, as there is no domestic production of hi-tech

equipment or materials. Although the best prospects are now mostly related to Entel's investment plans, demand for most telecom products and services should increase as of 2001. ■

Colombia: A Gateway to Regional Markets

Colombia is one of Canada's most dynamic commercial partners in South America, ranking as its fourth-largest export market in 1999, with two-way trade increasing by 50 per cent in the past five years. Its strategic position as a gateway to South America, with port facilities at both oceans, makes Colombia an excellent base for expansion in the continental market. It also enjoys preferred access to neighbouring markets through free trade agreements with Chile and Mexico.

As with other Andean Community countries, Colombia has suffered economically in the last two years. However, there have been positive signs of improvement, aided by a substantial International Monetary Fund loan.

In 1990, the government launched an economic modernization program, gradually eliminating restrictions on imports and reducing tariffs, leading to increased imports of consumer goods and, more importantly, technology and equipment needed to modernize its industry.

Opportunities, Opportunities, Opportunities

Agriculture and Agri-food

The recent establishment of two international food distribution giants, Makro of the Netherlands, and Institutional Food Services of the United States, has heralded a revolution in Colombian food marketing similar to the advent of the mega-supermarket in North America. As a result, an import market, previously

almost the exclusive reserve of the U.S., is now open to Canada.

While Canadian agricultural exports have consistently exceeded \$100 million a year, these have consisted mainly of raw products such as pulses and grains. Now there is a call for quality processed and specialty food products for household and institutional

markets. In 1998, Canada exported close to \$200 million of agri-food products to Colombia, almost \$90 million of which were value-added goods.

In Colombia, **President's Choice** products are sold exclusively by Cadenalco S.A., one of the country's largest food importers and distributors. The two companies entered into a three-year contract in 1998, whereby Cadenalco would retail President's Choice products in three of their chains. Sixteen Cadenalco outlets currently sell some 180 President's Choice products.

Environment

Colombia's environment sector offers significant opportunities for Canadian companies. The Colombian National Association of Industrialists estimates that more than US\$500 million will be spent annually over the next 10 years on environmental activities.

Furthermore, Colombia boasts one of the most comprehensive and progressive regulatory regimes in Latin America — there are no tariff barriers or restrictions on investment in the environmental sector.

Colombia

Population: 39 million (1998)

Capital: Bogotá

GDP: \$91.1 billion (1998)

GDP Growth Rate: 0.5% (1999)

Canadian Foreign Direct Investment: \$5 billion (1999)

Inflation Rate: 10% (1999)

Canadian Exports: grains and agri-food products, copper, newsprint, telecommunications, electronic equipment

Canadian Imports: coffee, bananas, cut flowers, sugar, coal, petroleum

Opportunities exist in urban solid waste management, clean production, environmental consulting, engineering services and waste water treatment — of the over 1,000 municipalities in Colombia, most do not have waste water treatment facilities.

Envista Technologies (Saskatchewan) recently won a \$1.5-million World Bank-funded project to design, develop and implement a comprehensive Environmental Information System for Bogotá. The system will provide a standardized, secure delivery system for environmental information.

The government is also preparing to invest US\$24 million over five years to establish a national monitoring network to improve the evaluation of air quality.

Telecommunications

The government is dedicated to developing Colombia's telecommunications services. It has set ambitious targets to nearly double the number of lines per capita (currently about 9 per 100), and is committed to improving service in remote regions.

The International Telecommunications Union rates the Colombian market as the third largest in Latin America, after Brazil and Mexico, and it is considered one of the most progressive in the region. Canadian companies have over \$3 billion invested in the Colombian telecom market, and are by far the largest investors in this sector.

Positron Public Safety Systems Inc., a world-leading manufacturer and supplier of 911 emergency response systems, recently won a contract for a US\$2.5-million project with the Metropolitan de Seguridad. The project is for an integrated safety system to serve the

Army and National Police, among others, in dealing with emergencies and disasters in Medellín.

In 1999, Rey Moreno S.A., the Colombian telecommunications service provider, selected **Newbridge Networks'** broadband wireless solution for the country's first local multipoint distribution service network.

Oil and Gas

Colombia has notified the world petroleum community that its potential for new discoveries is immense, and that it is willing to negotiate favourable terms for foreign participation.

Colombia's oil and gas industry needs to broaden its service sector by obtaining the latest exploration and development technology. And, Canadian services companies are favoured in Colombia to do just that.

There is potential for Canadian companies in Colombia stemming from government programs to further develop the use of natural gas, and to implement a national reconversion process, moving from an electricity- and/or diesel-powered industry to one fuelled by natural gas. ■

Ecuador: New Projects in Key Sectors Promise Economic Expansion

Canada has become one of Ecuador's most important political and economic partners as well as one of its principal aid donors.

Ecuador's economy is still suffering from the impact of El Niño, which destroyed much of the agricultural capacity of the fertile coastal plain. This coincided with a decline in international oil prices and a weakening of overseas demand for Ecuador's exports related to the Asian recession.

Despite these economic problems, Canadian exports are expected to expand in Ecuador (currently our seventh-largest trade partner in South America), assisted by more liberal access to state institutions through the privatization of state-owned companies, the presence of new

foreign banks and the potential impact of new Canadian investments. Ecuador is encouraging investment and new projects in oil and gas, hydro-electric power generation, telecommunications, mining, and civil and infrastructure construction.

Opportunities, Opportunities, Opportunities

Oil and Gas

Ecuador's oil and gas sector is expected to undergo a strong resurgence in the coming years. The government has approved legal reforms to allow a consortium of the five main private oil companies, including the **Alberta Energy Company** (locally named City Investing Co.), to build, operate and transfer a new pipeline for heavy crude oil in the Amazon Region, starting in May 2000. The project will lead to significant demand for machinery, valves, pumps and compressors as well as for

subcontracts in construction labour and environmental studies.

In addition to the government's planned investment of \$2.5 billion in the oil sector over the next three to five years, exploitation of natural gas reserves (estimated at 3 trillion cubic feet) in the Gulf of Guayaquil are expected to begin soon.

Several Alberta oil and gas companies are active in Ecuador, including **Presson Manufacturing, Vectis, Enerchem International, and Camco Products and Services.**

Mining

Although the mining sector has not been developed at an industrial level, recent studies confirm that Ecuador is an unexploited market with significant mining resources. There are abundant reserves of gold, silver, copper, zinc and lead as well as nonmetals for the production of cement, gravel and stones.

A new mining law, once approved, will offer improved legal security for concessions, lower royalties, more tax advantages and clearer environmental rules.

Canadian mining companies active in Ecuador (mainly in exploration) include **Hampton Court Resources, Komex International, and IAM GOLD/AGEM.**

Ecuador

Population: 12.5 million (1998)

Capital: Quito

GDP: \$19.7 billion (1998)

GDP Growth Rate: 0.4% (1998)

Canadian Foreign Direct Investment: \$1.4 billion (1999)

Inflation Rate: 36% (1998)

Canadian Exports: cereals, paper/paperboard, vegetables, rubber, machinery

Canadian Imports: bananas, fish/shellfish, cocoa, flowers, coffee

Energy (Electricity)

Hydro-electric generation is the predominant energy resource in Ecuador, although thermal energy generation is also important, especially during periods of drought.

The electricity sector will be one of the first to be privatized in Ecuador. Generation and distribution companies as well as the state transmission company will sell up to 51 per cent of their total shares, which will attract foreign investment and create trade opportunities. There is room for Canadian suppliers of electrical equipment, as Ecuador imports almost all of its equipment needs.

Telecommunications

There is a strong market for telecommunications equipment in Ecuador, as the country relies heavily on imports to supply the domestic market. Ecuador is also attractive because of its important geographical position in the middle of two relatively medium-sized telecom markets, Colombia and Peru, as well as being in the centre of the planet for faster satellite telecommunications.

Opportunities should emerge as demand increases for public telephony, cellular and cable TV equipment, satellite, paging, data transmission and value-added services such as trunking. Opportunities should also surface with the introduction of new technologies such as personal communications services.

As in the electricity sector, the two main telecommunications companies, Andinatel and Pacifictel, are expected to sell up to 51 per cent of their shares by next year.

Two Ontario companies, **Newbridge Networks** and **Nortel Networks**, have been very active during the past four years, supplying equipment for the renewal of one of ETAPA's (the municipal telecommunications company) plants, as well as supplying Andinatel and Pacifictel with high-tech equipment. ■

Peru: Open to Foreign Investment

Peru has one of the most open and dynamic business environments in Latin America. Since 1991, the privatization of major state enterprises has generated foreign investments of over US\$7 billion.

The last two years, however, were difficult ones for Peru and for the Andean Community — commodity prices fell following the Asian economic recession and infrastructure was damaged by El Niño. Nevertheless, Peru performed well under these difficult circumstances.

Recent economic indicators reflect the first signs of the economy's gradual recovery. Exceeding overall projections, economic growth rebounded in the last quarter of 1999, driven by unexpected growth in the manufacturing, commerce and construction sectors.

The implementation of a second wave of structural reforms, and a greater emphasis on privatization and concession programs to encourage foreign investment are key to accelerating Peru's recovery in 2000 — of some 60 projects, 30 will be privatized or granted in concession this year.

Canada's fast-growing presence in Peru is reflected by the more than 75 Canadian companies now established in the country, and the over 200 represented by local agents. Canadian investments in Peru currently exceed \$2 billion, and are expected to reach more than \$5 billion within the next six years.

Opportunities, Opportunities, Opportunities

Mining

Peru is one of the world's leading mineral producers. Its still untapped mineral wealth offers excellent opportunities for Canadian companies in exploration technologies, engineering and

consultancy services for ports, roads, power and mining infrastructure, as well as for equipment. Mega-projects in Peru's mining sector are in abundance — over the next decade investments are expected to reach US\$10 billion.

Nearly 40 Canadian mining companies already operate in Peru. **Noranda-Rio Algom-Teck Corporation**, the Canadian consortium investing in the US\$2.35-billion Antamina copper/zinc project, recently awarded **Sandwell Engineering Inc.** a US\$90-million contract to carry out the engineering and construction of the port facilities. **Barrick Gold Corporation's** Pierina gold mine contributed almost 25 per cent of Peru's national gold production in 1999, and increased production by 30 per cent last November.

Oil and Gas

The forthcoming exploitation of the huge natural gas deposits of Camisea in the tropical jungle of Cuzco, in south-eastern Peru, will dramatically change the pattern of Peru's future energy consumption. The exploitation of the gas fields will be undertaken by an international consortium, while the concession for the construction of the gas/liquids pipeline and the distribution of gas will be tendered shortly.

The Canadian consortium of **Alberta Energy Company**, **SNC Lavalin** and **Agra Earth and Environment** was selected by Perupetro (Peru's oil regulator) to carry out pre-feasibility studies for an oil pipeline interconnection project between Peru and Ecuador.

Agriculture and Agri-food

Peru is Canada's fourth-largest agri-food export market in South America. In 1999, Peru imported \$88.6 million of Canadian agri-food products. This figure, however, was down 15 per cent from the previous year due to a drop in

Peru

Population: 24.8 million (1998)
 Capital: Lima
 GDP: \$64.4 billion (1998)
 GDP Growth Rate: 3.8% (1999)
 Canadian Foreign Direct Investment: \$2.25 billion (1999)
 Inflation Rate: 3.7% (1999)
 Canadian Exports: ores, slag/ash, spices, coffee/tea, lead, food residues/waste, coffee, knit apparel, cotton, edible fruit/nuts, wool/animal hair
 Canadian Imports: ores, spices, coffee, fish meal, fats and oils, knit apparel, tin

wheat imports, which accounts for a large portion of all Canadian agri-food exports to Peru.

Peru, however, continues to be a good market for Canadian oats and oat groats, and demand for Canadian lentils and peas is strong. There is significant potential for Canadian processed food products as well as for processing equipment and machinery.

Dairy farming has become an important part of Peruvian agriculture and the reputation of Canadian dairy cattle is well established there. In 1998, for the first time in 10 years, Peru imported livestock from Canada. Swine was an important export in 1999.

Energy (Electricity)

The structural reforms of the early 1990s marked the end of a period of excessive regulations in Peru. Until 1992, the electricity sector was in the hands of mostly inefficient public companies.

The modification of the *Law of Electric Concessions*, allowing private operators to participate in the sector, and the creation of a legal framework promoting private investment have produced a true revolution in the electricity sector.

Since per-capita electrical consumption in Peru is among the lowest in Latin America, the potential for market growth is large. The government estimates the electricity market will grow at an annual average rate of 4 per cent over the next five years.

Telecommunications

Nine months after the official opening of the Peruvian telecommunications

market to free competition, it has become one of the most dynamic and attractive sectors in the country. The government is expecting an investment of US\$1 billion in 1999-2000, with the goal of increasing telephone density from 14 to 20 lines for every 100 citizens.

The Telecommunications Investment Fund has allocated US\$120 million to develop a series of projects over the next five years. Three projects are directed at interconnecting over 2,000 communities, with a long-term goal to interconnect some 5,000 rural locations with local and international public networks. **SR Telecom**, along with its local representative, Telerep, was recently awarded a 20-year concession for this project.

Last year, **Nortel Networks** consolidated its position in Peru's telecom market with a US\$16-million contract with FirstCom of the U.S. for technological equipment and a fibre-optic network. Nortel is currently one of the main suppliers of telecom solutions to key corporate clients in Peru such as Global Village, Nextel, Bell South, FirstCom and Telefonica. ■

**Venezuela:
 Canada's Second-largest Export Market**

Highly dependent on oil revenues, the standard of living in Venezuela goes up and down with the price of crude oil. The recent rise in oil prices has added significant income to the government's budget. However, the impact on the country's recessed economy has been slow.

Venezuela is an increasingly important commercial partner for Canada in South America. It is Canada's second-largest export market, after Brazil — bilateral trade in 1999 was \$1.57 billion. Canadian investment is growing, focussed mostly in the energy, banking and telecommunications sectors, and the further opening of the Venezuelan economy will mean increased opportunities for Cana-

dian companies, particularly in the oil and gas, telecommunications, environment and construction sectors.

**Opportunities,
 Opportunities,
 Opportunities**

Oil and Gas

Venezuela is blessed with extensive hydrocarbon reserves, the production of which is expected to increase dramatically over the next 10 years to a projected US\$36 billion. Venezuela produces 2.8 million barrels of crude oil

per day, and has proven oil reserves of 72.5 billion barrels (sixth in the world).

The government's new petroleum policy is directed towards intensifying the exploitation of natural gas (an area of strength for Canadian companies) through private-sector development. Petrochemicals, another area targeted for development, is a sector where Canadian participation has considerable room for growth.

Canadian companies are advised to pursue local partnerships and alliances as a means of entering this market, in light of the government's desire to increase national content in the petroleum sector.

Precision Drilling, Canada's largest oil drilling company, is well established in southeastern Venezuela, and its purchase of **Computalog**, an Alberta oil well logging company, has increased its presence in Venezuela. In 1998, **Trans-Canada Pipeline Ltd.** and its partners signed a US\$450-million contract to build, own and operate a natural gas liquids extraction facility. Last January, **Enbridge Inc.** and its two American partners purchased a major crude oil storage and shipping terminal at Jose.

Telecommunications

Venezuela's telecommunications market is experiencing tremendous growth, leading the country's economy in 1999. Strong growth is expected to continue this year as a result of the end of the basic services monopoly of the national telephone company, CANTV, and the upcoming licence auctions for the Local Multipoint Distribution System (LMDS) in June, and the Wireless Local Loop (WLL) in the third quarter of the year.

Canada's worldwide reputation in telecommunications will serve Canadian interests well in Venezuela, which depends on imports for most of its telecom technology needs. The areas of greatest competitive advantage for Canadian companies are in wireless communication, including mobile telephony, GPS locating systems, broadcasting, cable and pay TV, and Internet and other value-added services.

Bell Canada International opened an office in Caracas in 1999, and is operating the first LMDS broadband wireless system in Venezuela. **Newbridge Networks** also has its Latin American and Caribbean headquarters in Caracas.

Agriculture and Agri-food

Venezuela depends extensively on imports for both bulk commodities and processed products. It has become an important market for Canadian agri-food products — in 1999, Canada's agri-food exports to Venezuela accounted for 32.8 per cent of the country's total

imports in this sector — and is the second-largest per-capita agri-food importer in Latin America.

Canada maintains a large share of the country's commodities market, mainly wheat, as Venezuelans are the second-largest pasta consumers in the world, after Italy.

Over the last two years there has been a boom in the franchise fast food market in Venezuela. Franchises like **Cinnamon City** as well as **Gelato Fresco**, **Yogen Früz**, and **Saint Cinnamon** are now found in most large shopping centres in major cities. Canada's market share in this area has increased more than 200 per cent since last year.

There are also good opportunities for all types of processed and non-processed foods, mainly high-value products, due to new government policy and a gradual lowering of duties.

Environment

Venezuela is working hard to improve its environmental practices. Priority areas include municipal waste management, water management and the petroleum industry. Issues such as toxic waste disposal are undeveloped areas that are now receiving government attention. State petroleum company **Petróleos de Venezuela S.A. (PDVSA)** has budgeted close to US\$1 billion for environmental projects in the petroleum sector over the next 10 years. Municipal water and sewage treatment systems are insufficient in many areas.

Delcan International, **SNC Lavalin** and the consortium **Vatra-Cintec** are completing various government environmental contracts with a combined value of US\$150 million. Significant additional opportunities exist for large and medium-sized projects. ■

Venezuela

Population: 23.7 million (1998)
 Capital: Caracas
 GDP: \$104.3 billion (1998)
 GDP Growth Rate: 2.3% (2000 estimate)
 Canadian Foreign Direct Investment: \$5 billion (1999)
 Inflation Rate: 35.8% (1998)
 Canadian Exports: motor vehicle parts, wheat, newsprint, wood pulp, machinery, vegetables
 Canadian Imports: mineral fuels, petroleum, iron and steel (semi-finished), precious stones, aluminum, machinery, paper and paperboard

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Assistance to Canadian Exporters

From the **Department of Foreign Affairs and International Trade's (DFAIT)** network of trade commissioners, who assist Canadian exporters in over 125 locations around the world, to the federal/provincial/private partnership of **Team Canada Inc**, Canadian companies have a wealth of valuable support at their disposal. One example is DFAIT's **Program for Export Market Development**, which provides financial assistance to companies to develop new export markets on a cost-shared basis. For more information, see www.infoexport.gc.ca or contact the nearest International Trade Centre (www.dfait-maeci.gc.ca).

Canadian Commercial Corporation (CCC)

CCC is an export sales agency wholly owned by the Government of Canada. It partners with Canadian exporters to successfully negotiate and win sales in difficult markets on favourable terms. In particular, CCC provides an enhanced and special access for Canadian exporters to the U.S. defence and aerospace markets, and specializes in trade to foreign governments and international organizations. In 1999-2000, CCC helped Canadian exporters make sales worth over \$1.1 billion to some 40 countries around the world — a record high.

CCC offers a range of export sales, consulting and contract management services and access to pre-shipment export financing through its **Progress Payment Program**. The program helps small and medium-sized companies, with sales of \$50 million or less and in good standing with their bank, overcome the difficulties in arranging pre-shipment financing to cover production costs for export sales.

For more information, contact CCC at tel.: **(613) 996-0034**, toll-free in Canada: **1-800-748-8191**, fax: **(613) 995-2121**, e-mail: info@ccc.ca, and Internet: www.ccc.ca

CIDA-INC

Working in co-operation with the Canadian private sector, the Canadian International Development Agency's Industrial Cooperation Program (CIDA-INC) acts as a bridge between commercial and developmental interests. 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, contact CIDA-INC at tel.: **(819) 953-5444**, fax: **(819) 953-5024**, e-mail: info@acdi-cida.gc.ca, and Internet: www.acdi-cida.gc.ca/inc

Corporación Andina de Fomento

With headquarters in Caracas, Venezuela, and regional offices in member country capitals, the Corporación Andina de Fomento (CAF) is the Andean Community's well-regarded development bank. A multilateral financial institution, CAF promotes sustainable development and regional integration by attracting capital in order to provide member countries as well as other stakeholders with multiple financial services.

The Export Development Corporation (EDC) maintains a US\$70-million line of credit with CAF, and there is a US\$1.2-million Canadian International Development Agency (CIDA) Technical Cooperation Fund for feasibility studies or technical assistance in certain fields.

Grants from the Fund may be requested directly from CAF by Andean Community participants only. Having the support of the Planning Ministry or the organization responsible for technical co-operation in each country normally facilitates the approval process. The CAF contact is Sra. Seyril R. Siegel, Head, Corporación Andina de Fomento/Technical Cooperation Office, tel.: **(011-58-2) 209-2491**, fax: **(011-58-2) 209-2394**, e-mail: ssiegel@caf.com, Internet: www.caf.com/en/business/techcoop.html

Some Useful Web Sites

- ◆ www.infoexport.gc.ca
(trade information and assistance to exporters)
- ◆ www.americascanada.org
(relating to the 2001 Quebec City Summit of the Americas)
- ◆ www.acdi-cida.gc.ca/inc
(CIDA-INC) (assistance to exporters)
- ◆ www.ccc.ca
(Canadian Commercial Corporation) (assistance to exporters)
- ◆ www.edc.ca
(EDC) (assistance to exporters)
- ◆ www.dfait-maeci.gc.ca/lfinet
(international financial institutions)
- ◆ www.exportsource.gc.ca
(trade information)
- ◆ http://strategis.ic.gc.ca
(Industry Canada's business information site)

Latin America's woes of 1998-99 followed hard on the heels of Asia's financial crisis of 1997-98. Now, Asia's exuberant recovery over the last 12 months has prompted forecasts of a similar performance for Latin America in 2000. But Latin America boomed in 1994, and again in 1996, only to have the regional economy slump in 1995 and again in 1998-99. Will Latin America's recovery in 2000 turn into the slump of 2001?

At Export Development Corporation (EDC), we believe this global expansion will persist. But it is not a sure thing, for a very simple reason: currency devaluations are a zero-sum game.

When a country devalues its currency, like Thailand and Korea in 1997, its goods suddenly hit world markets at an enormous discount. Asia and Latin America compete head to head in some markets, and Asian goods compete directly with some domestically produced goods in Latin America. Accordingly, Asia's devaluations in 1997-98 produced a boom in Asian sales in 1998-99, and some of those sales came at the expense of Latin American companies.

These pressures lay at the root of last year's crisis in Brazil, and the subsequent devaluations in Latin America helped to level the playing field. This year, we expect Latin America to recover as a result, but some of that growth in sales will come at the expense of companies in Asia.

This zero-sum game runs much like a teeter-totter in the local playground. The only way for both ends to remain in the air is for the world to return to full balance. With all regions of the world growing in 2000, there should be enough growth to go around.

But the potential remains for another round of devaluations in Asia and more troubles for Latin America. With the banking systems of both regions still dealing with the legacy of the last series of crises, this would almost certainly mean another slump in growth in Latin America. Neverthe-

nomically and political uncertainties which have slowed both imports and investments. Bolivia is a market that is starting to emerge in the region with good potential in the oil and gas, mining, and telecommunications sectors in particular. Companies need to be aware of the risks in these markets

The Outlook for Latin America

Devaluation is Still a Zero-Sum Game

by Stephen S. Poloz, Chief Economist, Export Development Corporation

less, the most likely outcome is a return to solid economic growth for 2000-2001.

In terms of market opportunities for Canadian companies in the Andean Region, EDC is very active in the region and, with some exceptions, is highly supportive of Canadian exporters and investors. Venezuela, Colombia and Peru have been excellent markets in recent years, with EDC providing major support to Canadian investors and exporters. These countries offer particularly good opportunities in sectors that match Canadian strengths such as mining, oil and gas, power, telecommunications, and transportation.

Currently, Colombia, Ecuador and, to a lesser degree, Venezuela are unfortunately experiencing eco-

and operate accordingly, with EDC financing and insurance which can offer protection against some of these concerns.

In addition to its regular financing and insurance products, EDC has lines of credit with banks in Colombia and Peru. EDC also has a region-wide US\$70 million line of credit with the Corporación Andina de Fomento (CAF), a regional development bank,

which can be utilized by contacting CAF directly.

The CAF contact is Seyril R. Siegel, Head, CAF Technical Co-operation Office, tel.: (011-58-2) 209-2491, fax: (011-58-2) 209-2394, e-mail: ssiegel@caf.com *



EDC's Stephen S. Poloz

Looking for Export Opportunities?

Make sure you are registered in the WIN Exports database, which is used by trade commissioners abroad to promote your company's capabilities to foreign buyers. Fax your request for a registration form to 1-800-667-3802 or (613) 944-1078. Or call 1-800-551-4946 (613-944-4946 from the National Capital Region).



During the first leg of his tour of Canadian cities last month, Minister for International Trade Pierre S. Pettigrew addressed hundreds of business people on the importance of trade to Canada. He encouraged more companies to engage in export-

He encouraged Canadian companies, particularly small- and medium-sized enterprises, to enter international markets and to call upon the Trade Commissioner Service for assistance, adding that speed and quality, not size or volume, are the determining fac-

International Trade Minister Pettigrew Talking Trade

ing with the help of the Department of Foreign Affairs and International Trade's Trade Commissioner Service and invited them to join him on his upcoming trade missions.

Canada: A Great Trading Nation

"Over the past decade, Canada has emerged as one of the greatest trading nations in the world. We export

tors in a company's success abroad. In fact, 70 percent of Canadian exporters have sales of less than \$1 million.

The Minister described the importance of international trade to Canadian communities and challenged business people to be more outspoken about the benefits of international trade. "After all, more than 43 percent of Canada's GDP is



VANCOUVER

Minister Pettigrew tours Mainframe Entertainment accompanied by Mairi Welman, Director of Communications. Vancouver-based Mainframe is a world leader in computer-generated imagery (CGI) animation and a producer of children's cartoons such as *Weird-Ohs*, *ReBoot* and *Beast Wars*.

more, proportionally, than the United States or Japan. Our goods and services enjoy an excellent reputation around the world," said the Minister.

linked to trade. More than 80 percent of the jobs created since 1993 are due to Canada's progress in exports. Exports will increase 10 percent this year, making it half of Canada's output."



SHERBROOKE

The Minister visits Les Pliages Apaulo Inc. accompanied by its president, Monique Compagna, who is also president of *FuturAlia 2000* and *Estrie International 2007 Inc.* Les Pliages Apaulo specializes in turned wood components for furniture.

Trade Commissioners: An Asset

In talking to business audiences in Montreal, Winnipeg, Calgary, Vancouver, Sherbrooke and Mississauga, Minister Pettigrew explained how the Canadian Trade Commissioner Service can help them succeed in foreign markets.

He was accompanied by 12 trade commissioners from Latin America, Europe and the United States on his cross-country tour. "These officers are business professionals," said the Minister while introducing the trade commissioners. "Canadian companies should tap into this invaluable net-

TRADE NEWS

work of partners that they have in the field, a network of more than 530 trade officers in more than 130 offices around the world."

ating jobs and growth in Canada.

The trade missions include:

- AUSTRALIA—May 30 to June 2
- RUSSIA—June 28 to 30

- CZECH REPUBLIC, SLOVAKIA, HUNGARY and SLOVENIA—September 11 to 15
- ALGERIA, MOROCCO and SPAIN—October 10 to 20



WINNIPEG

Minister Pettigrew and MaryAnn Mihychuck, Manitoba's Minister of Industry, Trade and Mines, during the renewal of the Canada-Manitoba Agreement on Co-operation in International Business Development.

Upcoming Trade Missions Abroad

The Minister also announced that he will lead a number of trade missions in the upcoming year and invited



CALGARY

Minister Pettigrew meets Don Rutherford, Chair, International Business Committee, the Calgary Chamber of Commerce and President, Culture Connect.



BURLINGTON

Minister Pettigrew tours CRS Robotics in Burlington with Trevor Jones, Chief Technical Officer.

Canadian companies to participate. These trade missions are an important component of Canada's international business development efforts to increase trade and investment, cre-



MONTREAL

Gérald A. Ponton, President and Director General of the Alliance of Manufacturers & Exporters of Quebec, exchanges a few words with Minister Pettigrew at a luncheon co-sponsored by the Alliance.

"Rapid urbanization in developing countries is a challenge and opportunity that Canada should not ignore." This statement was made by Prime Minister Chrétien in April 1999, following the publication of a report by the National Round Table on the Environment and the Economy (NRTEE) and its proposal for a Sustainable Cities Initiative (SCI).

jects in these countries. They bring together a broad range of experts in urban development, transportation systems, waste management, energy, and urban design.

SCI and China

Chosen among six "finalists", the city of Qingdao on mainland China's east coast has shown itself to be a city

The focus of these MOUs are: heritage preservation, cleaner production, environmental industry development and sustainable development (SD) capacity building. In addition, the SCI city team is developing a sustainable forestry interpretation centre to raise awareness and promote education for citizens, schools and tourists on the importance of SD practices. The centre will exhibit tree species and forest ecosystems and demonstrate the role of pesticides, herbicides and biotechnology.

Two workshops have been held in Qingdao since its selection as an SCI pilot in June 1999. Both workshops enjoyed the active participation of Canadian companies and NGOs as well as several Canadian government departments. Qingdao officials have also travelled to Canada to see first hand how our cities manage their sustainable development using homegrown solutions.

A roadmap has been developed for Qingdao, as well as the two other pilot cities, in areas such as environment, transportation, energy, housing, capacity building and telecommunications. This roadmap provides a holistic approach to co-operating with the city of Qingdao in making it more sustainable and livable for the benefit of its citizens through the use of Canadian expertise and technologies.

In the words of Prime Minister Chrétien, "governments should offer their support to Canadian industry to help them take advantage of these opportunities, which improve both the global and local environment and also benefit the Canadian economy."

For more information on the Sustainable Cities Initiative and China, contact Derek Yue, Environment Affairs, Industry Canada, tel.: (416) 973-5159, fax: (416) 973-5131, e-mail: yue.derek@ic.gc.ca or Marcel R. Belec, China and Mongolia Division, DFAIT, tel.: (613) 995-6962, fax: (613) 943-1068, e-mail: marcel.belec@dfait-maeci.gc.ca ✪

China and the Sustainable Cities Initiative



In order to implement the Government's response, the Department of Foreign Affairs and International Trade (DFAIT) and Industry Canada (IC) have collaborated to put together teams for the three cities — one each in Poland, Brazil and China — chosen under the first SCI pilot projects.

This joint initiative, under the guidance of IC and in close co-operation with DFAIT and its missions abroad, is proving once again that Canada is a pacesetter in environmental technologies and that our companies are respected leaders in their fields.

Teams comprised of government officials, private sector companies and non-governmental organizations (NGOs) are now collaborating to identify issues and potential long-term sustainable solutions in each of the three cities which have shown interest and an openness to this new approach.

Sixty-six private sector companies and 16 NGOs, including the International Centre for Sustainable Cities (ICSC), are playing an important role in the identification of SCI pro-

willing to enhance the sustainability of its economic development with the goal of helping its citizens to improve their quality of life without compromising their future.

Qingdao is a mid-size city (there are approximately 6.8 million residents in greater Qingdao), known worldwide for its namesake beer, and has already attracted considerable Canadian investment with the establishment of the Bombardier-Sifang joint venture to build a variety of rail cars.

As well, another Canadian company, **Fulton Windows**, has just completed an office tower project in the centre of the city. SCI hopes to add to these already strong links.

MOUs signed

A Memorandum of Understanding (MOU) was signed last November between Qingdao, IC and DFAIT agreeing to continue to strengthen existing bilateral co-operation on a broad array of SCI-related issues. A Heritage Preservation Co-operation MOU was signed between Qingdao and ICSC in January of this year.

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

IRELAND — Topographical Services
— Notice received from the Canadian Embassy in Dublin: Several counties in Ireland are seeking topographical services for the upgrading of the National Routes N7 between IRL-Portaoise and IRL-Limerick and N8 between IRL-Portaoise and IRL-Mitchelstown. The services include: photo mosaics, rectified mosaics (rectified to I.N.G.), ortho-photography, topographical surveys, mapping of topographical details (digital terrain modelling) and ani-

mated computer modelling. All submissions of expression of interest must be addressed to the Contract Co-ordinator. Closing date: **June 28, 2000**. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000412-01464. For details: www.iboc.gc.ca/webleads.asp?id=252en

KOREA — Consulting Engineers for Urban Entertainment Complex
— Notice received from the Canadian Embassy in Seoul: A corporation plans to develop a large piece of land in Pusan (Korea's second largest city) into an area devoted to entertainment, housing and high-tech businesses. With income levels growing and increasing amounts of leisure time, South Koreans are avid consumers of new forms of entertainment. Requests for proposals for the development of Phase 1 of the project is imminent. Phase 1: construction of the Urban Entertainment Complex (UEC) which would combine cinemas (commercial and IMAX), shops, restaurants, hotels and other elements. Interested companies are expected to build, own and operate the UEC. Closing date: **June 26, 2000**. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000411-01442. For details: www.iboc.gc.ca/webleads.asp?id=247en

ETHIOPIA — Management Contract for the Finchaa Sugar Enterprise
— Notice received from the Canadian

Embassy in Addis Ababa: The Ethiopian Privatization Agency has issued an invitation to bid on a management contract for the Finchaa Sugar Enterprise (government owned). Bid objective: to provide a three- to five-year management contract to an experienced contractor who has a demonstrated track record and who will take over full responsibility and accountability for the management of the enterprise. Bid documents are available from the Ethiopian Privatization Agency at a (non-refundable) cost of Birr 1000 (US\$125). Closing date: **July 10, 2000** (quote bid notice no. 04/1999-2000 in your correspondence). Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000414-01499. For details: www.iboc.gc.ca/webleads.asp?id=255en

KAZAKHSTAN — Track Maintenance
— Notice received from the Canadian Embassy in Kazakhstan: the state enterprise Kazakhstan Temir Zholy (Kazakhstan Railways) has been granted a loan from the European Bank for Reconstruction and Development for a project to finance part of its overall restructuring and commercialization program. Goods and services to be procured: heavy track maintenance machines, mechanical sleeper replacement equipment, light track maintenance machines, diagnostic equipment and rail grinding and reprofiling machines. Tendering for the contract is expected to begin in the second quarter of 2000. Closing date: **June 30, 2000**. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000406-01363. For details: www.iboc.gc.ca/webleads.asp?id=234en

IBOC trade opportunities — find out more at www.iboc.gc.ca *



Quick Facts

Since it opened in 1995, IBOC has contacted more than 25,000 Canadian companies and has responded to more than 16,000 inquiries from foreign buyers.

Thanks to IBOC, more than 8,500 Canadian firms have been in contact with foreign buyers.

IBOC's sourcing experts use a variety of databases as well as a large network of business contacts across the country to identify Canadian companies of all sizes.

IBOC is jointly operated by the Department of Foreign Affairs and International Trade and Industry Canada, with special co-operation from Agriculture and Agri-Food Canada. It is the sourcing centre for Team Canada Inc.

Canada's Aerospace and Defence Team Gearing Up

Farnborough International 2000

FARNBOROUGH, U.K. — July 24-30, 2000 — Farnborough International 2000 (FI2000), one of the premier international trade events for the global aerospace industry, is fast approaching.

The event attracts a broad spectrum of companies offering aerospace-related equipment and services, and is a key trade show for any export-oriented Canadian aerospace company. Last year, FI1998 attracted more than 170,000 visitors; 50 countries were represented by official delegations and more than 1,300 companies exhibited from 32 countries.

The Department of Foreign Affairs and International Trade's (DFAIT) Trade Commissioner Service is working in close collaboration with various Trade Team Canada stakeholders to support small- and medium-sized

enterprise (SME) partnering initiatives at this event. The "Farnborough Team" includes DFAIT, Industry Canada (Aerospace and Defence Branch), the Ontario and Quebec governments, the Aerospace Industries Association of Canada (AIAC), and numerous provincial aerospace associations.

Through partnership with its counterparts in the British Department of Trade and Industry (DTI) and the Society of British Aerospace Companies (SBAC), the Team is working to:

- prepare detailed profiles of U.K. and aerospace companies of interest to Canadian companies participating in FI2000 and identify potential partnering/investment opportunities;
- provide U.K. companies with detailed profiles of Canadian companies attending FI2000;

- arrange partnering/matchmaking events between participating Canadian and U.K. companies;
- arrange exhibiting space for Canadian aerospace SMEs interested in displaying at FI2000; and
- develop communications with U.K. companies and customers regarding their requirements.

For more information on the Farnborough 2000 initiative, contact Sylvia Cesaratto, Trade Commissioner, Canadian High Commission in London, tel.: (011-44-20) 7258-6610, e-mail: sylvia.cesaratto@dfait-maeci.gc.ca or Jeff Rochon, Aerospace and Defence Branch, Industry Canada, tel.: (613) 954-3400, e-mail: rochon.jeff@ic.gc.ca

For more information on this sector, check *The Aerospace and Defence Market in the United Kingdom* — a comprehensive market report jointly prepared by the Trade Commissioner Service's Market Research Centre, DFAIT, and the Canadian High Commission in London — at www.infoexport.gc.ca Reports on other European aerospace markets are also available at this Web address. ★

Canadian Trade Commissioner Service featured at Calgary's Oil and Gas Summit

CALGARY, ALBERTA — June 11-15, 2000 — Calgary will host both the World Petroleum Congress (WPC) and the National Petroleum Show (NPS). At the Congress, 3,000-4,000 senior decision makers from around the world will discuss broad issues and progress in specific areas of the oil and gas industry. The NPS is the largest show in the world for the petroleum industry and will attract over 1,400 exhibitors.

For general information on the WPC and NPS, visit their Web sites at www.wpc2000.com and www.petroilshow.com

Members of Canada's Trade Commissioner Service (TCS) from various international markets will be present at both the WPC and NPS. Experts in the oil and gas sector, they will be

accompanied by foreign business representatives and will be available to meet with Canadian companies interested in doing business abroad. Trade commissioners find global opportunities for Canadian companies, and Canadian products and services for international decision makers.

Meet with TCS representatives at the WPC at the Team Canada booth in Canada Court in the Global Business Opportunities Centre and at the NPS booth in the Alberta International Business Centre.

For more information, contact Ken Cumming, Trade Commissioner, Market Support Branch, Department of Foreign Affairs and International Trade, tel.: (613) 944-0117, e-mail: kenneth.cumming@dfait-maeci.gc.ca ★

LARGE INDIAN OIL AND GAS DELEGATION AT NPS

The oil and gas sector is a priority area of focus for increased trade relations between Canada and India. To assist in realizing this goal, the Canadian High Commission in New Delhi and the Canadian Consulate General in Mumbai are organizing a 30-member high-level Indian business mission to the NPS which will include the Minister for Petroleum and Natural Gas and senior executives from the leading Indian oil and gas companies.

The program will include visits to the show, individual follow-up meetings in areas of specific interest, a reception on June 13 at the NPS, and other networking events. ★

World's First Virtual Trade Mission

New Site Helps Participants Prepare for Trade Missions On-line

A new interactive Web site to help participants prepare for trade missions will become a significant resource for many Department of Foreign Affairs and International Trade (DFAIT) supported trade missions abroad when it is piloted as part of a multisectoral trade mission to Greece, May 15-19, 2000.

The On-line Trade Mission site is based conceptually on a private sector initiative known as the Virtual Trade Mission (VTM). Annette O'Shea Roche, President of WISE Business Management, was an integral part of the VTM development team. According to Roche, it normally takes two to three visits to a target market to seal a deal (approximately \$20,000-\$30,000 and 8-12 weeks) — an enormous outlay of time and money that many small- and medium-sized enterprises are unable to afford.

"Through the virtual trade mission concept, however, we were able to break down both time and space barriers." Collectively, participants spent some 60 days on-line before setting out on a trade mission to Malaysia and Singapore. "The results speak for themselves," says Roche. "Eight Canadian women entrepreneurs signed

17 contracts — real deals where cheques were exchanged — the most number of deals per participant of any Canadian trade mission ever held."

"With the input of experienced trade commissioners and commercial officers, and using government information and communication resources, we adapted the VTM concept to create the On-line Trade Mission (OLTM)," says Douglas Holland of DFAIT's Export Services for Small and Medium-Sized Enterprises Division.

Since the development of the first prototype of the OLTM, it has been developed and tested on the New Exporters to South America (NEXSA) Mission to Argentina in November 1999 and the Housing and Infrastructure Construction Mission to Turkey in February 2000.

Based on a survey of participants in the Turkey mission, those who visited the Web site prior to the mission found it to be very useful, especially the access to market reports, participant profiles and information on business culture in Turkey.

The Web site is designed to ensure a timely flow of information to and from trade mission participants. It will give interested companies easy, one-

stop, on-line access to an overview of the planned program and relevant information resources. Through the site, they can access a description of the mission program, market reports, advice on doing business in the host country, and a way to contact the International Trade Centre or the geographic bureau responsible for the mission to make enquiries or apply to register in the mission.

Once registered, participants will be able to access additional information specific to the mission, including a detailed calendar of activities and events, hotel information and profiles of other mission delegates and officials. They will also have access to a pre-mission training package and gain entry to a bulletin board on which they can post and respond to notices, enabling them to easily communicate with those responsible for making appointments during the mission.

According to Loreta Giannetti, one of the organizers of the Turkey mission, the OLTM greatly reduced the workload for DFAIT. "We had only four weeks to organize a ministerial mission with 20 companies and representatives from the Canadian International Development Agency. Through the Web site we were able to clarify responsibilities between headquarters and the mission much faster and more efficiently."

Publicly accessible areas of the On-line Trade Mission can be viewed at <http://infoexport.gc.ca/mission> *

Building on Opportunity in Japan

The seminar series, "Building on Opportunity in Japan," organized by the Canadian Mortgage and Housing Corporation (CMHC) and Natural Resources Canada, will be presented in May and June in cities across Canada.

This series will prepare participants to meet the challenges and take advantage of the opportunities as the Japanese housing market begins to rebound.

Japan is one of the largest housing markets in the world and Canada's second largest housing export market. Canadian wood frame housing and related products are well suited to Japanese housing needs. The seminars will provide the latest market intelligence on Japan's growing housing market, market trends, and which niche markets to pursue.

Seminar topics include:

- current and long-term housing market forecasts;
- growing opportunities such as seniors housing and the renovation market;
- comparisons of Canadian and Japanese housing practices and building codes and standards; and
- Canadian products with the greatest export potential and those that require adaptation for Japan.

Continued on page 16 - Opportunities

GlobeTech@Greater Washington 2000

The Canadian Advanced Technology Alliance (CATA), Canada's premier technology business organization, will hold its annual trade and investment conference in Washington, D.C.,

June 5-7. **GlobeTech@Greater Washington 2000** is being launched with the help of an unprecedented coalition of technology organizations in Northern Virginia, Maryland and the District of Columbia, and will be co-ordinated by the Greater Washington Initiative. The conference is designed to assist companies in boosting exports, arranging global partnering and securing strategic investments, and will bring together CEOs from the most important technology companies in the United States and Canada, as well as government leaders and venture capitalists. **GlobeTech@Greater Washington 2000** will be held in

CATA Alliance

Tysons Corners, Northern Virginia, a region that forms one of the largest Internet and e-commerce technology clusters in the U.S.

Conference participants will have ample opportunities to network with firms situated in this major North American corridor for technology deal making, partnering and investment.

During the event, a pair of companies, one Canadian, one American, will be singled out to receive the North American Technology Partnership Award in recognition of their outstanding track record of success forged together through joint venture or strategic alliance. As well, the Canadian Embassy in Washington is organizing a one-day EXTUS (formerly NEBS Plus) mission on June 5, 2000. EXTUS@GlobeTech 2000 will be an intensive one-day workshop provid-

ing export-ready Canadian firms in the IT sector (particularly those interested in civilian and defence Internet and e-commerce opportunities) with specific information and networking opportunities with U.S. small businesses in order to participate in this more than US\$200 billion market. Participation in the EXTUS mission is free for qualifying companies as long as they register for CATA's **GlobeTech @Greater Washington** (a discount rate applies).

For information on **GlobeTech@Greater Washington 2000**, contact Jim LeBlanc, CATA Alliance, tel.: (703) 799-2935, e-mail: jleblanc@ix.netcom or Rick Morris, S&H/LeBlanc International, tel.: (703) 683-8512, e-mail: Rmorris@smithharroff.com

Registration on-line: www.cata.ca/globetech/index_register.html

For more information on the EXTUS mission, contact Gerard Brathwaite-Sturgeon, tel.: (202) 682-7746, e-mail: gerard.brathwaite-sturgeon@dfait-maeci.gc.ca

Opportunities in Japan

— Continued from page 15

The schedule for the seminar series is as follows: Halifax — May 25, Moncton — May 26, Calgary — May 30, Edmonton — May 31, Ottawa — June 2, Toronto — June 6, Montreal — June 8.

For more information or to register, contact Nellie Cheng, CMHC, tel.: (604) 666-8064, e-mail: ncheng@cmhc-schl.gc.ca

Massload Technologies

— Continued from page 2

There is just not enough time during the mission to build everything up from scratch." This advice comes from an experienced man who also participated in the 1997 Team Canada trip to Asia-Pacific.

With a strong sense of confidence that enables the company to make things happen, the perseverance to implement stringent quality standards for its products and a strategic

alliance with Team Canada, "heavy-weight" Massload Technologies definitely has the long-term perspective which distinguishes successful from unsuccessful firms.

For more information, contact Bill Elliott, President, Massload Technologies, tel.: (306) 242-2020, tel.: 1-800-667-3825 (Canada & U.S.A.), fax: (306) 931-1991, Internet: www.massload.com

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling **1-800-267-8376** (Ottawa region: **944-4000**) or by fax at **(613) 996-9709**; by calling the Enquiries Service FaxLink (from a fax machine) at **(613) 944-4500**; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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Linking East and West, Southeast Asia Hub of Asia-Pacific Market

It's time to reconsider Southeast Asia! The region is well on its way to recovering from the Asian economic crisis of 1997. Individual economies are moving forward, each expecting to record positive gross domestic product (GDP) growth this year. In fact, all but Indonesia had positive growth in 1999, while in 2000, the Philippines, Thailand, Malaysia and Singapore will see their economies grow faster than Canada's. Canadian companies that have neglected this marketplace because of economic uncertainties now need to take a long hard look at the potential in this region.

Southeast Asia consists of the 10 countries making up the Association of South East Asian Nations (ASEAN) — Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam. With a land mass of 4.5 million square kilometres, about half that of Canada's, and a population of 525 million, Southeast Asia has significant natural resources (tin, copper, petroleum, timber, rubber, palm oil), a strong agricultural base and, since the 1970s, a rapidly expanding industrial and manufacturing sector. There is demand for virtually all types of Canadian goods and services, reflecting the different stages of economic development throughout the region — from sophisticated technology in Singapore to basic infrastructure development in Cambodia and Laos.

Canada has a strong presence in the region through a variety of programs: immigration, culture, education, development and technical assistance. It has links to Malaysia, Singapore

and Brunei through the Commonwealth, and like Canada, Vietnam, Laos and Cambodia are members of La Francophonie.

Canadian trade offices are located in embassies, high commissions and consulates in nine Southeast Asian cities — Bandar Seri Begawan, Bangkok, Hanoi, Ho Chi Minh, Jakarta, Kuala Lumpur, Manila, Phnom Penh and Singapore.

Canada is viewed as a favourable trading partner by Asians, with total two-way trade for 1999 exceeding \$9 billion.

However, there is a surplus in Asia's favour: Canada's exports accounted for about \$2 billion, while imports totalled \$7 billion.

This supplement is intended to underscore the re-emergence of the Southeast Asian marketplace for the Canadian export community in order to expand the range and volume of Canadian exports into the region.

For further information, contact the Southeast Asia Division, DFAIT, tel.: (613) 995-6877; fax (613) 944-1604.

Prepared by the Southeast Asia Division

Department of Foreign Affairs and International Trade

Ministère des Affaires étrangères et du Commerce international

Canada

Asian Development Bank a Valuable Partner

With headquarters in Manila, the Asian Development Bank (ADB) is an international financial institution (IFI) which, during the last 30 years, has supported regional development in the Asia-Pacific region. In 1999, the Bank extended loan and grant assistance to its 35 developing member countries, totalling almost \$7.3 billion.

ADB projects provide excellent business opportunities for suppliers of goods, equipment and services as well as for contractors and consultants. Most of these opportunities are linked to either grant-funded technical assistance (\$265.4 million in 1999) or loan-funded procurement contracts (\$7 billion in 1999). Additional opportunities and commercial benefits can also be derived from the Bank's involvement in co-financing arrangements with bilateral, multilateral and commercial financiers such as the Canadian International Development Agency (CIDA) and the Export Development Corporation (EDC), or through the ADB's financial participation in private-sector projects.

Canada continues to enjoy considerable success at the ADB, particularly in winning consulting services contracts, and also with its co-financing and private-sector operations, which offer potential for Canadian commercial interests. This success cuts across a wide variety of sectors including energy, transportation, communications, social infrastructure, health, education and environment. NOVA Gas International, Tecscult, Association of Community Colleges of Canada, SR Telecom, Cowater, Acres, Agrodev, SNC-Lavalin, EDC and la Caisse de depot et de placement du Quebec, among many others, illustrate the diversity of Canadian players that have contributed to Canada's commercial presence at the Bank.

The comprehensive and user-friendly ADB Web site (www.adb.org) is the best means of tracking upcoming opportunities. Particular attention should be given to *Business Opportunities* (approved, proposed projects) and *Country Assistance Plan* (Appendix 4 includes a three-year pipeline of projects). As an alternative to the Internet, the Bank also publishes the monthly *ADB Business Opportunities* newsletter.

The most important marketing objective for firms and consultants interested in pursuing ADB opportunities is building "top-of-mind" awareness among Bank staff (and member country executing agencies on loans projects), preferably through regular visits to the Bank or the countries themselves. Regional experience is also a key factor.

More detailed information and useful business tips can be found in two Department of Foreign Affairs and International Trade (DFAIT) documents: *Canada and the ADB: Winning Grant Funded Technical Assistance Contracts* and *Canada and the ADB: Winning Loan Funded Procurement Contracts*, which are available at www.dfait-maeci.gc.ca/ifinet under *Business Guides*.

Additional support and assistance can be obtained from the ADB Liaison Office at the Canadian Embassy in Manila, e-mail: pierre.delorme@dfait-maeci.gc.ca, fax: (632) 810-1699, tel.: (632) 867-0001, and from the Office of the Executive Director for Canada at the ADB, e-mail: jpayne@adb.org, fax: (632) 636-2048, tel.: (632) 632-6060.

Indonesia's Economic Turnaround

Indonesia's economy has begun to turn around with retail sales and exports leading the way. Inflation remains in the single digits and interest rates are at historical lows. This year, the economy is expected to grow 4 per cent, and 4 to 6 per cent in the years ahead. While this is still lower than in the pre-1997 years, it is widely believed to be more sustainable. With a population of over 200 million, two thirds living on the island of Java, Indonesia is an important emerging market for Canadian exporters.

It is also, however, a challenging market that promises great potential for firms willing to make the commitment. The rule of law is not well established in Indonesia and firms should be prepared to accept higher legal risks than in Canada. The key for Canadian suppliers is to identify how payments will be made for each sale.

Areas of Opportunity

Natural Resources

As one of Asia's few energy exporters and Asia's only OPEC (Organization of Petroleum Exporting Countries) member, Indonesia's economy benefits from a solid foundation in the energy sector, complemented by considerable mineral reserves. Over the past three decades, several large Canadian firms have made multibillion-dollar investments in Indonesia's mining and energy sectors. These firms, including INCO and Gulf Canada, ease entry for small and medium-sized Canadian goods and services providers looking to break into the Indonesian market. In addition, all the major oil and gas upstream multinational firms are active in the country.

Power Equipment & Services

Indonesia is a key market for Canadian power equipment and services providers. Although in the midst of a significant restructuring on the island of Java, there are important pockets of growth off Java, including the resource-rich regions of Sumatra, Sulawesi and Kalimantan.

Environmental Industries

This is a rapidly growing sector for Canadian firms. With abundant natural resources that parallel Canada's, Indonesia requires sophisticated environmental technologies and equipment to meet higher domestic standards as well as to protect its own reputation internationally. Several small Canadian suppliers are already making inroads into this

market because of Canada's well-established reputation.

Canora (Asia) Inc. (Calgary), an incorporated consortium of Canadian environmental engineering and resource management firms, in association with local Indonesian firm PT Pusat Pengembangan Agribisnis, recently won a contract to execute the monitoring, control and surveillance component of the Coastal Community Fisheries Project. The project is jointly funded by the Government of Indonesia and a loan from the Asian Development Bank. This two-year project commenced in March 2000 at an initial budget of \$1.16 million.

Agriculture, Food & Beverages

In the past few years agri-food products accounted for 40 to 45 per cent of total Canadian exports to Indonesia. Of this, wheat accounted for 90 to 96 per cent. In 1999, however, soybean exports increased far above recent levels. Other opportunities in Indonesia include food safety, fertilizers, crop enhancement and diversification, livestock feed, biotechnology, beef and dairy cattle breeding, poultry, post-harvest technology, storage, canning, and food distribution and co-operatives.

Indonesia (1999)
 Capital: Jakarta
 Population: 210 million
 Urbanization: 38.5%
 GDP: \$181.25 billion (1998)
 Economy: agriculture (16%), industry (43%), services (41%)
 Total Exports: \$72.8 billion Total Imports: \$64 billion
 Exports to Canada: \$865.1 million
 Imports from Canada: \$543.1 million

Opportunities on the Rise in Malaysia

The Malaysian economy is well on its way to a strong and full recovery, with 8.1-per-cent growth in the third quarter of 1999, and an anticipated 5 per cent this year. A further sign of recovery is the resurgence

of the Kuala Lumpur Stock Exchange Index, which rose to 900 from a low of 265 a few years ago.

These factors all point to renewed opportunities for Canadian companies in this tropical country of 22 million people located at the heart of Southeast Asia, which is blessed with an abundance of natural resources such as palm oil, timber, tin, rubber, oil and gas.

Areas of Opportunity

Agriculture, Food & Beverages

Malaysia has to import substantial amounts of a number of agri-food commodities, particularly soybeans, wheat, barley malt, peas, beans and dairy products. In addition, the country's expanding network of supermarket chains has resulted in a rapidly growing demand for Canadian grocery products and processed foods of all types.

Canadian agri-food exporters have traditionally enjoyed great success in Malaysia with sales of soybeans, wheat and malt barley as well as grocery and consumer products through supermarkets. Canadian fast food franchises such as Saint Cinnamon, with five outlets in leading shopping malls, have recently established a significant presence in Malaysia.

Information & Communication Technologies (ICT)

The fast-growing ICT sector has opened the door to a number of promising fields such as Internet enhancement and e-commerce products and services as well as multimedia applications. Advances in mobile and wireless communications add to this plethora of new opportunities.

Successes in the ICT sector are happening almost daily — the two most recent being the sale of the Virtual City Hall concept by SRI Strategic Resources Inc. (Burnaby, B.C.) to the North Malaysia city of Ipoh, and the launching of a Canadian-led joint venture known as Backpack Asia Sdn Bhd., an interactive Web site for budget travellers in 14 Asian countries.

Malaysia (1998)
 Capital: Kuala Lumpur
 Population: 22.2 million
 Urbanization: 56%
 GDP: \$104.11 billion (1998)
 Economy: agriculture (14%), industry (45%), services (41%)
 Total Exports: \$104.2 billion Total Imports: \$78.7 billion
 Exports to Canada: \$2,056.8 million
 Imports from Canada: \$414.9 million

Environmental Industries

Malaysia's industrial development has taken a toll on its environment, and large-scale clean-up and rehabilitation programs are being introduced in order to restore air, water and soil.

Canadian environmental companies have the expertise that Malaysia needs for these programs. One example is the Ontario-based Cryo-Lines Supplies Inc., which has successfully marketed the "Blue Bottle" technology, which allows for the "green" recycling of CFCs and other ozone-depleting substances found in air-conditioning systems.

Singapore Remains Prosperous

Since independence over three decades ago, Singapore has grown into a technological leader with a per-capita GNP of \$33,000 (1998), and one of the highest standards of living in the world.

Singapore has not been severely hurt by the recent Asian economic crisis. The Economist Intelligence Unit projects 8.4-per-cent growth for Singapore this year, making it the fastest-growing economy in Asia and the third fastest in the world. The manufacturing sector leads growth, expanding on the back of a strong upturn in electronics and higher output of pharmaceutical and petrochemical products. Consequently, unemployment, which peaked at 4.5 per cent in the third quarter of 1998, eased to 3.3 per cent in June 1999. Meanwhile, the deflationary cycle was also halted when the consumer price index went up by 0.1 per cent in May 1999, after 11 consecutive months of decline.

Singapore (1999)
 Capital: Singapore
 Population: 3.2 million
 Urbanization: 100%
 GDP: \$122.5 billion (1998)
 Economy: industry (28%), services (72%)
 Total Exports: \$159 billion Total Imports: \$147.5 billion
 Exports to Canada: \$1,252.2 million
 Imports from Canada: \$367.3 million

Singapore is dependent on foreign trade. It levies minimal import duties and has no significant non-tariff trade barriers. The country's role as a regional commercial hub is underscored by the fact that 40 per cent of Singapore's total imports are re-exported.

Areas of Opportunity

Information & Communication Technologies (ICT)

The Singapore government aims to enhance competitiveness in key economic sectors through strong ICT development. It envisions all households, governments and businesses linked together, creating "an intelligent island." As a result of the ICT21 Master Plan, ICT sales and investment opportunities are likely to increase substantially.

Canadian ICT companies have already achieved an impressive string of successes in Singapore. In December 1999, TimeStep, a subsidiary of Newbridge Networks (Kanata, ON), secured two contracts worth \$10 million to supply secure Internet Protocol Virtual Private Network systems. Newbridge was also awarded a contract valued at over \$35 million by Singapore Telecom to supply advanced asynchronous transfer mode and time division multiplexing systems for the construction of a high-performance, flexible, broadband multiservice network.

In November 1999, Montreal multimedia and entertainment companies, Enzyme Digital and Icestorm Digital, and a Singapore company, Dreamation, announced a \$22.8-million joint venture to produce a cutting-edge computer game incorporating advanced animation technology and artificial intelligence.

Environmental Industries

Singapore has placed a high priority on environmental protection and on promoting its reputation as "Asia's Garden City." Several major projects are planned, including the Deep Tunnel Sewerage System, as well as the construction of waste water treatment and solid waste incineration plants.

Agriculture, Food & Beverages

A land-scarce nation with no natural resources, Singapore's total food and beverage imports exceeded \$6 billion in 1998. Opportunities exist for quality, value-added processed food products, healthy snack foods and a wide variety of high-end seafood products.

Construction

The Singapore construction industry is predicting strong growth, which will offer opportunities to Canadian construction manufacturers and suppliers in a variety of areas, including underground electrical and optical cabling, infrastructure refurbishing, school construction, airport expansion and enhancement, building materials, construction technology and pre-cast construction.

Reform Sustains Growth in Thailand

After two difficult years, Thailand's economy is on the road to recovery, with GDP expanding by 4 per cent in 1999. The economy should perform well in 2000 as well, with most public and private-sector forecasters expecting continued growth over 4 per cent.

The Thai government has wisely used the International Monetary Fund (IMF) program to undertake structural reforms that will continue to sustain economic growth. These measures have also had encouraging short-term results, leading to a stable macro-economic situation: the currency exchange rate has held steady for over 18 months, inflation and interest rates are low, unemployment is declining and production, consumption and

investment are all moving upwards.

Thailand is not completely "out of the woods" yet, as the level of non-performing loans in the financial sector remains high, which is hampering the banks' capacity to finance investment. Observers, however, are confident that the worst is over, particularly in light of the international praise Thailand has received for its market-oriented policies.

Areas of Opportunity

Environmental Industries

Thailand's requirements for environmental technologies are considerable as it struggles with the effects of rapid industrialization and the emergence of a new environmental awareness. Over the next five to six years, it is estimated that environmental infrastructure projects will reach \$20 billion. Canadian firms should look strategically at Thailand, particularly in areas such as tourism, clean technologies, consulting and engineering, air pollution control, and solid waste and waste water treatment.

Information & Communication Technologies (ICT)

Thailand places great importance on the development of a national ICT infrastructure. Initiatives have included an expanded *Copyright Law* in 1994, and the scheduled privatization of a number of telecom firms. The country's major urban centres have a well-developed ICT infrastructure, which requires advanced technologies from countries like Canada for continued expansion, while the countryside still has immense needs for basic telecom services.

A number of Canadian ICT companies have done well in Thailand in recent months, notably in Internet-based English-language training with eduverse.com (Vancouver), and software for business management and audit analysis with ACL Services (Vancouver). As well, Capital Alliance Group (Vancouver) has partnered with a major Thai ICT professional services provider.

Agriculture, Food & Beverages

Thailand's economic recovery has been greatly assisted by its exceptional agri-

Thailand (1999)

Capital: Bangkok
 Population: 61.5 million
 Urbanization: 21%
 GDP: \$59 billion (1998)
 Economy: agriculture (10%), industry (29%), services (61%)
 Total Exports: \$76.6 billion Total Imports: \$53.5 billion
 Exports to Canada: \$1,508.2 million
 Imports from Canada: \$300.5 million

food production and export performance. As the economy continues to recover there will be opportunities for value-added food and beverage products geared to the food service and retail markets, the sectors so badly affected by the crisis. The greatest short-term opportunity is the \$200-million animal feed ingredient import market for which tariff rates for canola meal and alfalfa products have been reduced to 5 per cent.

Oil & Gas

This is an important sector in Thailand and one where Canada has proven experience and expertise. As such, there are opportunities in the oil and gas sector including repair and maintenance services, natural gas distribution, and process control consulting services. Canadian companies have already become well established in this sector, with Cyntech (Calgary) securing a major contract for pipeline anchor systems, and Canadoil (Bécancour, QC) studying a manufacturing facility for pipeline fittings.

Power Equipment & Services

Similarly, as the economy recovers and demand increases, opportunities are again emerging for investment in new generating facilities as well as from longer-term plans to privatize energy resources. There is also interest in low-cost power production technology and environment protection solutions.

Aerospace & Defence

Thailand is poised to become a major aerospace centre, and although the recent economic downturn has reduced budgets, opportunities for Canadian companies remain strong. There is a

continuing need for helicopters by the Thai government and Armed Forces as well as for flight simulators.

Transportation Infrastructure

Thailand's rapid economic growth has placed considerable strain on its supporting infrastructure, particularly its transportation facilities, which will require substantial improvement. Bangkok is building a world-class public transport system, and a second international airport is also planned for the capital. As a result, Thailand offers opportunities to Canadian planners, consultants and equipment suppliers. For example, a contract worth several hundred million dollars was recently awarded to SNC-Lavalin (Vancouver) for the track work of Bangkok's Blue Line Subway Project.

The Philippines on the Road to Recovery

Commercial prospects for Canadian companies in the Philippines are promising. Growth is expected to be moderate but steady in the next few years. El Niño and, to a lesser extent, the Asian crisis caused the Philippine economy to shrink in 1998 — but only by 0.5 per cent. Recovery has already begun, but has been slow compared to countries like Thailand.

Agricultural production has recovered but some sectors — particularly construction and manufacturing — are still feeling the impact of the recession. Exports, however, which were key in minimizing the effects of the crisis, continue to show robust growth.

In many ways, the Philippines is in the early stages of development — and that, in itself, creates opportunities. The country needs new roads, trains and communications systems, and with its burgeoning urban population, it also needs new types of food and environmental technologies.

Many of these opportunities lie outside the capital, in the provincial centres, where growth far outstrips the national average.

Areas of Opportunity

Information & Communication Technologies (ICT)

The telecommunications equipment sector experienced dramatic growth after being liberalized in 1995. Now, the industry is rationalizing and there is tremendous movement in the market, with excess telephone capacities and tight competition. Telcos are reorganizing, redistributing their resources, relocating their equipment and making additional investments. Interest in e-commerce and value-added services will necessitate the expansion and modernization of network infrastructures to ensure high-speed broadband Internet access. Major Canadian players are already on the ground and there is room for more. For example, SR Telecom (Montreal) was recently awarded a \$145-million contract to supply and install microwave point-to-multipoint radio equipment for the Philippines' Municipal Telephone Project.

Under World Trade Organization (WTO) commitments, the Philippines has just removed customs duties from imported computers, parts and components, and there is a healthy demand for these products.

Automotive

Again, under WTO commitments, the Philippines plans to lift the ban on used car imports and the requirement for car assemblers to obtain at least 40 per cent of vehicle parts and components from local suppliers. There is renewed interest from foreign car manufacturers and spare parts makers, as evidenced by the opening of a Ford assembly plant outside Manila in 1999.

Agriculture, Food & Beverages

Filipinos have a taste for Western food, making the market for Canadians excellent. Demand for consumer-ready foodstuffs and for dining out is expected to increase as incomes grow and more women work outside the home. Already, 1999 saw record imports of Canadian frozen French fries, soups and broths, flour mixes and frozen doughs. The word on Canadian quality and pricing

The Philippines (1999)

Capital: Manila
 Population: 75.1 million
 Urbanization: 57%
 GDP: \$94.4 billion (1998)
 Economy: agriculture (22%), industry (32%), services (46%)
 Total Exports: \$50.8 billion Total Imports: \$44.6 billion
 Exports to Canada: \$1,043.8 million
 Imports from Canada: \$294.5 million

is spreading, and franchise opportunities are rapidly expanding.

Country Style Donuts Division of Maple Leaf Foods (Toronto) opened its first franchise outlet in 1997 and now has over 20 shops throughout Metro Manila, with more to come. As well, BeaverTails (Ottawa) just opened its second franchise outlet and also plans to open 20 more in the next five years. (See *CanadExport*, March 1, 2000, pg. 18.)

The Philippines' emphasis on agricultural development will lead to even stronger markets for products such as animal breeding stock and genetics, frozen pork, seeds, irrigation technology and food processing machinery. The market for products such as high-grade soybeans and alternative feed ingredients is just starting to be tapped.

Environmental Industries

The recent passage of the *Clean Air Act* is opening up possibilities for pollution abatement technologies aimed at stationary sources and motor vehicles. Legislation requiring improved water and sewage treatment is also expected, and these are areas in which Canadian companies have already had success.

Metro Manila and several other major cities are facing a waste disposal crisis — Manila alone needs to spend an estimated \$3.4 billion until the year 2015 to address the problem. There is considerable interest in sanitary landfill technologies.

Transportation Infrastructure

The government is looking at privatizing and expanding its mass rail transit systems, and is interested in Canadian capabilities. The Philippine National Railway wants to rehabilitate its

commuter and South line services. The country is virtually starting from scratch in these fields, so potential is great. Many regional airports are expanding, as is Manila's international airport, creating opportunities for design, construction and equipment.

Construction (Housing)

The need for low-cost housing is at crisis proportions and is one of the government's key priorities. It wants to build 1,000 housing units a day and is looking for innovative housing technologies that are inexpensive and easy to construct. One Canadian company already has large orders and others are on the ground, but there is still room for more.

Vietnam Moves toward Market Liberalization

Vietnam remains a centrally planned economy with limited market liberalization. Although the government recognizes the need to take concrete steps to open up its market, officials favour a more gradual transition.

This is a challenging market, with a high level of tariff and non-tariff protection. It also has a current account deficit, an underdeveloped financial sector and limited access to hard currency, all of which present obstacles for Canadian exporters. Consequently, business in Vietnam should be viewed as a long-term project. Nevertheless, this is a country with a large and young population which is very receptive to foreign products. There is a market for just about every type of Canadian commodity, given the right marketing and financing conditions.

Areas of Opportunity

Natural Resources

As a developing country, Vietnam requires considerable investment in its natural resources. The government's priorities are power generation and transmission: Vietnam is a member of the Mekong River

Commission and, as such, works with Laos, Cambodia and Thailand to fully utilize the river's power resources. Coal is also a major source of energy, along with oil and gas, which require better technology to maximize potential. Proposed legal changes should result in an improved business environment in mining (coal, potash and mineral deposits), forestry (including pulp and paper), and oil and gas.

Agriculture, Food & Beverages

The agri-food sector offers significant potential with value-added foods finding an ever-growing market in light of increased consumer purchasing power. There is potential in food processing and technologies as well as in animal breeding.

Capital Projects/Services

These areas also require considerable investment. Roads, rails, bridges and ports need to be refurbished, and houses, apartments and office buildings need to be constructed, all of which provide good prospects for Canadian companies.

Despite limited short-term potential, a number of Canadian companies have been successful in Vietnam. Applied Gaming Solutions (Calgary) introduced on-line lotteries to Vietnam; Manulife Financial (Toronto), in a joint venture with Taiwan's Chinfon, was the first wholly foreign-owned enterprise to be granted a licence to sell life insurance; GIT Informatique Inc. (Quebec) won a consulting contract to help revamp the banking system; and several Canadian mining companies are making progress in mineral exploration.

Vietnam (1999)

Capital: Hanoi
 Population: 78.1 million
 Urbanization: 20%
 GDP: \$39.4 billion (1998)
 Economy: agriculture (28%), industry (30%), services (42%)
 Total Exports: \$13.6 billion Total Imports: \$14.9 billion
 Exports to Canada: \$194.5 million
 Imports from Canada: \$47.6 million

Rising Oil Prices Spur Growth in Brunei

After nearly two years of economic difficulty, Brunei's economy is beginning to improve. Government projections now call for close to 1-per-cent growth this year, based primarily on rising oil prices. The oil and gas sector dominates Brunei's economy, contributing an estimated 51 per cent of GDP. It is the third-largest oil producer in Southeast Asia, and the second-largest producer of liquefied natural gas in the world.

The Brunei market is relatively small, but with one of the highest per-capita incomes in the world, and thus a market that Canadian businesses should not ignore. It is undergoing rapid modernization, with significant government spending on infrastructure development. As part of its economic recovery program, the Brunei government recently announced plans to provide approximately \$200 million to fund small and medium-sized projects.

Areas of Opportunity

Trade with Canada has been modest, but there is increasing activity by Canada in a number of sectors in Brunei. Major opportunities exist in oil and gas, environment, and in advanced technology products and services. As well, opportunities can be found in financial services, defence and security products, education, forestry, agriculture and agri-food, and information and communication technologies.

Canadian firms have made considerable inroads in the environmental services sector in Brunei. Inland Technologies Inc. (Truro, N.S.) and Canora-Brunei Environment Ltd. (Quebec City) signed a joint-venture agreement with Cathay Scientific Instrument Sdn. Bhd. for a long-term oily waste recovery program valued at over \$20 million.

Jacques Whitford Environment Limited, Envirosol Limited (Dartmouth, N.S.) and Inland Technologies, in partnership with Haji Adinin and Sons of Brunei, recently

Brunei (1999)

Capital: Bandar Seri Begawan
 Population: 323,600
 Urbanization: 71%
 GDP: \$7.03 billion (1998)
 Economy: agriculture (5%), industry (46%), services (49%)
 Total Exports: \$2.6 billion Total Imports: \$2.4 billion
 Exports to Canada: \$0.956 million
 Imports from Canada: \$2.943 million

signed a multimillion-dollar contract with Brunei Shell Petroleum Company Sdn. Bhd. (BSP) to recover petroleum sludge and drilling muds at BSP's crude oil production facilities.

Stability Key to Cambodia's Resurgence

In 1999, political stability in Cambodia fueled economic expansion. GDP growth rebounded to 4 per cent, and is expected to reach 5.5 per cent this year.

Current overall investment is approximately \$870 million, \$580 million of which is from private sources. Foreign aid and foreign direct investment finance 14 to 15 per cent of GDP. The IMF has approved Enhanced Structural Adjustment Facility funding of \$118.3 million over three years; the first phase of \$17 million having already been released. World Bank lending for Cambodia totalled \$109.1 million in fiscal year 1999.

Areas of Opportunity

Transportation Infrastructure

As a result of more than two decades of war and destruction, Cambodia's

transportation network has been severely damaged. The rehabilitation of the transportation network has begun, and it affords opportunities for Canadians.

Power Equipment & Services

Meeting Cambodia's power needs, particularly those of Phnom Penh, is regarded by the government as the country's most important priority. Augmenting the power supply will entail investing in generation, transmission and distribution systems. Cambodia, as a member of the Mekong River Commission, presents opportunities to Canadian firms in this sector. Opportunities also exist for Canadian companies in the exploration, and exploitation of oil and gas reserves in the Gulf of Thailand.

Environmental Industries

Cambodia's extensive renewable and natural resources have suffered in recent years. It has identified critical areas for immediate attention: forest management; Tonle Sap ecosystem biodiversity conservation; and coastal environmental programs.

Canadian companies have been very active in Cambodia's environmental initiatives. Hydro Quebec International/ Experco (Montreal) conducted a pre-feasibility study for a hydro power project on the Kamchay River; Resource Futures International (Ottawa) and Global Environment Consulting (Vancouver) were awarded an ADB grant to train staff from the Ministry of Environment to carry out environmental impact assessments.

Economic Recovery Slow in Laos

The Lao People's Democratic Republic is one of the world's poorest and least-developed countries. It is a one-party Socialist government, and remains highly dependent on IFIs and external assistance from international aid organizations and donors.

Cambodia (1999)

Capital: Phnom Penh
 Population: 11.4 million
 Urbanization: 22.5%
 GDP: \$4.13 billion (1998)
 Economy: agriculture (47%), industry (16%), services (37%)
 Total Exports: \$1.3 billion Total Imports: \$1.6 billion
 Exports to Canada: \$11.3 million
 Imports from Canada: \$2.1 million

Since 1985, Laos has been struggling to move away from a centrally planned economy to a more market-oriented one. It has undertaken limited privatization efforts while actively promoting international trade, and maintaining a relatively open foreign investment environment.

The 1997 Asian economic recession caused the value of the Laos currency, the *kip*, to depreciate to one-tenth of its pre-1997 value, while inflation soared to triple-digit heights. The currency remains extremely volatile.

While other regional economies are showing signs of economic recovery, Laos continues to experience severe macro-economic problems with the financial and banking sectors requiring major restructuring and reform.

Areas of Opportunity

Although there is little private financing, opportunities for Canadians exist in partnering with external financing sources such as the World Bank, the ADB or CIDA. Health care, environmental consulting, hydro-

Laos (1999)

Capital: Vientiane
 Population: 5.35 million
 Urbanization: 22.5%
 GDP: \$1.87 billion (1998)
 Economy: agriculture (56%), industry (19%), services (25%)
 Total Exports: \$416 million Total Imports: \$871.5 million
 Exports to Canada: \$2.9 million
 Imports from Canada: \$0.030 million

electric power, transportation infrastructure, mining and international development projects are all potential areas of opportunity.

Trade Restrictions Still in Effect for Burma

Canada remains concerned about the poor human rights situation in Burma. In August 1997, Canada withdrew Burma's General Preferential Tariff eligibility and placed Burma on the Area Control List, which requires all exports from Canada to have an export permit. With these actions Canada joined the United States and the European Union in imposing selective economic measures on Burma.

Canadian companies wanting to ship their products to Burma must first apply to DFAIT's Export Controls Division in Ottawa for a permit, which are currently granted for humanitarian goods only.

Canadian investment into Burma is not prohibited, but the Canadian government neither encourages nor supports it. The Burmese currency, the *kyat*, is overvalued by more than 5,000 per cent. Officially pegged at 6 *kyat* to the U.S. dollar, it was worth about 340 *kyat* on the open market as of late 1999.

For further information on doing business with Burma, contact the Southeast Asia Division, DFAIT at tel.: (613) 944-5378.

Key Web Sites

- ◆ Department of Foreign Affairs and International Trade (DFAIT): www.dfait-maeci.gc.ca
- ◆ DFAIT InfoExport Services: www.infoexport.gc.ca (see *Canadian Embassies and Missions*)
- ◆ Export Development Corporation: www.edc.ca
- ◆ Canadian Commercial Corporation: www.ccc.ca
- ◆ Canadian International Development Agency, Industrial Cooperation: <http://acdi-cida.gc.ca/inc>
- ◆ Asia Pacific Foundation of Canada: www.apfc.ca and www.asiapacific.ca

Contact Canada's Senior Trade Commissioners at:

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Canadian Embassy
 Tel.: (011-66-2) 636-0540
 Fax: (011-66-2) 636-0568
 E-Mail: bngkk-td@dfait-maeci.gc.ca
 Internet: www.dfait-maeci.gc.ca/bangkok

Malaysia

Canadian High Commission
 Tel.: (011-60-3) 2718 3333
 Fax: (011-60-3) 2718 3391
 E-Mail: klmpr-td@dfait-maeci.gc.ca
 Internet: www.dfait-maeci.gc.ca/kualalumpur

Singapore

Canadian High Commission
 Tel.: (011-65) 325-3200
 Fax: (011-65) 325-3294
 E-Mail: spore-td@dfait-maeci.gc.ca

Brunei

Canadian High Commission
 Tel.: (011-673-2) 220043
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Indonesia

Canadian Embassy
 Tel.: (011-62-21) 525-0709
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 Internet: www.dfait-maeci.gc.ca/jakarta

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Canadian Embassy
 Tel.: (011-63-2) 867-0001
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 Internet: www.dfait-maeci.gc.ca/manila/

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Hanoi
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Ho Chi Minh

Consulate General of Canada
 Tel.: (011-84-8) 824-5025
 Fax: (011-84-8) 829-4528
 E-Mail: HOCHI@dfait-maeci.gc.ca

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Canadian Embassy
 Tel.: (011 855 23) 213-470
 Fax: (011 855 23) 211-389
 E-Mail: PNMPN@dfait-maeci.gc.ca

It's Official Team Canada 2000 Going to Beijing, Shanghai and Hong Kong



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P Prime Minister Jean Chrétien announced last month that he will lead the next Team Canada trade mission to Beijing, Shanghai and Hong Kong, November 18 to 26, 2000. Members of the Canadian business community, heads of educational institutions and municipalities, and young entrepreneurs will join this sixth Team Canada mission.

The Prime Minister will be joined by Canada's provincial premiers and territorial leaders, International Trade Minister Pierre Pettigrew and Secretary of State (Asia-Pacific) Raymond Chan.

"Team Canada is a centrepiece of our strategy to increase trade and create jobs and growth in Canada", said the Prime Minister. "We are hitting the road again to showcase Canadian goods, services and know-how. I look forward to working with the provincial premiers and territorial leaders in helping Canadian businesses deepen their trade and investment relationships in these markets."

Key mission sectors

The Canadian business delegation will be drawn from a range of commercial sectors with potential for the Chinese and Hong Kong markets, including:

- information and communications technologies;
- agriculture and agri-food;
- forestry, wood products, construction and building materials;
- environmental industries and technologies;
- transportation;
- energy resources and technologies;

- mining and minerals;
- medical and health products and services;
- financial services;
- education technologies and cultural products and services.



China, the region's economic engine

• China has grown to become the seventh largest economy in the world in terms of GDP, and represents an immense market for commercial, industrial, agricultural and consumer goods.

Continued on page 2 – Team Canada

Africa Trade Strategy to help exporters

Last month, International Trade Minister Pierre S. Pettigrew released the Africa Trade Strategy, a plan designed to help Canadian businesses expand their trade, increase their market access and strengthen their investment protection in sub-Saharan Africa.

Unlike trade plans for established export markets, the Africa Trade Strategy is closely linked to longer-term strategic goals of Canadian foreign policy aimed at helping Africa to reduce poverty levels and integrate into the global economy. An economically buoyant Africa raises the living standards of Africans, reduces the level of conflict and forced migration, and increases Africa-Canada business opportunities and partnerships.

Continued on page 3 – Africa Trade

Vol. 18, No. 10 –
June 1, 2000

**EUROPE CALLING!
THE ICT SECTOR**
(See supplement inside)

Team Canada 2000

Going to Beijing, Shanghai and Hong Kong

— Continued from page 1

- Together with Hong Kong (its distinct role in the region is preserved through the "one country, two systems" policy) China has emerged as the economic engine
- In fact, China is now Canada's fourth largest trading partner — third largest if including Hong Kong — after the United States, Japan and the United Kingdom.

"China's economic expansion has been sustained by a commitment to infrastructure development and technology improvements. The national economy is increasingly decentralized and there are many ways to access its regional markets. China's anticipated accession to the World Trade Organization will lower tariff barriers and contribute further to the development of a more open and predictable business environment. These and other developments have also strengthened Hong Kong's position as a regional business hub. I hope that you will join us and discover what a positive impact being a member of Team Canada 2000 can have on your business activities in such key and promising markets."

International Trade Minister Pierre S. Pettigrew

- of the Asia-Pacific region, with corresponding political influence.
- Canada-China bilateral trade has grown rapidly over the last thirty years — from a mere \$161 million in 1970 when diplomatic relations were established, to \$11.5 billion in 1999.
- Moreover in 1999, Canadian two-way trade with Hong Kong totalled \$2.4 billion, with another \$5.3 billion in two-way direct investment flows in 1998, which made Hong Kong the eighth most important foreign source of investment to Canada.

Readers' Corner

Dear Sir:

Thank you in advance for sending me the CanadExport trade magazine on a regular basis. You and your associates can be proud of the work you are doing.

You already have me convinced of the importance of CanadExport for two reasons: (1) the necessity of the Internet for increasing sales, especially mail order sales abroad, and, (2) thanks to "The U.S. Connection" article in the February 15, 2000, issue, I was able to fax this interesting information to a friend's son, a very talented, aspiring painter, in the hope that www.guild.com might open new doors.

For several years now, we have been exporting products via mail order, mostly to the United States. We are always on the lookout for new international outlets as our sales have dropped sharply since 1996 because many of our foreign clients (particularly in Asia) have disappeared from the market.

I also contacted the Canadian Embassy in Helsinki, Finland, which kindly provided me with the addresses of rare mineral merchants which might be of interest to my company.

I am sincerely thankful for your help.

Best regards,

Pierre Stéphane Salerno, President
Stéphane Gems Canada Inc.
Edmonton *

While Canadian firms must plan carefully and take a strategic approach in their development of commercial relations with China and Hong Kong, there is significant and real potential in the region. China's commitment to economic reforms, coupled with its pursuit of WTO accession — Hong Kong is already a member — is helping to ensure improved access for Canadian exporters. These economies will continue to expand, and continue to offer promising opportunities for exporters in sectors where Canadian firms have a comparative advantage.

For more information on the mission or to participate, check the Team Canada Web site at www.tcm-mec.gc.ca or contact the Team Canada Division, DFAIT, tel.: (613) 995-2194, fax: (613) 996-3406, e-mail: teamcan@istar.ca *

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canadexport

"Africa Direct," the launching ground for the new *Africa Trade Strategy*, visited four Canadian cities, starting with a highly successful kick-off in Ottawa by Minister Pettigrew.

Over 40 government officials from the eight participating African countries — Ghana, Mauritius, Mozambique, Nigeria, Senegal, South Africa, Tanzania and Uganda — were given a first glimpse of some of the best in Canadian technology through site visits of Ottawa high-tech firms Nortel, Newbridge and Nordion.

In Calgary, the African delegation increased to 170 participants as they were joined by a large contingent of African business people who were hosted by over 100 business representatives from Alberta — and a few from Manitoba, Saskatchewan and British Columbia. Company site visits — including the Southern Alberta

Institute of Technology — complemented plenary and one-on-one sessions focusing on Canadian expertise in oil and gas, environment, mining,

order book is already full." Said a participant from Tanzania, "This is the best conference I've ever attended anywhere."

Africa Direct means business

by Robert Farrell, Deputy Director, Sub-Saharan Africa Trade, DFAIT

power, telecommunications and technically assisted education.

A three-day visit in Toronto hosted by over 150 Canadian companies followed, which included workshops on topics ranging from agri-food, mining and media to e-commerce, as well as company visits such as to the Ontario Food Terminal.

Commented a small Canadian consulting company executive, "My

The fourth and final destination was Montreal where the tour culminated in the "Conférence de Montréal," which was also attended by the presidents of Nigeria and Algeria. Participants had a chance to make direct contact with Canadian business

leaders in fields such as biotechnology and with world-renowned companies including Hydro-Québec and SNC-Lavalin.

Overall, the two-week "Team Africa" or Team Canada mission "in reverse," as some have labelled it, gave Canadian companies a chance to demonstrate with panache their internationally recognized products and services to their African counterparts. ✪



Africa Trade Strategy

— Continued from page 1

"Sub-Saharan Africa is a very promising economic region," said Minister Pettigrew. "The *Africa Trade Strategy* will help Canadian exporters turn the principles of trade into practical realities."

"Africa presents some unique challenges in terms of developing and strengthening trade and business linkages," he added. "This publication is one of many efforts that we are undertaking to help Canadian companies compete successfully and take maximum advantage of trade and investment opportunities in sub-Saharan Africa."

To focus efforts more on trade promotion, additional financial resources will be made available to trade offices in Africa and three new trade commissioners from the Department of Foreign Affairs and International Trade will be added — one in each of the

following cities: Abidjan, Côte d'Ivoire; Lagos, Nigeria; and Nairobi, Kenya.

The Minister released the publication during "Africa Direct," an event hosted by the Canadian International Development Agency, in co-operation with the Department of Foreign Affairs and International Trade, from May 3 to 17. "Africa Direct" is a new initiative to help build closer economic and political ties between Canada and the emerging countries of sub-Saharan Africa. More than 200 business representatives and government officials from eight sub-Saharan countries were in Canada seeking to establish business linkages, partnerships and networks with Canadian suppliers and service companies.

The *Africa Trade Strategy* is available on the following Web site: www.dfait-maeci.gc.ca/africa/continent-e.htm ✪

Change of Address

The Chancery in San Salvador, El Salvador, has moved to a new permanent location. As well as the Political/Consular section, the Chancery includes the Immigration and Commercial section. The new address is:

Centro Financiero Gigante
Alameda Roosevelt y 63 Ave. Sur
Torre A, Lobby 2
Colonia Escalón, San Salvador
El Salvador

Tel.: (011-503) 279-4655/4657/4659

Fax: (011-503) 279-0765 ✪

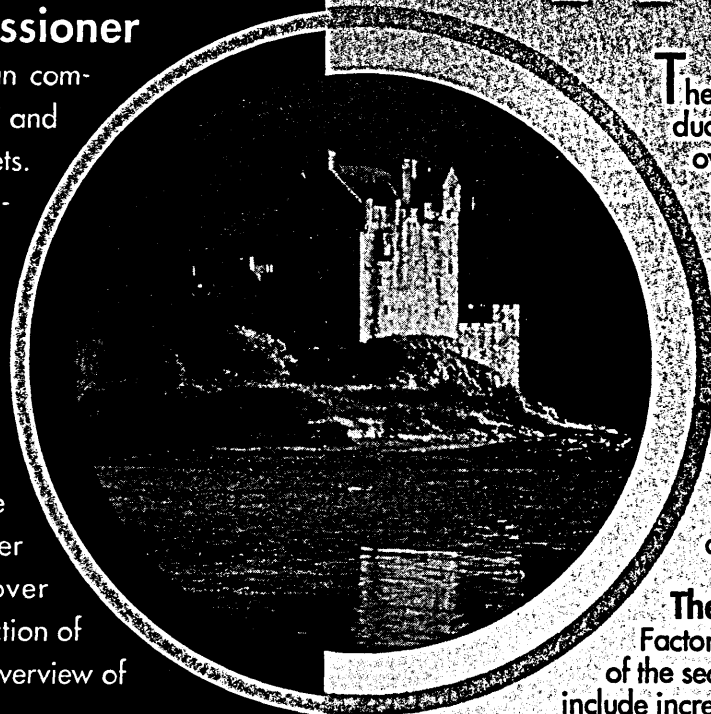
IRELAND —

The Trade Commissioner Service

helps Canadian companies that have researched and selected their target markets. Successful companies concentrate on one foreign market at a time, moving on to the next only after succeeding in the previous one. To help you select which market you should target, the Market Research Centre of the Trade Commissioner Service has prepared over 600 market reports. This section of *CanadExport* provides an overview of one report.

For more information on this and other reports, or if you want to know how the Canadian Trade Commissioner Service can help you get results in international markets, visit us at

www.infoexport.gc.ca



The Film Industry

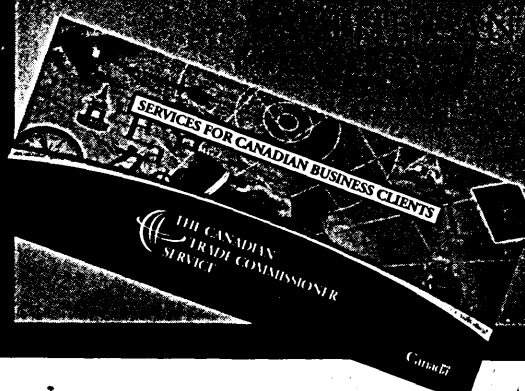
The Irish film and television production industry has grown by over 3400% since 1992. In 1997, the sector employed approximately 5000 people and was valued at \$259 million. The sector's success has been attributed to Ireland's rapidly growing economy, a sharp increase in foreign and private investment, attractive tax incentives, and Ireland's increased accessibility since becoming a hub for European travel.

The Production Industry

Factors contributing to the success of the sector since the early 1990s include increased foreign investment in film production and early investment in education and training programs. The most significant factor influencing market growth was the introduction of tax incentives such as Section 35 (now 481). Since then, feature films such as *Braveheart*, *Saving Private Ryan* and *Angela's Ashes* have been produced in Ireland. State and local authorities have also strongly supported

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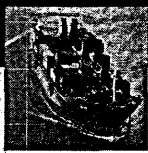


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See insert for your Arts and Cultural Industries contacts in Europe



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and Television Market

film productions. Ireland has attracted foreign producers due to its highly skilled crews, back-up services, favourable exchange rates, and appealing landscape.

1999 was a slow year for film and television production in

Agreement on Film and Video Relations in April 1989. Companies participating in a co-production through this agreement have restriction-free import and distribution rights, facilitated entry into Canada and Ireland, temporary residence,

two of the six multiplexes will be occupied by local Irish channels. This leaves the remaining four multiplexes commercially available for income. Therefore, there will be clear opportunities for Canadian film and television producers and broadcasters. The arrival of DTT in Ireland will lead the way to new multimedia technology such as interactive television and Internet communications.

Quick Facts

Industry growth rate since 1992	3400%
Market value (1997)	\$259 million
Estimated market value for 2010	\$1.1 billion
Number of people employed in the industry	5000
Number of Canada-Ireland co-productions	5

Ireland due to the expiration of Ireland's Section 481 Tax Relief, which expired in January 1999. Although tax relief was renewed until January 2000, an independent report by the Film Industry Strategic Review Group, commissioned by the Minister of Arts, Heritage, Gaeltacht and the Islands and released in August 1999, recommended a further seven-year extension. The Irish government is currently taking this recommendation into consideration.



and temporary entry and re-export of any equipment necessary for the co-production. To date, five co-productions have been produced under this agreement.

The Broadcasting Industry

The Broadcasting Bill (1999) provides the framework for the introduction of digital terrestrial television (DTT) in Ireland, which is slated for debut in September 2000. The infrastructure will provide six multiplexes carrying at least five channels, leading to an availability of 30 to 50 channels. Only

See Potential?

To learn more about opportunities in this market, read the full report, *The Film and Television Production Market in Ireland*, prepared by the Market Research Centre. The report is available on-line at: www.infoexport.gc.ca

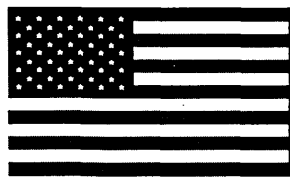
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The Film and Television
Production Market

➔ Access our market studies

Canada-Ireland Co-production Agreement
The governments of Canada and Ireland signed the



The U.S. Connection

The U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division (URT). For information about articles on this page, contact URT by fax at (613) 944-9119 or e-mail at commerce@dfait-maeci.gc.ca For all other export enquiries, call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

Opportunities on the rise in high-flying U.S. building sector

International Builders Show

Billed as the largest show ever

The booming housing market drove record numbers of convention goers to the National Association of Home Builders (NAHB) largest International Builders Show ever, held January 14-17 at the Dallas Convention Center. More than 70,000 building trade professionals from the United States and 48 other countries visited the 56th annual show, which continues to offer an outstanding promotional venue for construction and building material companies.

Visitors strolled through half a million square feet of manufacturer and service provider exhibits and chose from nearly 200 educational sessions for the latest information on green building, smart growth, new construction techniques, home design and business management.

Nailing down next year's show

**National Association of Home Builders
Atlanta, Georgia
February 9-12, 2001**

The Department of Foreign Affairs and International Trade (DFAIT) and the Canadian Consulate General in Atlanta, Georgia, in co-operation with Canadian Export Development (CED), is inviting Canadian companies to participate in the Canada Pavilion at the International Builders Show.

The Canada Pavilion will enable Canadian companies to display their

products and services as they pursue business opportunities in the United States. This Canadian showcase 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

this showcase. Eligible companies can be reimbursed up to 50 percent of their costs for travel, booth rental, etc.

Register now

For further information, contact Robert Grison, Canadian Export Development, tel.: (613) 825-9916, fax: (613) 825-7108, e-mail: ccd@sympatico.ca or Durban Morrow, Trade Commissioner, U.S. Business Development Division, DFAIT, tel.: (613) 944-7486, fax: (613) 944-9119, e-mail: durban.morrow@dfait-maeci.gc.ca ✦

Construction seminar opens doors in Michigan

Many Canadian construction professionals would like to take advantage of the current building boom in Michigan but are hindered by the bureaucratic maze of U.S. tax codes, customs procedures and employment regulations. To explore possible solutions, Tom Quinn, Business Development Officer at the Canadian Consulate in Detroit, has created a successful series of Construction Export Education (CEXED) seminars.

The fourth annual CEXED was held by the Consulate General in Detroit on March 21, 2000, and was well attended by Canadian architects, engineers, construction contractors and building product manufacturers from Windsor,

Sarnia, London and Toronto.

These events have provided the first door of entry for many Canadian construction professionals and suppliers who are now active in Michigan construction projects. "Approximately 250 Canadian companies have attended CEXED since 1997 because they want to enter this booming market," said Quinn. "Nearly 100 of those are now doing business in Michigan and elsewhere in the U.S."

For more information and to register for next year's seminar, contact Tom Quinn, Canadian Consulate General, Detroit, tel.: (313) 567-2208 ext. 3364, fax: (313) 567-2164, e-mail: thomas.quinn@dfait-maeci.gc.ca ✦

Check the Business Section of the Canada-U.S. Relations Home Page at www.dfait-maeci.gc.ca/geo/usa/business-e.asp ... for valuable information on doing business in and with the United States.

Nexwood Industries President Dedo Suwanda has a problem that some fledgling manufacturers would welcome: he has nothing left to sell. Everything that Nexwood, a company owned by Canada-based CFR Technologies Group, will produce in 2000 is spoken for.

Some of the credit for this success goes to Team Canada Inc — particularly Trade Commissioner Brent Court of the Ontario International Trade Centre (ITC) — the Program for Export Market Development (PEMD), and *CanadExport*, to which Nexwood subscribes.

Of course, it helps to have a revolutionary new product, and that's exactly what Nexwood's building material is. To produce this alternative to traditional lumber, Nexwood mixes reclaimed plastics with wood-like cellulose fibre (sawdust and/or rice hulls) and uses extrusion technology to create "boards." Because the product does not splinter, warp, blister, corrode or rot, it is ideal for outdoor applications such as docks, patios, walkways and pool decks.

Go South!

Since it was established four years ago, Nexwood has grown from a small research and development group to a manufacturing operation with

Looking to do business with the U.S. federal government?

Opportunities are just a key stroke away at the Internet site (www.gsa.gov) of the General Services Administration (GSA), which facilitates purchases by the U.S. government — "the world's largest consumer" — and the Electronic Posting System site (www.eps.gov). More GSA opportunities are listed on the site of the Canadian Embassy in Washington, D.C., (www.canadianembassy.org) and periodically in *CanadExport*.

approximately 40 production workers and eight engineers in Brampton, Ontario, and a dynamic sales force based in LaSalle, Quebec.

Nexwood has been selling its products in Canada and the United States for over two years, and has plans to go further afield. "The decision [to go South] had to do with the larger U.S. market and the American dollar," explains Guy Barré, Director of Sales and Marketing. "We make a lot of con-

Revolutionary Canadian building product a hit in U.S.



tacts through the Internet, through fairs and missions, and by word of mouth."

Suwanda attributes the company's sales growth and penetration of the U.S. market to Barré's sales force. The U.S. market presents numerous advantages, including a favourable exchange rate and a longer summer for outdoor activities in the South, a fact crucial to the sales of the mixed boards. In addition, relatively little adaptation is required before entering that market. "However, one must be well organized to enter the U.S.," cautions Barré. "Have posters, displays and brochures ready to explain the products."

There are a few challenges to penetrating the U.S. construction market. Construction materials are subject to numerous regulations and building codes, and there can be many complications and considerable expense involved in the approval process to comply with these codes. Then, there is the difficulty of setting up distributorships. Says Suwanda, "Brent Court has been extremely helpful in both these areas."

A mission in Dallas

The ITC also helped with marketing. In 1997, Suwanda and Barré accepted an ITC invitation to participate in a market orientation mission to Dallas, Texas, at the National Association of Home Builders (NAHB) show. Contacts made there led to significant sales down South. Barré says that Trade Commissioner Brent Court and Carol Kerley, Trade Development Consultant, Canadian Mortgage and Housing Corporation (CMHC), in

Toronto, helped them a lot in preparing for Dallas. "They helped us with the PR and provided us with a list of potential distributors. They were really wonderful. Ms. Kerley has a lot of energy and always has a positive attitude. They never refused any of our requests."

This year, the company once again participated in the mission, and it hopes to attend similar events that might lead to new opportunities.

PEMD provided funding to Nexwood to pay for participation in trade shows, production of promotional material, costs associated with the regulatory approval process, and legal fees.

Today Nexwood sells its products on the U.S. West Coast and in the Midwest, and the company is currently targeting the Southeast. U.S. sales account for approximately 90 percent of the company's total turnover. And success creates new opportunities. "Next we have to increase our production capacity," says Suwanda.

For more information, contact Guy Barré, Director of Sales and Marketing, Nexwood, tel.: (514) 595-9393, fax: (514) 365-0101, e-mail: nexwood@cam.org Web site: www.nexwood.com ★

A sale to China shows an experienced exporter how the Canadian Commercial Corporation's (CCC) services can help sell its advanced "e-Vision" technology.

Image Processing Systems Inc. (IPS) is the latest in a growing number of experienced exporters to discover the advantages of working with CCC. The Markham, Ontario, manufacturer has been exporting for more than a decade, but used CCC's services for the first time late last year. After com-

A vision for the future with CCC

pleting the US\$4.2 million sale to a picture tube manufacturer in China's Fujian province last December, IPS plans to take advantage of CCC's services on future contracts.

IPS describes itself as "a global e-Vision (electronic vision) systems provider." Established in 1987, the company now supplies automated display inspection and alignment (ADI) systems to most of the world's display manufacturers. ADI systems are used during manufacturing to align the magnets and ray guns on displays to ensure top-quality images.

IPS's cutting-edge systems have helped it grow to more than 100 employees worldwide, with 85 working in Canada and the rest filling marketing and customer service roles in Europe, China and the United States.

"We export 90 percent of our production," says Terry Clark, the company's Chief Financial Officer. "Our customers are the world's largest display manufacturers, and China is a key growth market for us. We recognized that early on."

According to Chinese government sources, the country's electronics industry's gross output value grew by about 21 percent to US\$70.2 billion in

1999. By 2010, mainland China will become the world's largest electronics and information products market in the world. The manufacture of displays for computers and televisions is a significant part of that market, and IPS's pioneering efforts are now paying off.

"They have a very positive attitude, and they are a very professional company to deal with," says Emmanuel Florakas, Project Manager with CCC's progress payment program (PPP). "They sold 18 ADI units to Chungwah

Picture Tubes, and our preshipment financing program was a very good fit on the contract."

IPS used the progress payment program to access a \$600,000 line of



From left: Terry Clark, Chief Financial Officer, Paul Chiu, Customer Service Representative in IPS's Taiwan office, and George Tepelenas, Controller, with the company's flagship ADI 8200 ITC system.

credit through the Royal Bank of Canada for the sale to Chungwah Picture Tubes (Fuzhou) Limited. The contract included supplying and installing IPS equipment valued at about US\$1.7 million, along with conveyor equipment from another manufacturer. IPS also integrated the whole inspection process into the plant's production system, for a total contract value of over US\$4.2 million.

"The contract payment terms were 90 percent due on shipment of the order," says Clark, "so we needed some additional working capital to fill it. The

CANADIAN COMMERCIAL CORPORATION SHAPING TRADE SOLUTIONS FOR CANADA'S EXPORTERS



A federal Crown corporation, the Canadian Commercial Corporation (CCC) partners with Canadian exporters to negotiate and win sales in difficult markets on favourable terms. It provides special access to U.S. defence and aerospace markets and specializes in trade to foreign governments and international organizations.

Whether bringing buyers and sellers together, acting as a prime contractor or working with small- and medium-sized companies to win sales, CCC's access to specialized markets continues to open doors for thousands of Canadian companies doing business in over 60 countries.

For more information, contact CCC at tel.: (613) 996-0034, fax: (613) 995-2121, e-mail: info@ccc.ca Web site: www.ccc.ca

progress payment program was very useful for us because it helped us keep our credit lines open for other work."

Clark points out that CCC's involvement in the deal also helped solve some initial problems with a letter of credit.

"The customer's bank doesn't have a representative in Canada," he says, "and the letter of credit was lost in the system for awhile. Emmanuel and his team helped us clear the log jam and get things moving. As a matter of fact, they turned the whole thing around in about two and a half weeks."

IPS has already made additional sales in China since the Chungwah order, the most recent being a \$2.4 million sale to IRICO Group Corporation, China's largest picture tube manufacturer. In the first three quarters of its current fiscal year, IPS has received more than \$9.8 million in orders from factories in China.

"We have a lot more export potential," says Clark. "I know that we'll be using more of CCC's services in the near future." ❖

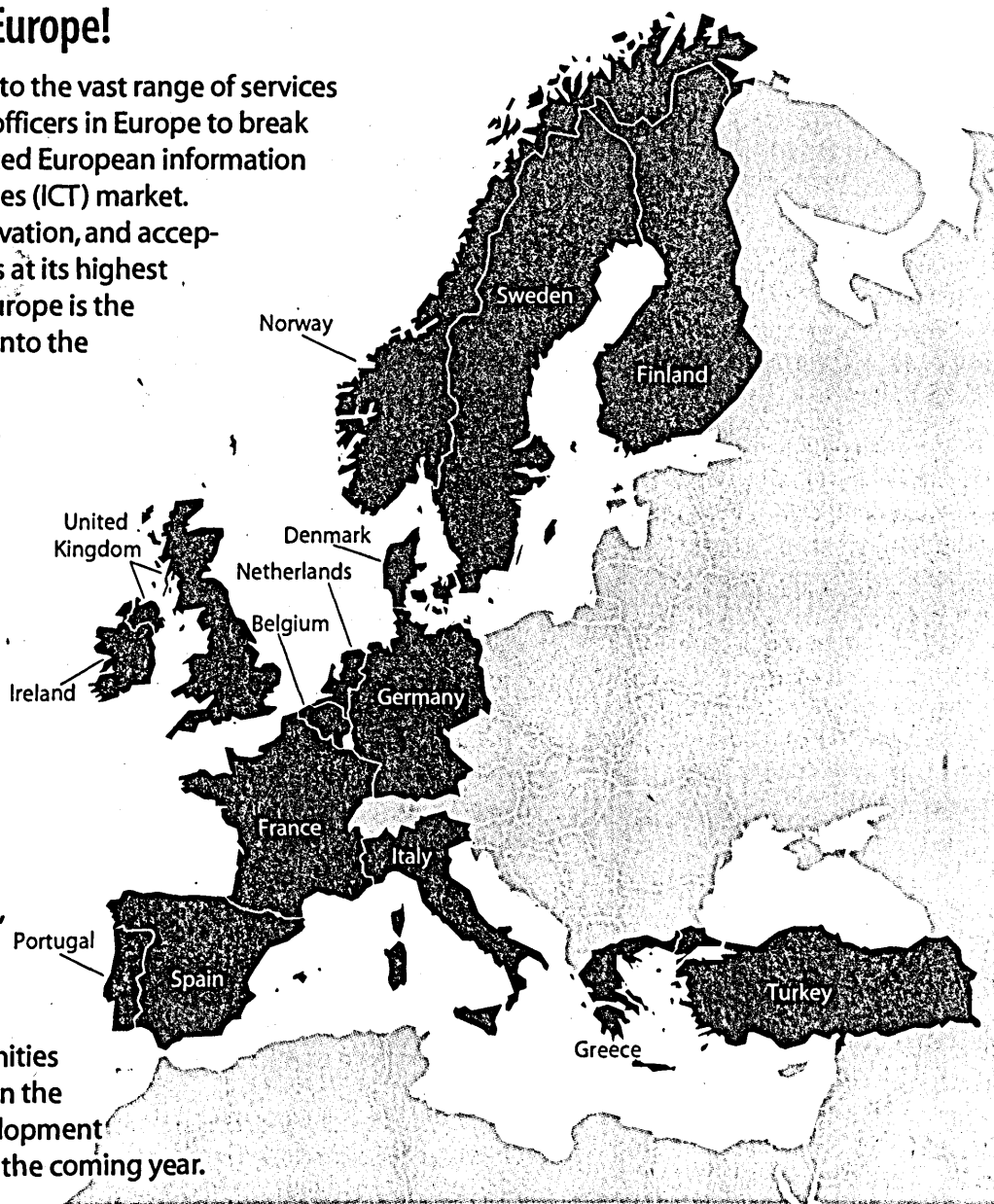
Europe Calling!

Opportunities in the European Information and Communications Technologies Market

The Canadian Trade Commissioner Service (TCS) is wired in Europe!

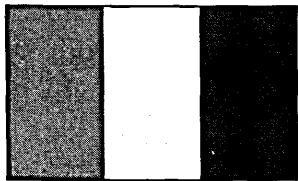
Canadian companies can plug into the vast range of services offered by the network of trade officers in Europe to break into the lucrative and sophisticated European information and communications technologies (ICT) market. Europe is at the forefront of innovation, and acceptance of the latest ICT products is at its highest "Across the Pond." Collectively, Europe is the richest market in the world. Dial into the European opportunity, now!

This special *CanadExport* supplement highlights what our trade officers in Ottawa and in Europe are doing to connect Canadian companies to opportunities in Europe. The supplement focusses in on one specific market — Italy — as an example of what the TCS is doing across Europe on behalf of Canadian businesses. An overview of ICT opportunities in the Mediterranean basin is next, followed by the United Kingdom, Ireland, the Nordic countries, Germany, France, Belgium and the Netherlands. Readers can respond to some of the opportunities presented here by participating in the many trade promotion and development events and activities planned for the coming year.



prepared by the European Business Development Division (RENB) and its trade offices in Europe





Italy

Telecom Market Booms, the Internet Takes Off

The start of the new millennium sees the Italian **telecommunications** and **Internet services** market experiencing sensational growth, driven by three main areas of development:

- ◆ mobile services, in which Italy is consolidating its leadership in Europe;
- ◆ on-line services, spurred by free Internet offers and a 280-per-cent increase in the number of Internet users in 1999; and
- ◆ growing competition in fixed voice and data services, and the emergence of many new operators offering high-speed voice and Internet connectivity to businesses.

Internet penetration in Italy, however, still lags behind North American rates and those of other European Union (EU) countries. Only recently have things started to change. In the past year, a dramatic "awakening" began permeating government, media and the general population as to the importance of "connectivity" and the Internet, and of catching up in what is now recognized as global competition toward a new economy.

Italy's "Internet awakening" and the surge in its liberalized and deregulated telecom market offer unprecedented opportunities for Canadian companies. An enormous amount of work needs to be done, and Italy openly acknowledges that it cannot do everything alone and needs partners. Recognizing Canada's world-leading reputation in this sector, the Italian government signed a memorandum of understanding (MOU) last January with Canada to promote joint Internet projects in areas such as

learning and training, electronic commerce, community networking, tourism services, and public administration services, as well as in other priority areas for Italy in which Canada excels. Canadian companies are strongly encouraged to take advantage of these emerging opportunities.

At the same time, the advent of a myriad of new private-sector telecommunications operators, service companies, and new "dot com" ventures modelled on North American examples promise exciting partnership and investment opportunities for Canadian companies looking to enter or expand in Italy and in the greater European market.

The Internet takes off

Last year was a turning point for all Internet markets in Italy. Consumer demand skyrocketed thanks to the launch of free subscription offers pioneered by the new Sardinia-based carrier, Tiscali. According to Databank, household subscriptions increased from 540,000 in 1998 to more than 3.7 million by the end of 1999, of which approximately 2.6 million were free-access subscriptions. This substantial growth in the number of users represents a solid starting point for mass market on-line services.

Business subscriptions increased from 246,300 in 1998 to over 1.4 million in 1999 (1 million of which were free access), while companies with a Web site more than doubled, from 52,000 to 127,000. Overall, residential market access services generated revenues of 150 billion Lira in 1999 (approximately 77 million Euro). Business market services generated over 1,400 billion

Lira (700 million Euro), including access services, support for Web sites and electronic commerce software development, hosting, and Intranet-Extranet services, and excluding hardware and equipment expenditures.

New fixed-network operators abound

Since the beginning of open competition in the Italian **fixed-voice services** market (January 1, 1998), approximately 90 operating licences have been granted by the Italian Communications Authority (Autorità per le Garanzie nelle Comunicazioni) to some 70 service providers for voice services and/or telecommunications infrastructure. Also active are a large number of Internet service providers (ISPs) and resellers (about 1,200 companies), most of which are mainly involved in marketing and distribution rather than infrastructure, and operate on a local or regional basis.

Italy's mobile market is number one in Europe

Meanwhile, the Italian **mobile data and voice communications** market continued to grow steadily in 1999, reaching 35 million cellular users and overtaking the number of fixed terminals, making it the leading cellular market in Europe. A fourth GSM cellular carrier, BLUTEL, licensed last October, began service in May using a network built by **Nortel Networks**, while five third-generation universal mobile telecommunications services (UMTS) licences will be awarded by the end of this year.

Electronic commerce set to grow

Electronic commerce, or e-commerce, growth has also been promising, even if present revenues are still low: 116 billion Lira in 1998 (60 million Euro), 455 billion Lira in 1999 (235 million Euro), and almost 1,500 billion Lira (775 million Euro) projected for 2000. These do not include electronic business dealing with supply chain interactions within companies' closed user groups. Internet advertising, too, should more than double, from an estimated 35 billion Lira in 1999 (18 million Euro) to almost 80 billion Lira (40 million Euro) this year.

In Italy, the expansion of e-commerce is regarded to be closely linked to the development of the mobile market. With the introduction of wireless access protocol (WAP) portals and services in Italy and UMTS, industry observers believe that Internet use and e-commerce in Italy will increase dramatically. Italians have never cared much for personal computers (PCs) and can't wait to connect in living colour on their beloved *telefonini*.

Trends and opportunities

According to IDC research, the forecast for the Italian ICT and connectivity market in the next two years (2000-2002) is for continued strong growth in all Internet areas. For example:

- ◆ Internet use will continue to increase in Italy and will be the major source of voice traffic growth as well as demand for high-speed data services such as Frame Relay, SMDS, ATM (asynchronous transfer mode) and ADSL. ADSL services were recently launched by Telecom Italia, and by new operator, Galactica, on the retail market, while Infostrada signed an agreement with Telecom for ADSL wholesale services.
- ◆ Competition among telecom operators will keep driving both traffic growth and price reductions for all main voice services, including the

local area where open competition began in January 2000. (Infostrada and Wind have already started offering local services.)

- ◆ Fixed-to-mobile services will continue to grow in terms of traffic, even if corresponding revenues decrease due to the new price structure currently being drafted by the telecommunications authority.
- ◆ Italian business users will spur demand for enhanced data connectivity and services, and for specialized multimedia Internet/Intranet systems and applications.
- ◆ Smart card-based national and regional public administration on-line services to citizens will begin to take place, first in Bologna, Milan and Rome, then in smaller cities.
- ◆ Internet-based distance education and corporate training will become a key area of development.
- ◆ The number of new Italian dot com companies and ISPs will continue to increase, with a concentration in "made-in-Italy" e-commerce export services, cultural heritage and tourism, sports, education, and community access connectivity services with an increasingly European focus.
- ◆ Optical networks and satellite services are revolutionizing telecommunications infrastructure, improving the quality and speed of data communication to home and office. Investment in optical network construction will grow, expanding beyond the main cities to smaller urban centres and communities.
- ◆ Interactive digital TV will bring a new and compelling form of e-commerce-enabled access to a wider audience. Meanwhile, the Euro is being adopted as the currency of the EU, and will bring greater price transparency across borders. Both trends should significantly increase the use of e-commerce.

Canada's Italy connectivity advocacy plan

Canada is the most connected country in the world. Canadian ICT companies are at the forefront in new technology and, specifically, in Internet development. In contrast, Italy is significantly behind but eager to catch up, and has demonstrated a capacity for technology with the incredible penetration rates of cell phones. The government is dedicated to encouraging Italians to rapidly adopt Internet technologies.

The burgeoning opportunities available in Italy's ICT market have led directly to the development of a connectivity plan for Italy. Over the past two years, trade officers have promoted Canadian expertise to government and businesses in Italy, encouraging them to make use of the quality products and services of Canadian ICT companies.

On January 20, 2000, during the "Canada Days" event in Naples, the Canadian and Italian governments signed an MOU on ICT co-operation. This document identified the following seven key areas of bilateral co-operation:

- ◆ community networking;
- ◆ on-line public administration services;
- ◆ application of ICT in learning and training;
- ◆ e-commerce projects;
- ◆ culture and tourism services;
- ◆ venture and traditional financing for small and medium-sized enterprises (SMEs); and
- ◆ agri-food industry services.

The connectivity plan remains the framework for the Department of Foreign Affairs and International Trade's (DFAIT) business development activities in Italy. The following are some of the planned initiatives and events for 2000-2001.

SMAU 2000 Canada National Stand, Milan, October 19-23, 2000 (www.smau.it)

For many years **SMAU** has been the largest ICT show for Southern European and Mediterranean audiences, and is now the major ICT event in Europe, after **CeBIT**, in Hannover, Germany. Some 500,000 visitors, 2,800 exhibitors and 2,200 journalists attended **SMAU 1999**.

This year's event will feature all aspects of the digital world, the convergence of information technology and multimedia, the rapidly expanding telecommunications market and the dynamic growth of e-commerce through 18 specialized areas, workshops and conferences.

For the 14th consecutive year, the Canadian Consulate General in Milan and the Canadian Embassy in Rome will be participating with a Canada National Stand. The Canadian presence will consist of a 70-square-metre stand located in a highly visible and accessible pavilion.

SMAU 2000 offers Canadian companies the opportunity to market their products in this dynamic and growing region, and to evaluate new products and trends in diverse market segments.

Canada's presence at **SMAU** is one of the key initiatives of the Embassy and Consulate under the Italy connectivity advocacy plan, which aims to promote Canadian SME capabilities and opportunities in the Italian ICT sector.

Embassy and Consulate staff are ready to help interested Canadian companies

explore the Italian market. Companies can either visit the trade show or participate as exhibitors in the Canada Stand.

SMAU 2000 Symposium and Partnering Event, October 19-23, 2000

Following up on the signing last March in Naples of the Canada-Italy MOU on ICT co-operation, a high-profile symposium and partnering event on SME co-operation in Internet initiatives and projects in Italy and Canada will be held at **SMAU 2000**.

The **SMAU** event will feature prominent Canadian and Italian speakers as well as presentations by SMEs from both countries that are working together on current Internet projects or that wish to propose new projects. The symposium will focus on the areas included in the MOU.

The event is a collaboration of the Italian Ministries of Industry and of Foreign Trade with Confindustria, the Region of Lombardy, Milan Chamber of Commerce, Promos, and selected Canadian ICT companies.

Visiting Italian Journalists Connectivity Tour of Canada, Autumn 2000

A one-week tour of Canada's leading hi-tech companies and research centres by three Italian journalists from national business publications or daily newspapers is being organized for this fall. The objective of the tour is to increase

awareness in European communities about trade and investment opportunities in Canada.

Canada-EU E-com Seminar, Spring 2001, Cross-Canada

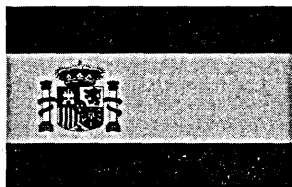
A seminar/workshop on electronic commerce is being planned for spring 2001, which will see some 50 European SMEs travel to Ottawa, Montreal, Toronto and other Canadian centres to meet with Canadian SMEs involved in e-com. Networking activities will also be organized in conjunction with these seminars.

Canadian ICT Excellence Database

In an effort to promote Canadian excellence in ICT, the Department's European posts are working with Industry Canada and DFAIT headquarters to establish a database, which will include Canadian ICT companies active in Europe; new Canadian Internet/e-commerce companies active in the United States and interested in Europe; Canadian ICT success stories; and expert Canadian speakers in ICT areas such as e-commerce, telecommunications, multimedia, and others.

ICT Market Profiles

Following are descriptions of information and communications technologies (ICT) markets in various European countries.



Spain

The Spanish government will soon be announcing the recipients of the newest **mobile telephony** operating licences. The four licences will permit the establishment and exploration of new third-generation technologies for mobile telephones, like UMTS. The licences are valid for land and satellite multimedia transmissions, and will allow data transmission for which hardware has yet to be developed. Applicants for these licences are Telefónica, Amena, Airtel, Uni2, Jazztel, Deutsche Telekom, Mannesman, AT&T, SBC, Bell Atlantic, and KPN. Telefónica, Amena, and Airtel look to have the inside track for three of the licences, while the fourth one appears to be wide open.

It is estimated that Spain will have more than 14 million telephone

users by the end of 2000. Currently, Telefónica has two systems, an analog system called Moviline and the digital GSM system, Movistar, with a total of 8 million users. Airtel has 4.3 million subscribers, all using GSM systems, and Amena, which began operating in January 1999, has 800,000 subscribers. It is anticipated that by the end of this year there will be more mobile telephones than fixed-line telephones in Spain, for the first time in its history.

Opportunities for Canadian companies are most promising for more advanced systems, such as UMTS, and especially for antennae for transmission systems.

Having a local representative, either agent or company, is a distinct advantage for Canadian enterprises wishing to enter the Spanish ICT market. Please note that all bid documentation has to be translated into Spanish, and often bids must be presented by a local company representative.

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Portugal

The **telecommunications** sector in Portugal is changing rapidly and attracting substantial investment. Deregulation started on January 1, 2000, for regional and international calls, and June 1 for local calls. Currently, the industry is worth approximately \$4 billion, with estimates for 2005 at \$8.3 billion. In recent years, annual investments of \$500 million have been made for digitization, advanced services and fibre optics. Portugal now has a wide range of infrastructure providers. A backbone of fibre-

optic and coaxial cable has recently been built by companies like Refer (railroad), EDP (electricity), and GDP (gas).

There are nine public telecom network operators, seven fixed-line operators, nine fixed wireless operators, and three cellular operators. Over half of the population subscribe to cell phone service, and market maturity (75%) is expected in two years.

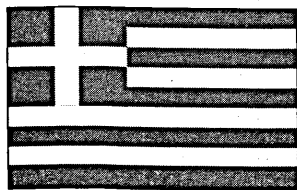
Approximately 8 per cent of the population have access to the **Internet**, and this

figure is expanding rapidly. Trunking is also expected to continue to grow quickly (83% per year) with the introduction of digital trunking through the Tetra system. Paging, on the other hand, is declining with the number of clients down 12 per cent and calls 48 per cent.

The **information technology** market continues to modernize and expand. In 1998, multinational companies reportedly sold \$1.5 billion worth of hardware, an increase of 28.5 per cent over 1997.

The forecast for 1999 was a further 10.5-per-cent increase, with the market estimated to be worth \$2.6 billion. The software market is also expanding (22% to 45% per year between 1995 and 1999), and is estimated to be currently worth \$2.2 billion. There are opportunities for most types of software, but a large share is for customized software.

Cable TV is another fast-growing business (39% per year), which has attracted substantial Canadian investment. The number of connected households is over 2.1 million, or 51 per cent of the total, but only 17 per cent are effective users. **Multimedia** is also a relatively new and expanding area. Portugal Telecom, which also owns a cable company, recently formed PT Multimedia to concentrate its business on the Internet and multimedia.



Greece

The Greek **telecommunications** market is currently considered to be partially open — **fixed/voice telephony** will be liberalized on January 1, 2001. The prospect of deregulation has highlighted the need for modernizing the country's infrastructure, which will open significant opportunities for both foreign and domestic players. At the end of 1998, the digitization rate was 72 per cent. OTE S.A., the public telecommunications company, with a group of affiliates, is still the major player in the sector. Nevertheless, the forthcoming full liberalization of the market, and the tidal wave of new, incoming technologies, will seriously challenge its supremacy.

In 1998, the overall value of the Greek telecom market was estimated at between \$7.5 billion and \$10 billion, and analysts indicate that the market is "running" at a rate of 25 per cent to 30 per cent. Voice telephony still holds

Recent successes by Canadian companies (**CGI** of Montreal with Portugal Telecom, and **Cable Satisfaction International** of Longueuil, investing in cable) have raised Canada's profile in this area. In fact, Canada was recently invited by the Portuguese Association for Communications Development to be the Guest Country for 2001, which involves a number of activities culminating with the **Communication Congress** in November 2001. Not only a great honour, it affords Canada the opportunity to bring companies and speakers to the Congress, widely regarded as the most important event of the year.

Portuguese companies lack the economies of scale, industrial base and advanced technology to produce refined products tailored to the needs of the telecommunications market, and, therefore, is

largely dependent on imports. The Internet is another sector of the Portuguese economy that is expected to experience substantial growth. The internationalization of Portuguese companies to countries like Morocco and Brazil, or other former colonies, also opens up new opportunities for partnerships.

Although it can be difficult to compete with suppliers that are members of the EU, having a production facility or a strong partner in Europe is a major asset.

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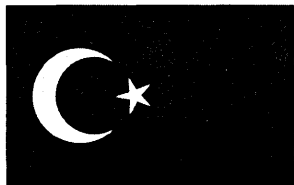
the lion's share, but network/data communication services are gaining ground.

The rapid development of **cellular telephony** (three operators, with an estimated penetration of about 33% in 1999), and the promising prospects of the small, but fast-growing, **Internet** sector, offer interesting prospects. **E-commerce** is slowly, but steadily, becoming a household term, although full-fledged applications are not yet evident. Greece is also considering launching a telecommunications satellite. Although the issue of alternative networks is of concern to potential local players, no evident progress has been made so far. However, Public Power Corporation S.A. and OSE, the Greek railways organization, appear to be more active.

Greece's participation in the emerging global information society is a major priority for the government. For strategic as well as tactical reasons, Greece will have to focus on research and development (R&D) and content, and also on ICT dissemination throughout Greek society. This initiative, however, should take into account a number of practical parameters, including education infrastructure and incentives such as pricing and tariffs.

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Turkey

In 1999, total sales revenue in the Turkish ICT market was approximately US\$16 billion (**information technology hardware and software**, about US\$3 billion, and **communications technologies**, US\$13 billion). Some 700,000 PCs and main servers were sold in 1999.

Turkey's advanced and fast-growing **telecommunications** infrastructure constitutes a sound base for local (LAN) and wide area network (WAN) operations. Turkey's **Internet** network has been improved over the last two years, and currently serves about 300,000 users. There are about 100 ISPs presently operating in Turkey. Some taxi and distribution companies based in major cities recently began using computerized vehicle dispatch and tracking networks.

With the exception of GSM and VSAT, state-owned Türk Telekom (TT) is the only carrier for all other systems in Turkey. Both networks have two private operators licensed by TT. Turkey's annual telecommunications network capacity growth rate is around 6-7 per cent, the highest in Europe.

WAN and data communications are rapidly moving toward satellite communication, providing essential services to banks, newspapers, government offices, transportation companies, universities, and others that have entered the global information age:

Under the leadership of the Turkish Ministry of Communications, a Master Plan of National Information Network Infrastructure was completed in December 1999 (www.tuena.tubitak.gov.tr/). According to the plan, an investment of US\$35 billion will have to be made in Turkey's ICT sector over the next 10 years.

TT is expected to open a tender for two personal communication system (PCS) networks on a direct licence sales basis. These will be Turkey's third and fourth cellular networks. TT itself will install and operate another PCS network. About 1.5 million new telephone lines (all digital) are expected to be procured and installed this year.

Turkey's ICT sector offers tremendous opportunities. Major end users include banks, stock exchange brokers, large corporate holdings, transportation companies and media firms. The financial sector, in particular, promises to be a lucrative market. Some increase on

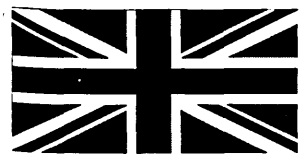
the demand side is expected due to modernization investments by financial corporations, the opening of huge retail outlets, and foreign-financed projects.

Computer software and hardware is one of the fastest-growing markets in Turkey. Almost all brands of PCs and LAN-WAN equipment and parts are imported and distributed by local firms. The competition is very tough in **computer-aided design** (CAD) products, in which the local textile sector shows the most interest. **Multimedia** is another booming field, especially since interest from university students has led to the opening of many new retail stores in major cities.

Turkey is regarded as a leader in the establishment of the emerging **data communications equipment** market in this region, serving as the regional liaison. Due to the increasing demand for informatics services, Turkey's influence has extended to foreign and local businesses, newspapers, and others utilizing satellite equipment in central Asia. Canadian firms may benefit from Turkey's active role in central Asia by using a Turkish representative as a base in the region. A good example of business success is Netas, **Nortel Networks'** manufacturing plant in Turkey. Netas has become a major supplier of telecommunications equipment and systems in these markets, thanks to its plant in Istanbul.

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United Kingdom

The United Kingdom (U.K.) ICT market is the third largest in Europe, after Germany and France, at some \$93 billion in 1997 (*Source: European Information Technology Observatory - EITO*). It is

growing at a rate of about 7 per cent annually, higher than Germany and about the same as France. The market is divided almost equally between **information technology** (IT) and

telecommunications equipment and services. According to EITO figures, main growth areas include small and medium server hardware (+11.4% - 12.7%); PCs (+13.8%); systems software (+10.4%);

application software (+9.9%); software products (+10.1%); professional software services (+9.4%); other terminal equipment (+21%); mobile telephone services (+11.3%); switched data and leased line services (+14.8%); and cable TV services (+59.4%).

The U.K. **software and computing services** industry is currently witnessing the kind of boom market conditions last experienced a decade ago. It boasts the fastest growth of any country in Europe, and skill shortages are becoming a major problem. But not all companies have benefited. Many software product companies — once

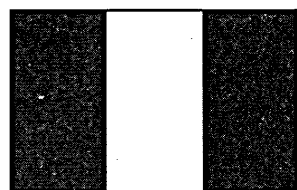
the stars of the sector — have seen unit prices and margins tumble, with growth now below the industry average. On the other hand, companies involved in outsourcing — be it facilities management, application management, desktop services or even the supply of IT contract staff — have continued to prosper.

The software and computing market in Europe is now larger than in the United States. Indeed, many U.S. companies are

increasingly recognizing Europe as the growth market of the future. IBM and EDS are now the leading IT services players in every country in Europe. As well, many other companies are looking to establish a presence in the European market, particularly by acquisition.

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Ireland

Ireland's **computer hardware** market is well served by large multinational manufacturers, although they are there to serve the larger European markets. Dell, IBM, Intel, Hewlett Packard, Compaq, Siemens, Sun, and Apple all have sizeable subsidiaries in Ireland, although the subsidiaries of IBM, Siemens, Sun, and Compaq are primarily involved in software development. Compaq is the leader in the PC market, followed by Dell and IBM.

The PC market continues to grow, fuelled by increasing **Internet** usage, which in turn is being boosted by free Internet access. Starting from a low base, PC sales to households have risen dramatically. This market has become even more competitive due to the arrival of several large British retailers, and IBM, Bull Cara, ICL, Siemens, and Compaq are also heavily involved in supplying the corporate sector. Opportunities tend to be found in niche peripheral products, including networking components

and connectors, and mobile computing accessories. **Matrox Inc.** of Dorval, **Celestica International** of North York, **ATI Technologies** of Toronto, and **Eicon Technology** of Montreal all have assembly subsidiaries in Ireland, exporting most of their output to European markets.

The **multimedia** industry has grown rapidly in Ireland during the past five years. There are over 120 local companies, and 20 multinationals. Ireland has been particularly strong in the education and training field. Interactive TV and

corporate Web presence is also a potential growth area, and there are relatively few companies in the entertainment and games segment of the market. The surge in Internet usage, and increasing bandwidth capacity, will contribute to continuing growth.

While the Irish market is relatively small, there is potential for Irish and Canadian multimedia companies to establish alliances. There has already been productive co-operation between educational interests in Ireland and New Brunswick in developing skills. Enterprise Ireland is assisting local multimedia companies in developing such alliances.

The Irish **software** market is modest by international standards, with estimated sales of \$250 million. On the other hand, Ireland is the second-largest software exporter in the world, after the United States. Irish software companies, both multinational and local, employ some 19,000 people. Canadian-owned software operations in Ireland include

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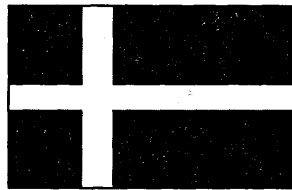
Corel, Saturn Solutions, Eicon Technology, Jetform, and SoftArc.

Takeovers are a common occurrence in the sector, but the smaller developers are still succeeding by focussing on niche markets. International partnerships and alliances are also on the rise.

Computer usage continues to grow in Ireland with the official support of the government. Areas that offer the most potential include software development and Internet/e-commerce tools, ERP applications, process software, database development, and health and educational programs. Canada's information technology capabilities are well regarded in Ireland.

In the space of 15 months, the Irish **telecommunications** market has changed dramatically. With the dismantling of the Telecom Eireann monopoly, international providers such as BT, NTL, GTS, Interoute, and MCI Worldcom are now providing a range of telecom services to commercial and residential users in Ireland. And, the expansion of broadband capacity is a positive adjunct to this situation. The largest Canadian-owned subsidiary in Ireland is **Nortel Networks**, a major supplier of telecommunications hardware and software.

The deregulation of the Irish telecommunications market, which is increasing competition from the new international providers, and the gradual reduction in voice, data and Internet charges, should significantly expand the market. Already, the **mobile telephone** segment has grown dramatically. Broadband capacity is increasing — volume potential will lie with the new multinational service providers and larger systems integrators. Telecommunications providers will require the services of niche specialists that can supply expertise in emerging technologies such as ASDL, ISDN, and e-commerce/Internet tools. The established presence in Ireland of **Nortel Networks** and **Eicon Technology** speaks well of Canada's technical capabilities in this field.



Denmark

Denmark has a sophisticated and dynamic ICT market. It ranks fifth in the world with respect to **information technology (IT)** penetration, and the Danish ICT sector consists of some 10,000 companies. EITO estimated the Danish ICT market at US\$9.5 billion in 1999. As a percentage of gross domestic product (GDP), Denmark's ICT sector ranks equally high with 2.92 per cent, well above the average for Western Europe at 2.26 per cent. The annual growth rate of the IT market in Denmark has been approximately 8 per cent (Western Europe's average growth is 7.15%).

There is strong demand for IT solutions. Due to high labour costs and Denmark's dependence on international trade there is considerable interest in software solutions and tools, which are aimed at improving efficiency, automation and communication. Many Canadian software firms find doing business in Denmark relatively straightforward, perhaps because Danes are typically fluent in English.

Denmark's geographic location (between Scandinavia and continental Europe), its large international airport

and its transportation and telecommunications infrastructure make it one of Europe's best locations for product distribution.

The Danish **Internet** market is also growing rapidly. Sixty-eight per cent of all Danish companies have Internet access, and 25 per cent of Danish households had Internet access in 1998. In a country of only 5.1 million people, Internet access sales reached US\$142 million last year. The Danish Internet market is expected to enjoy annual growth rates of between 20 per cent and 30 per cent to the year 2002.

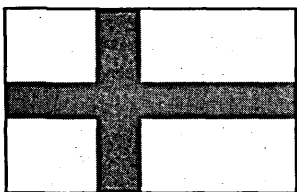
There is a market in Denmark for almost all types of **software** — except administrative software packages for the corporate market. Two Danish companies, Damgaard/Axapta and Navision, dominate.

The Danish **telecommunications** market is exciting, with new services continually being offered in both corporate and consumer segments. Wireless solutions have recently been introduced in both corporate and institutional applications.

The Canadian Embassy in Copenhagen offers Canadian enterprises market assessments for specific ICT products and services through its up-to-date contact database of Danish telecom buyers and distributors.

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Finland

Finland, one of the most networked countries in the world, is a highly technology-oriented society and a global **information technology (IT)** leader. Early adoption of high-tech products is characteristic of the market. With a penetration rate of over 60 per cent, Finland is the world's largest user of **mobile telephones**. It was the first country in Europe to have more wireless than land-line subscribers; its density of land lines is one of the highest in the world. Finland also has the most **Internet-connected computers per capita** and is the global leader in per-capita electronic banking transactions.

Wireless access protocol-based (WAP) information and entertainment services via mobile phones are widely available, and more sophisticated models are being introduced. For example, secure banking and trading of shares are being tested, and will be available to users some time this year.

Finland has long been one of the world's least regulated **telecommunications** environments. A large number of operators has always been characteristic of the Finnish market, and the competition has had a beneficial impact on technological know-how as well as the range of available services. Finland is also one of the five least expensive countries in terms of teleservice rates; mobile phone and data transmission service rates are among the lowest in the world.

The Finnish telephone network is 100-per-cent digital with extensive use of intelligent network technology. New technologies are adopted early, which offers opportunities to suppliers with leading-edge products. For example, Finland was the first country in Europe to put ATM technology into commercial use, and the first IP communications network to incorporate the Internet.

Also, the first third-generation mobile network licences were granted in Finland — the network is expected to be operational by 2002.

The high level of infrastructure and the active introduction of new technologies and applications create ample opportunity for leading-edge Canadian products and services. At the moment, for example, work geared to developing the information society is ongoing in such areas as cultural and information products and services, electronic transactions and electronic learning environments.

The import climate in Finland is very receptive, and the high-tech standards and advanced structure of the market and industry allows foreign companies to use Finland as a test and pilot platform for new products, systems and services. Also, Finland's role in IT advancement in Russia and the Baltic countries offers Canadian firms a solid opportunity to gain a foothold in these emerging markets.

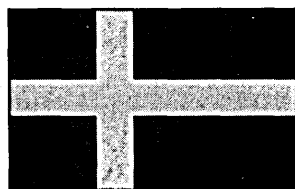
Finnish firms are constantly seeking partners and alliances or global markets, particularly

in areas like mobile Internet communications where they are recognized as world leaders. The flagship of the Finnish telecommunications industry, Nokia, is a global leader in the development and production of mobile, fixed and IP network systems. There are also several other small and medium-sized Finnish companies specializing in advanced telecom products.

Finland has an increasing number of innovative **software** houses, and the industry is growing rapidly. Data security and cryptography, software products for mobile environments, embedded software for new platforms, multimedia, edutainment, and Internet infrastructure products are among the software industry's strongest growth areas.

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Sweden

English is widely used in Sweden's commercial environment, so Canadian companies can easily conduct business there. It is also a good test market, and has a tradition of accepting the latest high-tech products. It has always been one of the first countries in Europe to

adapt high-tech applications, and devotes 3 per cent of its gross national product (GNP) to R&D. The ICT market accounts for 6 per cent of GNP, making Sweden a highly computerized society, which also places considerable importance on such issues as ergonomics,

environmental concerns, and worker safety. Furthermore, Sweden often acts as a marketing and services hub for Scandinavian and Baltic markets.

Sweden's ICT market is expanding rapidly, with recent annual revenue increases of over 25 per cent, and profit increases of over 40 per cent. More than 60 per cent of Sweden's ICT production is exported, and Swedish companies are very open to partnerships with foreign companies.

Sweden boasts a liberal and competitive telecommunications market, with among the lowest tariffs in the world. Over one third of the population use the Internet, and 30 per cent use mobile phones. In 1998, Swedes purchased \$400 million worth of products over the Internet, 40 per cent of which were international sales, 10 per cent of

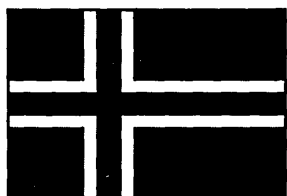
banking customers carry out transactions over the Internet, and 25 per cent of all stock trades are conducted on-line. The government has set the ambitious target of having 95 per cent of all public procurements carried out through electronic data interchange (EDI). Sweden is also developing strong technical capacity in leading-edge knowledge-based fields such as cryptography, multimedia, and virtual reality.

There are good opportunities in the high-tech sector, particularly in legacy-based solutions, industrial automation, EDI and e-commerce, mobile Internet and WAP, wireless LAN, and third-generation wireless applications. In addition, there is considerable room for growth in the

exploitation (both platform and content) of Internet, multimedia, and virtual reality applications as well as broadband and digital TV, integration of geomatics solutions (remote sensing geographical positioning and information systems), tools and utilities to offset professional shortages and enhance the growth of small businesses.

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Norway

Although a small country with only 4.4 million people, Norway's information technology (IT) sector is among the most advanced in the world. According to EITO, the total ICT market in Norway was approximately US\$9.4 billion in 1997, and US\$8.7 billion in 1998 — about 5 per cent of GDP. Thirty-two out of every one hundred Norwegians own PCs (about 500,000 PCs were sold in 1998 and in 1999). Some 40 per cent of the population have access to the Internet, either at home or at work. Norway has the highest ISDN penetration for private homes in Europe — about

60 per cent of the population have mobile phones — second in the world, after Finland.

Wireless solutions and applications are currently the hottest items in the market, both mobile and LAN, and promising opportunities exist for data-

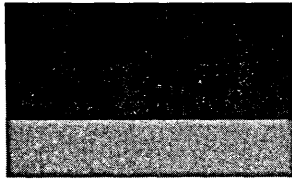
warehousing solutions, e-commerce, and Linux application products.

Due to Norway's topography and sizeable land mass, distribution is more costly than in other Nordic countries. The largest distributors are CHS Electronics, Ingram Micro, Computer 2000, Getronics, Actebis, and the local company, Merkantidata.

As in Sweden, English is widely used in Norway, which also has one of the least bureaucratic government and business environments in Europe.

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Germany

For the first time, the German ICT industry (information technology, hardware, software, telecommunications) is expected to surpass the automotive industry as the country's top sector. In 1999, total market size grew by 7.8 per cent, exceeding DM206 billion (\$189 billion). Employment in the ICT sector is projected to reach 1.5 million this year.

ICT growth is strongest in the **software and services** sectors, with both areas registering double-digit growth in 1999. On the **hardware** side, sales were strongest for LANs, NT servers, and mobile computers. Notebook PC sales surpassed 1 million units in 1999, an increase of 25 per cent over 1998.

Telecommunications services grew 7 per cent to DM80 billion despite a sharp decline in telephone rates following the liberalization of the German telecom market on January 1,

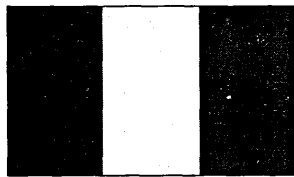
1998. These services have been strongly affected by the boom in mobile communications. The launch of Germany's fourth GSM network, and the subsequent drop in rates, stimulated demand, resulting in a 70-per-cent increase in the number of mobile subscribers to 14 million — out of a total population of 80 million. Demand for fixed telecom networks should increase in the coming years, not only because of rate decreases but also the introduction of new access technologies such as ADSL for existing copper lines, and the conversion of cable TV into a broadband data network for **Internet** and **multimedia** usage.

Germany's ICT trade associations have called upon the public sector to improve the framework for further

expansion in the sector. Public authorities, including schools, were encouraged to accelerate their efforts to enter the "On-line Age," and introduce a "high-tech offensive." Roadblocks to establishing an electronic economy such as import duties, taxes on media broadcast reception, and equipment recycling regulations are expected to be brought in line with Germany's overall economic goals.

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France

France's **telecommunications** sector is still riding the wave of privatization that began in 1998. The market, as a whole, increased 12.3 per cent in 1998, and was worth FF150 billion (\$1 = FF4.17, 1999).

In the local market, France Telecom is still dominant, but convergence is taking place between telephone, TV and Internet connections, as it is in Canada. **Cable TV** is the favoured means to increase competition in the local phone market by the ART (Autorité de Régulation des Télécommunications) and the French govern-

ment, but some companies are also experimenting with a wireless local loop to compete with the incumbent France Telecom.

The **mobile phone** segment is leading the telecom industry with a 119-per-cent increase in usage in 1998, demonstrating how quickly the French accept new products.

France is poised to become one of the fastest-growing **PC** markets in Europe. In 1998, PC sales increased 22 per cent, second only to the United Kingdom, and marked the first time in France that

more than 1 million sales were to households. Sales growth should increase at an even higher rate after the year 2000. Currently, over 33 per cent of the population have computers, and almost 11 per cent have **Internet** access.

Internet statistics in France must take into account that most useful Internet applications were already available through Minitel. There are an estimated 17 million Minitel users in France, compared to just under 5 million Internet users. France Telecom is currently working with IBM to provide

Internet access through a Minitel console. These products will be available some time this year.

The government has been extremely active in pushing France towards the acceptance and use of new technologies, through its new information plan, PAGSI (Programme d'action gouvernemental pour la société de l'information), which is creating great opportunities in educational and cultural multimedia.

The plan has already had a major impact on French schools. In the past 12 months, the percentage of connected primary schools has gone

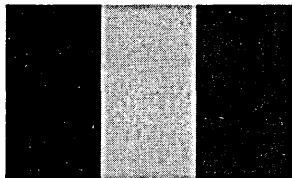
from 1 to 15, and 20 per cent to 90 per cent of secondary schools are now connected. Furthermore, the French public administration was recognized by the University of Amsterdam as the most advanced in Internet exposure and usage.

Already 300 multimedia products have been endorsed by the Ministry of Education. By February 1999, multimedia sales in France had already equalled 1988 sales with 18 million units sold. This is a growth rate of 54 per cent, and is higher than the European

market as a whole, which has grown 44 per cent compared to last year. Of these sales (in France), 49 per cent are games, 18 per cent educational, 17 per cent practical, and 14 per cent cultural.

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Belgium

Since the beginning of the 1990s, Belgium's ICT sector has been expanding steadily by 9.5 per cent a year. According to EITO statistics, the total **telecommunications** market in Belgium exceeded \$18.9 billion in 1998, an increase of 9 per cent over 1997, representing more than 5 per cent of Belgium's GDP. EITO estimated that the Belgian telecom market reached \$20.8 billion in 1999, and the same growth rate is expected this year — higher than other European countries. The Belgian ICT sector employs some 100,000 people in 2,000 companies, an increase of about 15 per cent in 1999.

The Belgian telecom sector is R&D-intensive, with R&D accounting for 10 per cent to 25 per cent of most companies' expenditures. This is one of the reasons that employment in the sector is characterized by many highly qualified people.

Belgium's telecom infrastructure has traditionally been very developed, and since the liberalization of the

market, has undergone a strong development push due to the arrival of some 20 new international telecom operators. Belgium has the highest growth statistics in the EU in this field. Today, these new telcos represent 10 per cent of the market, and employ some 5,000 people. Three mobile telephone operators are currently active in Belgium, Belgacom Mobile, Mobistar, and KPN-Orange.

Belgium will be the first country in the world to offer its consumers a choice of telecom services through ISDN/ASDL or teledistribution networks. Moreover,

Belgium has already become one of the world's largest penetrated areas of secured banking services over the **Internet**, and will soon become the first country to have a uniform multi-banking system. Also, regional and federal governments are heavily investing in large projects to connect everyone in the private and public sectors, a trend which is expected to continue in the future.

Another major development in the market is the introduction of the third-generation UMTS standard for **mobile telephony**. The implementation of these technologies will have major implications on technical levels as far as networks, hardware and software, terminal equipment, and R&D are concerned.

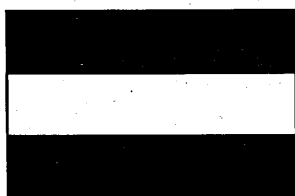
Canadian ICT companies have the advantage of entering a market where their products have a reputation of outstanding quality, which are of great interest to Belgian residential and professional users. This is exemplified not only by the

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presence of Canadian ICT firms such as **Nortel Networks, Newbridge, Corel, Geac, Cognos, Simware, ACL, CML, DMR, interalia**, and others, but also by the many successes of small Canadian ICT companies, one of the most recent being the awarding of a fixed telephone licence to Canada's **Teleglobe**.

Look for the next issue of *CanadExport* (June 15, 2000) for a second supplement on trade opportunities in Europe, particularly in the Baltic countries and select markets in Eastern Europe.



Netherlands

Information technology (IT) is the dominant force in the ICT market in the Netherlands. In fact, it represents 1.5 per cent of the worldwide IT market, which is dominated by the United States, Europe and Japan. Of the total Dutch IT market, U.S. companies account for 40 per cent of sales. French and German companies have a minor market share of about 8 per cent and 4 per cent respectively.

The Dutch market for **computer hardware, software** and **services** reached total annual revenues of some \$13.4 billion in 1998, \$7.4 billion of which were in software and services. This segment accounts for 54 per cent of the total IT market in the Netherlands.

Gains in the IT market are a result of an expanding small office and home office (SOHO) sector, strong growth in consumer multimedia hardware and software sales, and increasing competition in telecommunications.

Canada is well represented in the Dutch computer hardware and

software market with Canadian manufacturers working with both local distributors and through their own subsidiaries. An increasing number of smaller and medium-sized Canadian IT companies are establishing marketing bases in the Netherlands.

Opportunities for Canadian companies exist for specialized application software, such as graphics, CAD/CAM/CAE, desktop publishing and expert systems. Other growth areas are communications-related PC software and add-on products (networking products, voice-related systems) and documentary information systems, including optical data storage. The relatively strong Dutch software industry represents good potential for strategic alliances between Canadian and Dutch partners.

Solid representation and on-the-ground support is essential for Canadian suppliers to succeed in the Netherlands. The first step is usually to appoint a competent distributor or other "partner" company. A second stage may be to open a sales office — a growing trend as Canadian companies focus on the Netherlands both as a market in itself and a centrally located, convenient access point for co-ordinating their activities, often via a distributor network, in various European markets.

The most important factor for entering the market is to establish a reputation through a good track record, experience and references. It is not easy for new entrants and suppliers to get on the preferred buyers list as customer loyalty is high and relations are long term.

Established clients generally account for 70 per cent to 80 per cent of the sales of top-level software and services companies. Entry as a niche player may be easier providing there is sufficient knowledge, paired with the right idea and innovation.

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Don't Miss the Opportunity of a Lifetime. Apply Early for CeBIT 2001!

Next year, **CeBIT**, the world's leading ICT fair, will take place **March 22-28, 2001**, in Hannover, Germany. **CeBIT 2000** was held at the end of February to accommodate preparations for **EXPO 2000 HANNOVER**, which runs from **June to October 2000**. (For information on **EXPO 2000**, visit www.expo2000.de.)

CeBIT 2000 broke all previous records, including more than 750,000 visitors, of which some 137,000 came from 60 countries outside of Germany. The vast majority were trade professionals with concrete investment plans and decision-making authority. Given the pre-eminence of **CeBIT**, with more than 7,800 exhibitors displaying their innovative products and services, it is not surprising that over 50 per cent of its visitors do not attend any other ICT trade fair.

CeBIT is big, no question. But there is more to it than sheer size. It is the most business-focussed, comprehensive and well-planned ICT event in the world. It is organized in a way that the thousands of buyers and distributors attending the show can easily find the products and services they are looking for. Beneath **CeBIT's** imposing exterior lies a highly structured line-up of sectors, which allows exhibitors to meet visitors that have a primary interest in their products as well as thousands more from different sectors looking for crossover applications. **CeBIT 2001** includes the following sector-specific categories: information technology; computer networking; software, e-commerce and Internet services; telecommunications; automatic data capture; computer-based development, design, production and planning; office automation; research and technology transfer; and a dealer centre.

Canada continues to enjoy a good reputation at **CeBIT** as one of the world's leading ICT countries. At **CeBIT 2001**, Canadian ICT companies will have the option of exhibiting independently (rent your own space/bring, build or rent a booth) or as part of the Canadian Pavilions (two are planned, the Canadian IT, Software, Internet Pavilion in Hall 6 and the Canadian Networking Pavilion in Hall 11). The Department of Foreign Affairs and International Trade will have an Info Booth in the Hall 6 Pavilion and commercial officers will be on-site to assist Canadian exhibitors during the fair.

The demand for exhibit space at **CeBIT 2001** is extremely high — an early decision to exhibit is critical. Canadian companies planning to exhibit independently must apply before the **July 15, 2000 registration deadline**. While there is more flexibility in applying to exhibit in the Canadian Pavilions, early application is also encouraged as space is assigned on a first-come, first-served basis and is expected to sell out quickly.

To obtain **CeBIT 2001** exhibitor application forms for independent and/or Pavilion exhibiting, contact Jennifer Cooke or Oscar Johvicas, Co-Mar Management Services Inc., Canadian representative for Deutsche Messe AG, 90 Glenmount Park Road, Toronto, ON M4E 2N2, tel.: **(416) 690-0331**, toll-free: **800-727-4183**, fax: **(416) 690-1224**, e-mail: comar@baldhead.com Web site: www.hfcanada.com

TCS is working for you in Europe's ICT sector

Domestic Events

Canadian trade commissioners and commercial officers located in Europe will be on hand at the following domestic events to discuss your market interests and help you develop a strategy to establish new export markets.

- ◆ **Softworld** — Halifax — October 15-18, 2000
- ◆ **Atlantic Digital Media** — Baddeck — October 19-21, 2000
- ◆ **MIM/AMNT** — Montreal — October 4-6, 2000
- ◆ **Outreach** to other Canadian destinations

European Events

European trade shows attract global participation, and are the most important in the world in a great many sectors. The TCS will be at the events listed below, ready to offer you its full range of value-added services.

- ◆ **EXPO 2000** — Hannover — June 1 - October 31, 2000
- ◆ **Interprise Munich** — Munich — July 4-5, 2000
- ◆ **Bavaria Online Congress** — Munich — July 6-7, 2000
- ◆ **European Computer Trade Show** — London — September 2000

- ◆ **SMAU** — Milan — October 19-23, 2000
- ◆ **Educatec** — Paris — November 22-26, 2000
- ◆ **Imagina 2001** — Monaco/Paris — January 31 - February 4, 2000
- ◆ **Milia** — Cannes — February 2001
- ◆ **CeBIT 2001** — Hannover — March 22-28, 2001

Where sufficient Canadian company interest exists, your team of trade commissioners and commercial officers in Europe will organize missions to the following events.

Outgoing Missions

- ◆ **Healthcare Telematics** — Berlin or Hannover — August 2000
- ◆ **IST 2000** — Paris — November 2000
- ◆ **E-Commerce Partnering Roundtable** — Paris/London/The Hague/Madrid — March 2001
- ◆ **NEXOS - Telecommunications** — Central/Eastern Europe — March 2001
- ◆ **Edutainment** — London (BETT), Nordic countries — January 2001

Your Trade Commissioner Service wants to hear from you

For information on specific markets, contact the trade officer in your territory of interest.

For general information, visit our InfoExport Web site at www.infoexport.gc.ca.

For information on trade missions to Europe, contact Emmanuel Skoulas, Trade Commissioner, European Business Development (RENB), tel.: (613) 995-6565, e-mail: emmanuel.skoulas@dfait-maeci.gc.ca

You need service? Take a ticket. And wait. Many major U.S. cities are actually facing a paradoxical situation: they benefit hugely from the Internet boom but resources are becoming stretched and scarce.

"Companies there are often oversold and overbooked," says Trevor Sawler, President of Crescent Studio.com "One of our major competitive advantages is our availability of resources." There goes the ticket... to the United States.

"The Canadian government has done much to develop the workforce in eastern Canada, continues Sawler, who employs 45 people at big facilities in Fredericton. We have plenty of competent designers, analysts and programmers on hand. It gives us flexibility to provide quality work at competitive rates."

The two-year-old dot-com is now exporting its professional Internet services to giant Hewlett-Packard (HP). It's a \$1.5 million deal with the e-Services Division that includes strategic planning, Web site building, and business process engineering for the e-commerce segment of the American company.

But it's not easy. "Hewlett-Packard has \$2 billion for dot-coms. When it makes a call for tenders, 1500 business plans are received, and only one will get it. Everything comes down to a one-page, five core competencies business presentation."

Getting Crescent Studio.com to the top of the pile was facilitated through networking and contacts at the Hewlett-Packard's e-Services Division. A prior client had contacts with someone at HP and referred Crescent Studio.com when HP created its brand new e-Services Division. "This client gave us clues on what they were looking for and how to make clear we could do the work they wanted. Today, this relationship is going very well, and Hewlett-Packard is our second biggest client."

Beating the competition

"Over the last five or six years, it has been really difficult in eastern Canada,

recalls Sawler. I went to the U.S. because I had the firm belief that there was more business there for companies delivering low costs and top quality. There just are more opportunities in the U.S."

BLAME CANADA!

A New Brunswick dot-com speeds up on the U.S. information highway

If the U.S. means more opportunities and more work, it also means tougher competition, with competitors having "more money and more staff," says Sawler. "However, they are often overbooked and oversold, so we say to our clients, 'We can do the same thing right now and at half the cost,' and then we talk contract."

"A low Canadian dollar against the U.S. currency helps," adds Sawler, but "the real question is not the dollar value. From my experience, many companies don't really care about the price. The real question is: can you do the work?" Beyond the price policy, it's also a matter of credibility and respect. Says Sawler, "Respect for our products and services is important. I even had to raise the rates to get more respect. We sell quality products and services, and we are positioning ourselves to do just that."

The how to

As for marketing, it seems that Sawler can't overemphasize the importance of direct, face-to-face meetings. "In the last quarter, we have had business in many major U.S. cities from the East Coast to the West Coast. Dealing with people on the East Coast is different

from dealing with people in Silicon Valley. Face-to-face meetings are a lot better than e-mails or telephone calls. So we've decided on this approach for our client relationships, even if it means taking the plane back and forth."

The now experienced exporter says the biggest mistake a new exporter can make when approaching a larger foreign market is to go there without appropriate marketing material. "Read success stories!" says Sawler.

"And don't forget the Consulates and the Embassy!

"We've had great success with Canadian Trade Commissioners in various cities. In New York, they helped us with our business plan and in San

Francisco and Los Angeles, they helped us build contacts and meet the right people. That has been of invaluable importance to us, and it really helped us in getting started."

"[Trade Commissioner] Handol Kim did a lot of groundwork on our behalf before we arrived in the San Francisco area. Victor Landry [based at the International Trade Centre in Moncton] was quite helpful too," adds the President of the second fastest growing company in Atlantic Canada, which is in the midst of negotiating new contracts in Colombia and Israel.

For more information, contact Trevor Sawler, President, Crescent Studio.com tel.: (506) 460- 8321, fax: (506) 460-8301, Web site: www.crescentstudio.com



Trade Update 2000, the inaugural annual report on Canada's performance in international trade, was released last month by International Trade Minister Pierre S. Pettigrew.

"Canada's prosperity is tied directly to our trade performance," said Minister Pettigrew. "Canada has enjoyed a

investment flowed into Canada in 1999, bringing the stock of foreign direct investment in Canadian enterprises to \$240 billion.

In total, exports of goods and services increased some 11 percent in 1999 to reach \$410 billion, or 43 percent of Canada's GDP.

Trade records set

Minister Pettigrew issues first annual state of trade report

record trade year that has powered our job creation and energized our economy. It's important that Canadians have an opportunity to see how well we've done."

The report documents new benchmarks for Canada's achievement in exporting to the world and in attracting investment. It also highlights two significant points about Canada's international performance.

First, Canada continues to set record trade and investment numbers. Every day of the week, Canada does an average of \$2.2 billion worth of business — exports and imports of goods and services — around the world. Some \$36 billion in direct

Second, the report documents the important transformation toward the so-called "new economy" which has been taking place in Canada in recent years. For example, exports of machinery, including technology-intensive telecommunications and office machinery, increased 11 percent in 1999. Exports from the automotive products sector increased by 24 percent, reflecting the competitiveness and active investment in this sector.

Exports of research and development services have increased an average of 15 percent per year from 1993 to 1999. Last year alone, exports of services generating royalty and license fees grew 31 percent.

Canadians in communities across the country have shared the rewards of succeeding in the new economic era of business beyond borders. The 427,000 net new jobs created in 1999 was the highest total since 1979, and a major part of this expansion relates directly to Canada's success in global markets.

"Canadians can be proud of Canada's trade achievements; this marks the eighth straight year we have set new records in our foreign exports." "But," Minister Pettigrew cautioned, "this is not the time for complacency."

"We must encourage Canada's entrepreneurial energy by helping small- and medium-sized enterprises to thrive in the global marketplace."

The Minister also encouraged Canadian businesses to take part in the upcoming trade missions that he will be leading. These include Australia (May 30 to June 2); Russia (June 28 to 30); Czech Republic, Slovakia, Hungary and Slovenia (September 11 to 15); Algeria, Morocco and Spain (October 10 to 20); and the Middle East (early next year).

The annual report is available on the Web site of the Department of Foreign Affairs and International Trade at: www.dfait-maeci.gc.ca/eet/state-of-trade-e.asp *

Join the services trade consultation!

Do you export your services, either abroad or by selling services to foreigners in Canada? If so, you can participate in an exciting "virtual" consultation process allowing you to give direct input to our services trade negotiators. This e-mail based process will enable you to provide input even when you are travelling abroad.

The Canadian government is negotiating with its trading partners to improve Canadian services exporters' access to foreign markets. One such set of negotiations is the General

Agreement on Trade in Services (GATS), which is taking place within the World Trade Organization (WTO). In order to reach more companies, the government is establishing an e-mail dialogue with services exporters to learn more about their international activities and any challenges that they encounter.

This virtual GATS consultation process will consist of a series of short e-mailed survey questions asking for input on a range of services trade issues, one every other week for a

period of six months. Responding to each mini-survey should take less than 60 seconds with a click of the "submit" button.

Participants will receive a summary of the responses from across the country letting them know where other Canadian services firms stand on these issues, along with suggestions on how to manage difficulties they may face in exporting. All individual responses will be kept confidential, and only aggregate data will be analysed and released.

If you have already self-identified as a service exporter on either DFAIT's

Continued on page 13 - Services

Russia faces enormous environmental problems caused by extensive industrialization and the lack of adequate technologies to deal with the ecological consequences. There is severe pollution of air, water and soil in many regions caused by spills and routine discharges. This is suspected to have contributed to the recent decline of life expectancy in Russia.

Since the end of the Soviet era, the Russian population has become relatively well informed about the environmental problems facing the country. Despite this awareness, and certain actions taken by the federal and local governments, progress toward achieving environmental protection is very slow.

Even though the Soviet Union was a world leader in certain areas of science and engineering, Russia does not possess appropriate modern equipment and expertise for pollution control and prevention and for the cleanup of polluted sites. Nearly 60 percent of Russian companies are environmentally dangerous (use of outdated equipment and technology).

Environmental Situation

Russia's northwestern Kola peninsula is one of the most polluted areas in Europe as a result of contamination from smelters handling the mineral ores mined in the region. Other seriously polluted regions include Belorodskaya, Chelyabinsk (Magnitogorsk), Kemerovo, Irkutsk (Angarsk), Primorsky Krai and Povolzhye. In these regions, polluted groundwater is the most serious problem.

On a daily basis, the major problem facing Russians is the poor quality of water supplies. In fact, the Russian government claims that 60 percent of the population drinks water that is considered "unsatisfactory."

Pollution from cars is responsible for about 85 percent of air pollution in the cities. Carbon dioxide and nitrogen oxide levels are 12 times higher than maximum permitted levels during rush hours. While the level of air

pollution is reportedly down 30 percent from 1990 — due to the economic decline and reduced industrial production — some 16,000 deaths each year are attributed to suspended particulates in the air.

Russia Environmental Sector Profile

Market overview and opportunities

Water and Wastewater Treatment

Water purification systems in Russia tend to break down frequently due to poor construction, improper maintenance and operator error. Bacteria is routinely found in drinking water.

Best sales prospects include:

- water purification, conditioning and treatment;
- municipal wastewater treatment and sewage systems;
- industrial wastewater treatment systems;
- portable water treatment; and
- marine pollution controls.

Solid Waste Management

Russia produces an estimated 6.5 billion tonnes of waste annually (1.7 million tonnes is toxic). While the amount of industrial waste has declined because of the cut in production, household waste is increasing due to the rise in consumerism.

There are an estimated 100 illegal dumps in and around Moscow alone. Illegal landfills, poorly constructed legal landfills, and on-site industrial storage facilities have become a major source of groundwater contamination throughout the country.

The best sales prospects for solid

waste equipment include:

- hazardous waste treatment/disposal;
- recycling systems;
- solid waste incinerators;

- vertical and horizontal containment barriers; and
- solids processing and dewatering.

Air Pollution Control

Forty percent of Russia's population lives in some 200 cities where the air pollution level exceeds permissible levels. Of these cities, 120 registered air pollution levels that exceeded government standards by five times.

A 1998 study by Russia's Centre for Human Demography and Ecology and the Russian Academy of Science found that the levels of benzene, vinyl chloride, hydrocarbon derivatives, arsenic, nickel and heavy metals are often 10 to 15 times the maximum permitted levels.

Air pollution has received considerable attention in the last year, and demand for treatment equipment should increase. Best sales prospects include equipment to control acid gas/sulphur dioxide, volatile organic compounds, nitrogen oxides and particulates.

For more information, contact Lilya Panova, Commercial Officer, Canadian Embassy in Moscow, tel.: (011-7-095) 956-6666, fax: (011-7-095) 232-9949, e-mail: lilya.panova@dfait-maeci.gc.ca ✪

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

KENYA — Oil Storage Facilities — Notice received from the Canadian High Commission in Kenya. The Kenya Pipeline Company Limited (KPC) is soliciting tenders from prospective international contractors to provide: 1) a 40- metre diameter tank for the storage of dual purpose kerosene (fixed roof); 2) a 48- metre diameter tank for the storage of premium motor spirit (internal floating roof); 3) a 40-metre diameter tank with the storage of automotive gas oil (fixed roof); 4) a 40-metre

International Business Opportunities Centre

diameter tank for the storage of automotive gas oil which can be used as a "swing" tank for dual purpose kerosene (fixed roof). All tanks must be constructed within existing bunded areas, be 17.07 metres in height and be provided with central water draw-offs, access staircases and all relevant instrumentation. The contractors will be required to supply and install dedicated pumps and meter prover facilities at Kipevu and construct pipelines for the delivery of products to the main Mombasa-Nairobi pipeline at pumping station No. 1. New electrical and control systems will be installed for the whole site and will be co-ordinated between KPC, the consultant and the Kenya Power and Lighting Company. Contractors are required to provide a fixed price lump sum for the execution of the work and must provide, preferably through an export credit guarantee source, or through a Commercial Merchant Bank, a loan for the completion of the work. Bid documents are available for a non-refundable fee of US\$500 per set. Closing date: **July 27, 2000.** Contact Daniel Lemieux, IBOC, fax: (613)996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. **000418-01548.** For details: www.iboc.gc.ca/webleads.asp?id=265en

IRELAND — Computerized Theory Test for Learner Drivers — Notice received from the Canadian Embassy in Dublin, Ireland: A government department has issued a tender for the introduction and operation of a computerized the-

ory test for learner drivers. Closing date: **July 13, 2000.** There is no cost for the tender documents. Contact Daniel Lemieux, IBOC, fax: (613)996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. **000412-01465.** For details: www.iboc.gc.ca/webleads.asp?id=253en

JORDAN — Gas Field Project — Notice received from the Canadian Embassy in Amman, Jordan: The National Petroleum Company (NPC) of Jordan is seeking offers to enter into a form of partnership/co-operation with an oil/gas company having a proven financial and technical record in gas field exploration, development, production, transmission and distribution for the major development of its Risha Gas Field. Documents may be obtained from the National Petroleum Company. Closing date: **July 31, 2000.** A pre-bid meeting to address inquiries will take place in Amman in June. Contact Daniel Lemieux, IBOC, fax: (613)996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. **000418-01547.** For details: www.iboc.gc.ca/webleads.asp?id=264en

SINGAPORE — Wheels and Axles for Locomotives — Notice received from the Canadian High Commission in Singapore: The Singapore MRT Ltd. is looking for potential suppliers/manufacturers who are interested in the supply and delivery of wheels and axles for use on locomotives. Tender documents are available from the Singapore MRT Ltd. for a fee of SG \$25.75 or approximately C\$23.00 per set, plus courier costs. Closing date: **July 18, 2000.** Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. **000426-01657.** For details: www.iboc.gc.ca/webleads.asp?id=270en

IBOC trade opportunities — find out more at www.iboc.gc.ca *



Quick Facts

Since it opened in 1995, IBOC has contacted more than 25,000 Canadian companies and has responded to more than 16,000 inquiries from foreign buyers.

Thanks to IBOC, more than 8,500 Canadian firms have been in contact with foreign buyers.

IBOC's sourcing experts use a variety of databases, as well as a large network of business contacts across the country, to identify Canadian companies of all sizes.

IBOC is jointly operated by the Department of Foreign Affairs and International Trade and Industry Canada, with special co-operation from Agriculture and Agri-Food Canada. It is the sourcing centre for Team Canada Inc.

Algeria is the second largest country in Africa. The Algerian government has until very recently focused on the hydrocarbons sector, and, as a result, Algeria has been almost completely untouched by mining activities. The new government, led by President Bouteflika, is preparing an

minière (ORGM) [Geological and Mining Research Office] in order to buy these sites to mine them.

The 48 available deposits contain the following ores: marble, onyx, decorative stones (granite, serpentine and marmorized limestone), clay, gypsum, salt, glass sand, baryta, gold, wol-

for detailed geological reports.

A Canadian firm, Breakwater Resources Ltd. of Toronto, has just signed a letter of intent outlining a \$100 million investment to develop a zinc mine, confirming the huge potential that Algeria's liberalized mining sector holds.

For further information on the new mining market in Algeria or for advice on how to penetrate it, contact Gilles Poirier, Commercial Counsellor, or Rachid Benhacine, Senior Commercial Agent, Canadian Embassy in Algeria, tel.: (011-213) 2-91-49-51, fax: (011-213) 2-91-47-20, e-mail: gilles.f.poirier@dfait-maeci.gc.ca *

Mining in Algeria

Liberalizing and privatizing the mining sector

ambitious privatization program targeted mainly at the mining sector.

The new mining code, expected to be adopted this year, will enable both domestic and foreign private investors to own up to 100 percent of mining operations, contrary to the current mining code, which limits private mining investments to 49 percent of the companies' capital.

Private investors will have easy access to geological information and data, and will also be able to launch exploration programs. As suggested by the World Bank, these activities will be monitored by a specialized agency responsible for issuing permits and titles.

Promotional campaign

So that international companies can be the first to benefit from the liberalization of the mining market, the Ministry of Energy has just launched, as a first step, a promotional campaign that will enable small local operators to gather information on 48 deposits and 97 indicators developed by the Office de recherche géologique et

fram, lead-zinc, copper and semi-precious stones.

Discussions and conferences will be held during an exhibition that is taking place in Algiers until July 15 in order to provide potential operators with advice.

This first group of small mines should create approximately 4000 jobs and encourage entrepreneurship in the mining sector.

Foreign partnerships

As part of this effort to promote small private mines, and until the new Mining Act is passed, domestic investors have the opportunity to establish foreign partnerships in order to acquire the expertise and equipment necessary to develop these mines. Tenders must be submitted by July 15, 2000. Foreign firms can ask to receive a list of Algerian operators who have expressed an interest in investing in this sector.

Investors can sign out on site specifications and technical documentation on specific deposits for a fee of 5000 dinars (approximately \$100) or 20,000 dinars (approximately \$400)

Services trade consultation

— Continued from page 10

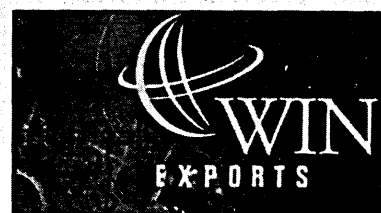
WIN Exports or Industry Canada's Canadian Company Capabilities (CCC) database, you will be receiving an e-mail inviting you to participate. If you are a service exporter but are not yet registered with WIN Exports or CCC, you can volunteer to participate by e-mailing your request to gats@dfait-maeci.gc.ca marking "add us" in the subject box.

If you want specific information about the services trade negotiations, visit the Government of Canada Services2000 Web site at <http://services2000.ic.gc.ca>

Please participate and help to ensure that our services trade negotiators are well equipped to negotiate on Canada's behalf! *

Looking for Export Opportunities?

Make sure you are registered in the WIN Exports database, which is used by trade commissioners abroad to promote your company's capabilities to foreign buyers. Fax your request for a registration form to 1-800-667-3802 or (613) 944-1078. Or call 1-800-551-4946 (613-944-4946 from the National Capital Region).



JOHANNESBURG, SOUTH AFRICA — June 20-23, 2000 — **AfricaRail 2000**, Africa's premier railway industry conference and exhibition is an annual event endorsed by the Southern African Railway Association and the Union of African Railways, among others.

This year's conference will focus on strategies for optimizing rail usage in Africa, the financing of rail projects, privatization and public private partnerships and technology and safety issues.

The exhibition being held in conjunction with the conference will provide Canadians with the opportunity to meet with international and regional buyers and to learn about new procurement opportunities.

AfricaRail 2000 on track for business

Some of the products and services on display include track, switch, fastener materials and components; diesel and electric engines; electrified rail lines; signalling and telecommunications equipment; and engineering consulting and contracting companies operating in the rail industry.

For more information or to register, contact the organizers, AIC Worldwide, tel.: (011-27-11) 463 2802, fax: (011-27-11) 463 6903, e-mail: info@aic-africa.com or visit their Web site at www.railexpo.com

A survey of the South African rail sector has recently been commissioned by the Canadian High Commission Trade Office in Johannesburg identifying a number of key players in the industry. For further information, contact Bruce Fraser, Commercial Officer, Canadian High Commission Trade Office, Johannesburg, tel.: (011-27-11) 442 3130, fax: (011-27-11) 442 3325, e-mail: bruce.fraser@dfait-maeci.gc.ca *

Caribbean Island to showcase Canadian technology, products and services

PORT OF SPAIN, TRINIDAD AND TOBAGO — October 5-6, 2000 — Organized by the Canadian High Commission in Port of Spain, the multisector **Canadian Technology, Products and Services Showcase** will enable Canadian companies to display their products and services at this solo Canadian show and have the opportunity to introduce themselves to an important market, generate new sales, and initiate business relationships with Caribbean partners.

The Canadian High Commission will also invite key government and private sector decision makers and buyers to visit the trade fair.

Companies may be able to obtain financial assistance from the Department of Foreign Affairs and International Trade's program for Export Market Development (PEMD) to cover some of the costs of participating in the show. Eligible companies can be reimbursed up to 50 percent of the expenses for travel, space and booth rental. To inquire, contact the

International Trade Centre in your area.

The twin-island country of Trinidad and Tobago has a consumer market of 1.3 million, is rich in resources of oil and natural gas and has a very vibrant economy — the most industrialized and diversified in the Caribbean region — ranging from heavy industries linked to the oil and gas sector to light manufacturing, agriculture, tourism, and services.

With trade liberalization and possible entry into NAFTA, the FTAA, and MERCOSUR, the country has the potential to become the commercial hub in the Caribbean and a gateway to the Americas.

Canadian investment in Trinidad and Tobago is estimated at more than US\$1.5 billion and is mainly in the petrochemical, banking, environmental technology, and light manufacturing sectors. Canadian services (e.g. consulting) are also provided to the Trinidad and Tobago government in the education and health sectors.

Opportunities exist for joint venture partnerships in the manufacturing sectors and the supply of Canadian products to all areas of the economy.

For further information and to register for the showcase, contact Robert Grison at Canadian Export Development (CED), tel.: (613) 825-9916, fax: (613) 825-7108, e-mail: ccd@sympatico.ca (CED specializes in the organization of international trade shows.)

For further information on the business opportunities in Trinidad and Tobago, contact Ramesh Tiwari, Commercial Officer, the Canadian High Commission in Port of Spain, tel.: (868) 622-6232, fax: (868) 628-2576, e-mail: ramesh.tiwari@dfait-maeci.gc.ca

Following the showcase in Port of Spain, a mini-mission to Guyana is planned for some relevant Canadian companies. For information on this follow-on mission and to confirm your participation, contact Lyris Primo, Commercial Officer, the Canadian High Commission in Georgetown, tel.: (011-592-2) 72081, fax: (011-592-2) 58380, e-mail: lyris.primo@dfait-maeci.gc.ca *

NEXOS MISSION TO U.K. One-day seminar on Russian oil and gas sector

LONDON, U.K. — September 11-12, 2000— A NEXOS (New Exporters Overseas) Recycling and Waste Management Mission to the U.K. is being organized by the Canadian High Commission in London. This sector is estimated to show a growth of 27 per cent in the U.K. over the next four years, achieving a value of just under \$10 billion. More information on opportunities in the recycling and waste management sector can be found in the U.K. *Environmental Industries Report* at www.infoexport.gc.ca

The mission will feature a visit to the Recycling and Waste Management Exhibition, the largest show of its kind in the U.K., and a one-day information session at the High Commission.

For more information on the event or how to participate, contact Deanne Rourke, tel.: (011-44-20) 7258 6619, fax: (011-44-20) 7258 6384, e-mail: deanne.rourke@dfait-maeci.gc.ca or visit the Web site at www.rwmexhibition.co.uk *

CALGARY — June 15, 2000 — "The Russian Oil and Gas Sector in the New Millennium," seminar being held in conjunction with the World Petroleum Congress and the National Petroleum Show 2000 is an opportunity not to miss.

The program will feature presentations by Canadian industry experts detailing their experience in Russia and by Russian experts from the oil, gas and pipeline sector, including a presentation by the Russian Deputy Minister of Fuel and Energy. Other seminar topics include financial advice from Export Development Corporation, legal considerations, equipment certification, licensing, and transportation systems.

This will be an excellent venue for gathering information and networking with the people that count!

For more information on this event sponsored by the Department

of Foreign Affairs and International Trade, contact the Canadian Eurasia Energy & Industry Alliance (CEEIA), tel.: (403) 218-4822, fax: (403) 218-8727, e-mail: iva@ceeia.org Web site: www.ceeia.org *

Canadian Food and Beverage Expo in U.S.

MIAMI — August 29-30, 2000 — The 2000 Canadian Food, Fisheries and Beverage Exposition, the only all Canadian exhibition in South Florida—the gateway to the Caribbean—is hosted by the Canadian Consulate in Miami. Exhibitors will have an exceptional opportunity to get multi-buyer exposure to brokers and distributors; importers and exporters; cruise lines; hotels and resorts; restaurants and caterers; wholesalers; grocery chains; and hospitals from South Florida, the Caribbean, and Central and South America.

For more information or to register, contact Normand Villeneuve, Consul and Trade Commissioner, Canadian Consulate in Miami, tel.: (305) 579-1600, fax: (305) 374-6774, e-mail: miami-td@dfait-maeci.gc.ca *

Food and Hotel South China 2000 Show

GUANGZHOU, CHINA — September 26-28, 2000— Agriculture and Agri-Food Canada (AAC) and the Canadian Consulate General in Guangzhou (Guangdong province) invite you to participate in the official Canadian Food Pavilion at the Food and Hotel South China 2000 Show, the first international professional exhibition aimed at the South China food and hospitality sector, a market estimated at US\$62 billion.

The target market for Western food products in China represents one-sixth of the country's population or 200 million people.

The city of Guangzhou anchors one of the most economically dynamic and vibrant areas of China—the Pearl River Delta. Bordering Hong Kong, the Delta boasts the highest

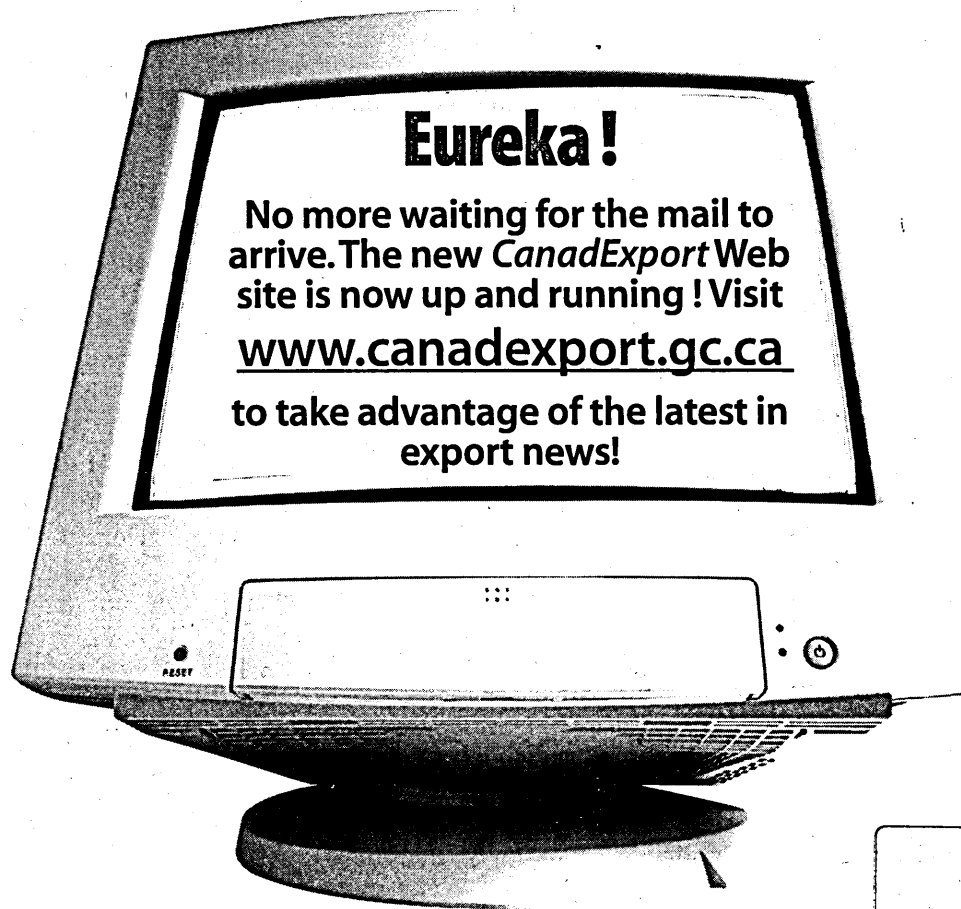
per capita GNP in China with its major centres Shenzhen and Guangzhou ranking at the top.

Guangdong province has the most developed retail sector in the country. Foreign-funded supermarkets such as Junco, Sam's Club, Macro and Walmart began to enter the Guangdong retail market in 1996. New supermarkets are now opening almost weekly in South China.

For more information on the show or how to register, contact Maria Lo, International Market Development Officer, AAC, tel.: (613) 759-7729, fax: (613) 759-7506, e-mail: lom@em.agr.ca or Minster Li, Commercial Officer, Canadian Consulate General in Guangzhou, tel.: (011-86-20) 8666-0569, fax: (011-86-20) 8667-2401, e-mail: minster.li@dfait-maeci.gc.ca *



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(See supplement inside)



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Trade mission going to Russia

International Trade Minister Pierre Pettigrew invites Canadian companies to participate with him in a trade mission to Moscow and St. Petersburg, Russia, from June 28 to 30, 2000.

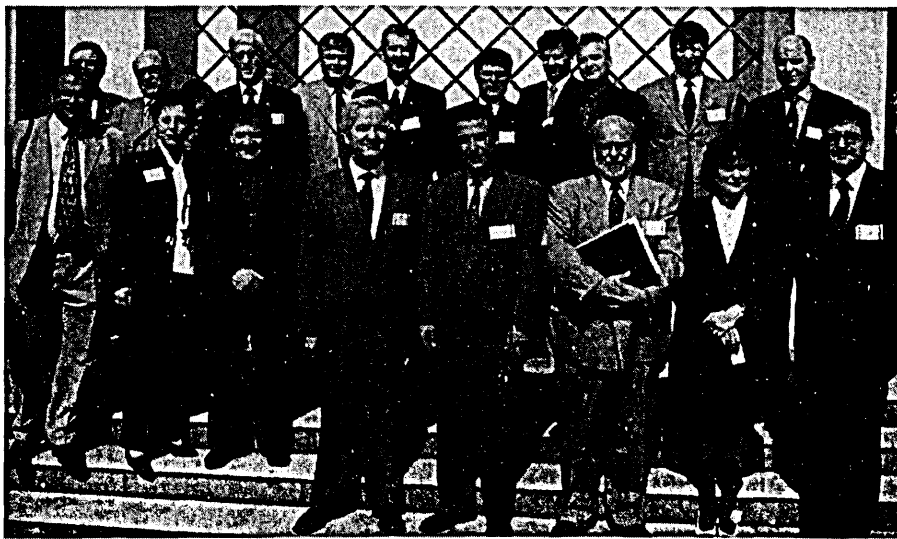
"There has never been a better time to take another look at Russia," said the Minister. "The Russian economy is on the rebound and shows enormous potential for growth. My trip is a chance to introduce Canadian companies to the new Russian government and to promote Canadian products, services and technologies in priority

sectors such as housing, agriculture, fuel and energy, mining, aviation and telecommunications." (For market details, see the Supplement inside.)

The trade mission will begin in Moscow and will coincide with the fourth meeting of the Canada–Russia Intergovernmental Economic Commission (IEC) to be held on June 29. The IEC is an industry-led bilateral forum that aims to foster trade and economic relations, investment and the transfer of technology between Canada and Russia, as well as to address trade and investment irritants.

Continued on page 9 – Trade mission

Morocco mission highly successful



Members of the mission to Morocco. Léopold Battel, Commercial Counsellor at the Canadian Embassy in Rabat, is pictured in the front row, first from the left. For a complete list of mission members, contact Denise Cadieux at the Forum Francophone des Affaires, tel.: (514) 849-4572.

See story on page 13

"Asia-Pacific... it takes a long time, it costs money, you have to set your sights on the long-term. And be prepared to realize that it takes time and money."

companies that are right for us. "And last, but not least, the Premiers help us a lot in the long term, by opening doors, in a wider political sense," says Diebold, whose

China — like a seed planted early Diebold says China is a very attractive market. "I went there several times to look at the residential side of the construction market, and to look for opportunities for manufactured products. I like to bring Northern techniques and specialized building technology to China. Few Canadian companies are yet in China, which means less competition. But for me, China was interesting for the expansion of Whiponic Wellputer — to make it grow. I also like the challenges that come with the market."

A look at Team Canada missions

A view from the Territories



These are words of wisdom, coming from a man of experience, President of Northwest Territories-based Whiponic Wellputer Ltd., Kevin Diebold. Diebold participated successively in the 1997 Asia-Pacific Team Canada mission to Korea, Malaysia and Thailand, in the 1997 APEC Forum and Exposition for small and medium-sized businesses, in the 1998 Northwest Territories Mission to China, and is interested in the next Team Canada mission.

Long-time international managers like Diebold will tell you that Asian business people, unlike their Western counterparts, focus on long-term relationships. Confidence and reliability over the long run are keys to success. And this is especially true in such a long-term driven and durability-based sector as the residential and commercial building sector.

The Team Canada teambuilding and networking experience

"A Team Canada mission helps businesses in many ways. First, quite simply, it helps us with the wealth of information that it provides us regarding potential suppliers, distributors, potential competitors, the clients, the market, the economy, the hurdles to overcome, etc.

"Second, it helps us establish contact and actually meet people of interest to us. They assist us in locating the

19-year-old company makes revenues in excess of \$3 million.

The benefits of a mission are twofold, says Diebold. "It's a good opportunity to explore markets, no doubt, but also to network with other Canadian entrepreneurs. You get an insider's view of how business is done with these guys, and that can help you a lot both at home and abroad. It allows you to see who's who in the oil/gas and residential building sectors. You can also learn a lot on the economic aspects of a region and on the business prospects."

Over the course of the 1997 Asia-Pacific mission, for instance, Whiponic signed three contracts between flights and on stops to Asian cities in Korea, Malaysia and Thailand. One involved the installation of a water purification unit for an Alberta company, another concerned the supply of electrical and mechanical construction material to a home builder located in British Columbia, and the third was awarded for the maintenance of a commercial building in Alberta.

At the same time, the foreign markets are there for exploration and for market intelligence gathering. "Market research and reconnaissance are my main concern on a mission," explains Diebold. "I try to establish relationships for the future and I try to make contact with Canadian companies in China."

With China soon about to join the World Trade Organization, Diebold's patience in Asia-Pacific is sure to pay off. Will he return to China with the Team Canada mission to Shanghai, Beijing and Hong Kong? Diebold

Continued on page 7 — Whiponic

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canadexport

International Trade Minister Pierre Pettigrew completed the second leg of his Cross-Canada Outreach tour by visiting Quebec City and St. John's, Newfoundland, on May 23 and 24.

announced the signing of a \$69 million contract with Fitness Holdings Worldwide (FHW) to install 15,000 interactive touch-screen video terminals on exercise equipment in over

growing IT companies, the Minister announced the signing of a contract with Cisco Systems of San Jose, California, to retool the company's training program for software engi-

Ministerial outreach continues Cross-Canada tour

The Minister was accompanied by Assistant Deputy Minister, International Business Development and Chief Trade Commissioner, John Gero, Director General, Overseas Programs and Services, Roger Ferland, and by Trade Commissioners from Canadian Consulates General in Atlanta, Boston, Dallas, Detroit and New York who took part in exporter seminars focusing on the United States.

In each city, the Minister spoke to Canadians at large about the benefits of trade for their region and to the business community on how the federal government and, in particular, the Trade Commissioner Service, can help exporters. He also invited companies to participate in upcoming Canadian trade missions (see article on pages 10-11 in the May 15 issue of *CanadExport*).

During a visit to Quebec City-based Xystos Media Network/Aerobic Technologies Inc., the Minister

400 FHW health clubs around the world. The interactive terminals give fitness club users individually controlled access to the Internet, e-mail, TV and other entertainment while exercising.

"I'm convinced that much of Canada's future lies in companies like Xystos Media Research/Aerobic Technologies Inc. building on our brainpower and



Minister Pettigrew chats with ZeddComm Inc. President Emad Rizkalla during a visit to the company's St. John's, Newfoundland, offices.

neers and programmers. Minister Pettigrew also congratulated ZeddComm for drawing many young Newfoundlanders back to St. John's



The 16th Newfoundland and Labrador Export Awards (left to right): Lorne Janes, Chairman, Alliance of Manufacturers & Exporters (Newfoundland and Labrador); Terry Crane, President, C & W Industrial Fabrication and Marine Equipment Ltd. of Bay Bulls; Clarence Dwyer, President, SEA Systems Ltd. of St. John's; Richard Fuchs, President, FUTUREWORKS Inc. of Torbay; Iris G. Petten, Vice-President, Grand Atlantic Seafoods of St. John's; Newfoundland and Labrador's Industry, Trade and Technology Minister Sandra Kelly; Minister Pierre Pettigrew.



Minister Pettigrew tries out the Web access and entertainment unit during a visit to Quebec City-based Xystos Media Network/Aerobic Technologies Inc. as company President Nat Findlay looks on.

our proven abilities to compete with the best in the world," said the Minister.

The Quebec City seminar and lunch were co-organized by Développement économique Canada and by the Centre de commerce international de l'est du Québec (CCIEQ), while the St. John's events were co-sponsored by the Alliance of Manufacturers & Exporters (Newfoundland and Labrador) and by the Government of Newfoundland and Labrador.

During a visit to ZeddComm Inc. in St. John's, one of Canada's fastest

after having immigrated to other countries, including the United States.

Later that day, the Minister joined Newfoundland and Labrador's Minister of Industry, Trade and Technology, Sandra Kelly, and Chair of the Alliance of Manufacturers & Exporters in the province, Lorne Janes, as a special guest in announcing the winners of the 16th Newfoundland and Labrador Export Awards.

And the tour continues.... Minister Pettigrew intends to extend his Cross-Canada Outreach visits into the fall. *

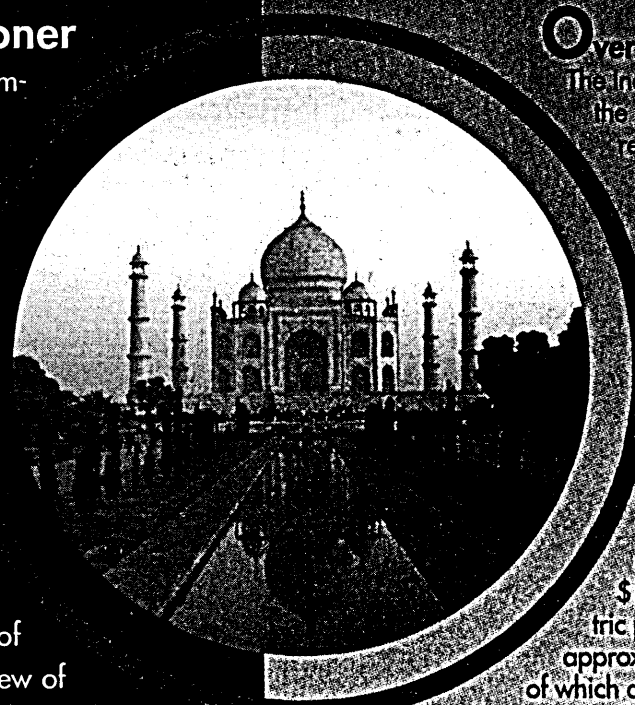
INDIA — Electrical

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helps Canadian companies that have researched and selected their target markets. Successful companies concentrate on one foreign market at a time, moving on to the next only after succeeding in the previous one. To help you select which market you should target, the Market Research Centre of the Trade Commissioner Service has prepared over 600 market reports. This section of *CanadExport* provides an overview of one report.

For more information on this and other reports, or if you want to know how the Canadian Trade Commissioner Service can help you get results in international markets, visit us at

www.infoexport.gc.ca



Overview

The Indian government is encouraging the states to undertake extensive reforms in the power sector. A national restructuring program is also underway. The purpose is to increase India's total electric power generation capacity, which is currently about 30% below demand. More than 56,700 MW of new generation capacity is scheduled for construction during the Ninth Five-Year Plan (1997-2002), with the private sector expected to install up to 70% of this new capacity, an investment valued at \$138 billion. The market for electric power equipment is valued at approximately \$7.5 billion, \$1.5 billion of which are imports. In addition, there is a large market for allied services. Canadian companies will find numerous opportunities.

Opportunities

Ample opportunities exist for joint-venture and technology-transfer agreements to supply equipment and services to new generation-capacity projects, and to retrofit and upgrade existing power plants. The development of captive

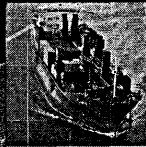
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power market

power plants and small hydro electric power plants is another promising market.

Consulting services to government ministries and agencies and private project promoters are required for various aspects of setting up the national power

and construction of 220 kV and 800 kV lines, medium and heavy duty transformers and capacitors, specialty wires and cables.

- supervisory control and data acquisition (SCADA) systems
- demand-side management programs and metering sys-

tems. Canadian companies are transferring technologies, or setting up a local manufacturing presence for longer-term prospects.

Recent changes to India's import duties now stipulate that equipment supplied to power-generation projects are subject to a maximum customs duty of 5%, while mega-power projects are exempt from customs duties.

Electrical power generation in India

Source	Total current installed capacity (MW)
Hydro	22,438.48
Thermal	67,617.46
Nuclear	2,225
Wind	968.12
Total	93,249.06

grid and improving the efficiency of the current transmission and distribution systems. New entrants in the power sector will also require consulting services, for feasibility studies, design and construction, selection and sourcing of equipment, setting up distribution networks, cost analysis, management and standardization of products and equipment.

Canadian firms should enjoy a competitive advantage in the following areas:

- renovating and modernizing coal-fired power plants
- non-conventional power generation, such as wind, solar, marine power
- transmission equipment and services for high voltage direct current/extra high voltage (HVDC/EHV) lines, design



tems, energy efficiency and conservation technologies.

- power-related environmental equipment and technologies

Accessing the market

As part of the reform process, the Indian government has announced that procurement opportunities in India's electric power sector will occur through an open competitive bidding process.

Canadian companies are advised to retain an agent or representative in India to assist with the myriad regulations during both the pre-tender and post-tender phase of the project. Moreover, joint-venture arrangements are preferred

See potential?

To learn more about specific opportunities and the competitive environment, read the full report, *The Electrical Power Market in India*, prepared by the Market Research Centre of the Canadian Trade Commissioner Service. It includes market penetration strategies, a list of promotional events, key contacts, support services, and a list of useful websites. The report is available at

www.infoexport.gc.ca

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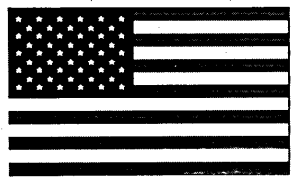
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Minister's visit to Buffalo

The Niagara Trade Council

On May 10, International Trade Minister Pierre Pettigrew gave the keynote address at the Niagara International Trade Council's 2000 World Trade Week Dinner in Buffalo, the leading international business event in Western New York. A record crowd of 700 turned out for the annual event.

Strong ovations by the dinner attendees following comments by the Minister on issues such as the importance of the Niagara region to Canada-U.S. relations, Section 110 of the U.S. Illegal Immigration Reform and Immigrant Responsibility Act of 1996, and the Peace Bridge would suggest that the timing of the Minister's visit helped to reinforce many of the ties that bind this binational community.

In fact, this year's program drew the greatest regional Canadian attendance ever, as well as a special contingent of representatives from 15 Ontario companies who were in Buffalo for a two-day New Exporters to Border States (NEBS) program. Since NEBS was established by the Consulate General in Buffalo in 1984, the national program has graduated more than 12,000 com-

panies, over 4,300 of which have received their introduction to exporting through the Consulate's Trade Division.

Each year since 1994, the Consulate has recognized the outstanding efforts of a Western New Yorker in building Canada-U.S. trade by honouring that individual with the Canada-U.S. Ambassador Award. Announced at the World Trade Week Dinner, the 2000 Award was given to James Sachs, CPA, a director with the accounting firm Freed Maxick Sachs & Murphy. Among his many distinctions, Sachs has been a presenter at every NEBS session in Buffalo since the program's inception.

A second Canada-related award given during the World Trade Week Dinner is the John R. Oishei Fulbright Scholarship, which is granted to a Buffalo area student to study in Canada, and is the only fully endowed Fulbright Scholarship for study in Canada.

This year's Fulbright scholarship, presented by Dr. Victor Konrad, the Executive Director of the Canada-U.S. Fulbright Association, was awarded to Shane Walton, a political science student from Alfred University who will

spend the next academic year at McMaster University.

On display throughout the evening was a new joint initiative by the University of Toronto and SUNY at Buffalo — a Web site dedicated to border issues.

Conceived during the planning process for the April 2000 Canada-U.S. Partnership (CUSP) meetings in Niagara and Buffalo, this cross-border Web site www.fis.utoronto.ca/webtest/cusp is envisioned as the primary repository on border documents and information as well as a key communication tool for border-related dialogue.

The Consulate General took the opportunity of Minister Pettigrew's visit to Buffalo to officially launch its 30th anniversary celebration — a



From left, Dr. Victor Konrad, Executive Director of the Canada-U.S. Fulbright Program; Shane Walton, Recipient of the John R. Oishei Fulbright Scholarship; Pierre Pettigrew, Minister for International Trade; Mark Romoff, Canadian Consul General, Buffalo.

year-long campaign to expand commerce, cultural exchange and connections across the Canada-U.S. border.

For more information, contact Kerry Mitchell, Public Affairs Officer, Canadian Consulate General, Buffalo, N.Y., tel.: (716) 858-9581, fax: (716) 852-4340, e-mail: kerry.mitchell@dfait-maeci.gc.ca

Check the Business Section of the Canada-U.S. Relations Home Page at www.dfait-maeci.gc.ca/geo/usa/business-e.asp ... for valuable information on doing business in and with the United States.

AHR Expo 2001

ATLANTA, GEORGIA — January 29-31, 2001 — When it comes to heating, ventilation, air conditioning and refrigeration (HVAC & R), the Atlanta area is one of the hottest places to do business. According to Cahners Business Information, for the last seven years, AHR Expo has been the #1 U.S. market for total residential construction.

With over 25,000 visitors expected, this is the opportunity for exhibitors to reach key Southern buyers— 88 percent of whom don't travel to other shows.

Exhibiting at the Canada Group Stand at AHR Expo 2001 will enable thousands of HVAC & R buyers, who haven't seen your products anywhere else, to see how you can save them

money, increase their efficiency, and improve their bottom line.

The AHR Expo draws a significant international attendance—over 5,000 international visitors, representing 115 countries, attended the last Atlanta event in 1996.

For more information on reserving space at the Canada Group Stand, contact Monique Deschamps at Kadoke Exhibition Services, tel.: (613) 241-4088, fax: (613) 241-2663, e-mail: Monique.D@kadoke.com

For local market information, contact John Alexander, Commercial Officer, the Canadian Consulate General, Atlanta, tel.: (404) 532-2000, fax: (404) 532-2050, e-mail: john.alexander@dfait-maeci.gc.ca ✪

EXTUS mission for hardware companies

Is your Canadian hardware company looking to enter the U.S. market?

Do you need additional market information to make a decision on your market entry strategy?

Would you like to hear from industry experts in an educational forum, and tour the largest hardware and building products show in the U.S.?

If so, the Canadian Consulate General in Chicago invites you to participate in the Exporters to the United States (EXTUS) (formerly NEBS Plus) mission to Chicago, Illinois, on August 12, 2000. This mission will combine an educa-

tional session with industry experts with entry to the National Hardware Show and Building Products Expo (August 13-16). Featuring over 1,500 exhibitors, it is estimated that more than 100,000 U.S. and international buyers will attend these shows.

For more information and to register, contact Ann F. Rosen, Business Development Officer, Canadian Consulate General, Chicago, tel.: (312) 616-1870 ext. 3357, fax: (312) 616-1878, e-mail: ann.rosen@dfait-maeci.gc.ca ✪

Correction!!!

In the May 1, 2000, issue on page 6 there was an error in the Web site address for the Canadian Consulate General in Seattle. The correct address is: www.canada-seattle.org/BUSDEV/CONTENTS.HTM ✪

Looking to do business with the U.S. federal government?

Opportunities are just a key stroke away at the Internet site (www.gsa.gov) of the General Services Administration (GSA), which facilitates purchases by the U.S. government — “the world's largest consumer” — and the Electronic Posting System site (www.eps.gov). More GSA opportunities are listed on the site of the Canadian Embassy in Washington, D.C., (www.canadianembassy.org) and periodically in *CanadExport*.

Whiponic Wellputer Ltd.

Continued from page 2

answers without hesitation. “I would be very interested to go, to follow up on all my contacts in China and keep in touch with them.”

Any words of advice?

“From my past experience, it is much easier to make contacts within the context of a trade mission. It takes time though. Be prepared to spend money and to adjust your expectations and objectives to within reasonable reach. The Premiers help a lot on the political front but don't go unprepared! Do your homework, your industry search, including clients and

competitors. Pay attention to protocol. Keep an open mind toward the foreign clients and their requirements. I think that a first mission in Asia should focus on handling a conversation, on how to communicate, on how to look out for opportunities in another business context — that is, unless you're going just for the signature ceremonies.”

For more information, contact Kevin Diebold, President Whiponic Wellputer, Ltd., tel.: (867) 587-2389, fax: (867) 587-2821, e-mail: kdiebold@netcom.ca ✪

As China transforms itself into a market-driven economy and attempts to maintain sustained economic growth, it is implementing policies which are creating demand for skilled professionals, and, consequently, opportunities in the education technologies sector. The educational system itself is in the midst of changes aimed at ensuring that graduates are able to meet the demands of China's present

slated to continue with the number of Internet users expected to surpass that of the United States by the year 2005.

Educational Web sites are proliferating and competition for market share is fierce. The Chinese Ministry of Education is proceeding prudently, while entrepreneurs are moving quickly to position themselves for what appears to be a lucrative distance and on-line education service.

developed information technology sector as a key tool to support and deliver education projects at home and abroad. A recent survey conducted by the Department of Foreign Affairs and International Trade (DFAIT) revealed that approximately 125 Canadian companies are already active in the education and training market.

However, entrepreneurs should be cautious in approaching the China market as a homogeneous entity. What is needed in one location is not necessarily desired in another. The education system in China is highly fragmented due to the size and the diversity of its population. Since the conditions and requirements vary from one part of the country to another, China should be viewed as a number of large regional markets, with unique market characteristics and opportunities.

Hong Kong Special Autonomous Region Government is also aiming to raise the quality of education by transforming school learning from a largely textbook-based teacher-centred approach to a more interactive and learner-centred approach. The increased use of information technology in teaching and learning is an integral element of this process. In addition, the Government has also encouraged working adults to upgrade their knowledge and skill level through continuing education.

Market opportunities

Any market opportunity in China and Hong Kong must carefully assess the market potential for a particular product, realizing that future success could require a long-term commitment and perhaps even a physical presence in China in order to establish credibility with potential Chinese clients. Products and services will need to reflect the social, political, economic and cultural requirements of the local environment.

For further information, contact Mary Lou Doyle, Desk Officer, China and Mongolia Division, DFAIT, tel.: (613) 944-1652, fax: (613) 943-1068, e-mail: mary-lou.doyle@dfait-maeci.gc.ca

Opportunities Education technologies in the China and Hong Kong market



and future economic needs. The Education Law of the People's Republic of China encourages more extensive application of modern educational technology in schools and other educational institutions.

At the same time as the development of computer network technology, there is a move toward interactive learning, including providing training and continuing education opportunities for primary and secondary teachers, fostering an innovative and creative learning environment with the assistance of IT tools, and a focus on life-long learning.

Internet use on the increase

Increasingly, computers and the Internet are being integrated into the classroom. The use of the Internet is expanding at an enormous rate in China with an estimated 8.9 million Internet users as of December 1999, a 270-percent increase within the last year alone, according to Chinese Ministry of Information statistics from January 2000. The high growth rate is

The market for educational software is also increasing rapidly as parents (and often two sets of grandparents) pursue all avenues open to them to increase their child's chances of getting into university. However, the intellectual property and copyright issues should be of serious concern to any company considering the China market.

Increasingly, Chinese institutions are focused on links with industry. Market-oriented curricula are being developed to produce graduates with expertise in business management, economic management, commerce and finance. The number of vocational schools is increasing in response to the demand for a technically competent workforce.

Canadian companies active in education and training market

Canada is well positioned to take advantage of the opportunities presented by China's focus on education technologies. Canada is internationally renowned for the excellence of its educational system and training programs, and it has identified its highly

Spring 2000

canadexport

This second CanadExport supplement on Europe focusses on the opportunities available to Canadian businesses in select European countries including Russia, Bulgaria, the Baltic States and Germany. It also looks at the process of expansion of the European Union and its potential impact on Canadian trade and investment interests. The supplement closes with a special report on the soaring European aerospace industry.

Russia

Message from the Ambassador

Dear Readers:

I am gratified to have this opportunity to share with you some of my thoughts about doing business in Russia at this time.

If we remain fixated on the obvious market risk and the debilitating financial crisis of August 1998, we may overlook the business development potential of this remarkable country. In my view, Russia represents a market that should be part of every company's global business strategy. I invite Canadian companies to renew their knowledge of the Russian market, to try and extend their commercial presence here.

The country has changed a great deal during the last eight years. In assessing the current market situation in Russia, we should recall the previous system of a centrally planned command economy, a state monopoly on foreign trade, the virtual absence of private business, and the prohibition on foreign investment.

Russia

Today, there is a framework of laws and regulations that reflect a market-based economy. Russia is quite integrated into the world economy, as the events of 1997-98 confirmed. There is a large class of entrepreneurs, much private ownership, and a lively discussion of shareholder rights and responsibilities. The legislative and regulatory framework needs work, reform, improvements. There is no denying the problems of doing business in Russia, or the gaps in corporate governance. Implementation and enforcement has been inconsistent, inadequate, but, overall, there has been significant, positive change in Russia's business framework.

*Ambassador's Message —
Continued on page 2*

prepared by the European Business Development Division (RENB) and its trade offices in Europe



Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Canada

Ambassador's Message —

Continued from page 1

It is my expectation that the Inauguration Ceremony, May 7, 2000, of President Vladimir Putin heralds a period of political stability, a prerequisite for sustainable business and related financing. We should see more consensus on economic policy, more "bipartisan" support concerning the path forward for Russia's development. It is an appropriate time to remind our Russian partners of the competitive advantages of co-operating with Canadian business.

The end of June will be a very busy period for the Canadian Embassy in Moscow, with the Intergovernmental Economic Commission (IEC) as the centrepiece of our business development program. For the IEC to succeed we need the dedicated participation of Canadian business. You make and sustain business. Our job at the Embassy in Moscow is to provide value-added services that help you discover the right combination of factors and contacts to generate new business, business that will grow over time. The range of opportunities is immense, from textiles to telecommunications, from agriculture to aerospace, from mining to multimedia. It won't be easy, but it rarely is in international business.

With a renewed determination on both the political and business levels, I am optimistic that we can make good progress with the bilateral trade and investment agenda during this millennium year. Together with my business development team here in Moscow and in our Consulate General in St. Petersburg, I look forward to seeing you soon, certainly in June, but, ideally, as a frequent and successful visitor to Russia throughout the months and years to come.

Rodney Irwin
Canadian Ambassador
to the Russian Federation

Time to Take Another Look at Russia

Russia's transition to a market economy turned out to be more difficult than most people imagined a decade ago. Price controls were lifted, foreign trade liberalized and mass privatization completed, but enterprise restructuring and new investments have been slow to follow. A financial crisis brought on by unsustainable government borrowing, over-appreciation of the Russian rouble and a touch of "Asian flu" marked a severe setback in 1998 for Russian businesses and foreign investors alike.

All the same, the classic argument for doing business in Russia still makes sense. It is a huge and resource-rich country, spanning 11 time zones and home to 146 million people with a highly educated work force. Given our similar climate and geography, Canada has developed the products, services, technology and expertise that Russia needs to be competitive internationally. And in spite of recent downturns, our trade with Russia still dwarfs that of any other East European country. In short, Russia is too big to be ignored and shows enormous potential for growth.

What's more, the Russian economy is on the rebound. Rouble devaluation and high commodity prices have driven an export-led recovery. Russia's gross domestic product (GDP) grew by 3.2 per cent in 1999, with 4 per cent projected for 2000, and first-quarter industrial output is up nearly 10 per cent. Perhaps most importantly, the election of a new president has provided a renewed impetus to forward-looking policies, and the new government is focussed on economic reform. More and more people are coming to the same conclusion: it's time to take another look at Russia.

Minister for International Trade Pierre Pettigrew will be in Moscow on June 29 to chair a plenary meeting of the Canada-Russia Intergovernmental Economic Commission (IEC). The IEC

is an industry-led bilateral forum that aims to foster trade, investment and the transfer of technology between Canada and Russia. A large Canadian business delegation will be out in force, networking with a broad range of Russian business and government representatives. In addition, Minister of Public Works Alfonso Gagliano and Claude Poirier Defoy, President of Canadian Mortgage and Housing Corporation (CMHC), will be on hand to promote Canadian work in the Russian housing market.

Why is this happening now? Many businesses feel its time to re-engage Russia, following the serious financial crisis of 1998. From the government perspective, it's time to connect with and establish working linkages with the new Russian administration. Finally, we need to advance key projects of importance to Canada and work to resolve specific problems relating to Canadian investments in Russia.

So it really is time to take another look at Russia. Compared to 10 years ago, we are much better prepared for the challenges. Canadian businesses going into Russia are better informed, while the government has more contacts and channels for addressing problems. In more ways than one, there's never been a better time to get in on the ground in Russia.

Neighbours to the North

The northern dimension of Canada-Russia business and trade is growing fast and benefits from solid political support on both shores of the Arctic Ocean. Russians are becoming increasingly aware of the unique services Canadian firms can provide, based on their expertise and experience working under northern conditions and constraints. What's more, new technologies are driving an exploration of Arctic sea and air routes that offer substantial savings

over conventional routes and stand to bring the Canadian and Russian economies closer together.

In addition to construction, mining or oil and gas projects in the Russian north where Canadian activity is well known, the Russians are seeking increased Canadian involvement in such areas as power generation and water supply projects for remote communities, sunken timber recovery, reindeer processing, and trade in native arts and crafts.

Vladimir Goman, Chairman of the Russian State Committee on the North, visited Ottawa last February, flanked by the management of LukOil and Norilsk Nickel, as well as representatives of regional government and Aboriginal communities. Meetings with Minister of Foreign Affairs Lloyd Axworthy to co-chair the first IEC Working Group on the Arctic and North, and with Robert Nault, Minister of Indian and Northern Affairs, were focussed on advancing a number of areas for co-operation.

One project that offers substantial long-term gains to Canadian-Russian trade and investment is the development of northern air and sea routes. The development of shipping lines between Murmansk in the Russian northwest and Churchill, Manitoba, as well as new trans-polar air routes have the potential to make the Arctic our bridge to Eurasia. A subgroup on northern transportation has been formed within the Working Group on the Arctic and North, which will convene on the margins of the IEC in June.

Russian Housing: Is the Market Ready?

Opportunities for Canadian housing exporters increase when compatible codes, standards and certification procedures are in place. These items, which can be major barriers to trade, are at the heart of the strategy that CMHC is following in the Russian housing market. The Crown agency has complemented

this government-to-government activity with other initiatives involving the demonstration of Canadian technology and the promotion of mortgage financing.

CMHC's current project, supported financially by the Canadian International Development Agency (CIDA), will help increase Canadian exporters' access to Russian markets by:

- ◆ contributing to the development of new, harmonized Russian building codes and standards;
- ◆ agreeing on a process for testing and acceptance of Canadian building products and materials;
- ◆ demonstrating appropriate Canadian construction technologies in the mainstream Russian housing market by supporting the construction of demonstration homes, offering specialized building training to Russians, and establishing a Centre of Excellence for Light-Frame Housing Technologies; and
- ◆ supporting the development of a housing finance system.

Jeremy Thorn, Project Coordinator for CMHC, says, "We are working with firms that have stayed with Russia through the economic crisis. I believe that Russia has tremendous potential for Canadian manufacturers and builders."

The CMHC project is taking place in three phases over a 30-month period that began in September 1998. Over time, the impacts of this project are expected to include augmenting the volume of Canada-Russia bilateral trade and increasing the proportion of trade in construction products and services, which now represents about 18 per cent of total trade between the two countries. Canadians are now building as well as selling building products in Russia despite technical barriers, but the pace will accelerate when technical requirements are clearer and new procedures are established.

The Canada-Russia Working Group on Housing and Construction and its parent body, the IEC, have been instrumental in setting direction and supporting the project. Moscow meetings of these groups in June 2000 will include Canadian housing exporters. These events, combined with related public-sector expert and private-sector business meetings, are expected to advance the work on codes, standards and certification, and provide new commercial opportunities for Canadian and Russian participants.

The Russian Mining Market

Russia's exceptionally rich reserves of natural resources have made it a major source of most types of minerals and, in many cases, the world's leading producer and exporter. Of particular interest to Canadian mining companies is Russia's deposits of gold, silver and diamonds. Similar weather conditions, Canadian hard rock and placer mining expertise and Canadian financing excellence make Canadian mining companies natural partners for their Russian counterparts.

The fact that many Russian mines use outdated equipment and older technology presents opportunities for Canadian expertise, technology and equipment, particularly in hard rock mining. A similar need exists for metallurgical equipment for Russian smelters and refineries. An excellent example is Norilsk Nickel, the largest nickel producer in the world. At a recent workshop sponsored by the Department of Foreign Affairs and International Trade (DFAIT) at the **Prospectors and Developers Annual Convention (PDAC)** in March, Yuri Kotlyar, Chairman of the Board of Directors of Norilsk, outlined his company's modernization plans over the next 10 years involving the investment of some US\$3 billion in equipment. Five technical teams from Norilsk attended PDAC to investigate Canadian equipment and services.

Canadian investment in the Russian mining sector, while large, has been limited in recent years due to low gold prices and an uncertain investment climate. Recent and continuing changes to the legislation governing this sector by the Russian Ministry of Natural Resources, in particular, the new Production Sharing Agreement (PSA), make this a sector that promises many new developments and opportunities in the future.

The inaugural meeting of the Canada-Russia Mining Working Group under the auspices of the Canada-Russia IEC was held last April in Moscow and a second one on March 8 in Toronto in conjunction with a major seminar on Investment in the Russian Mining Sector. The main area of discussion was on seeking improvements to the investment climate in Russia and identifying new areas of co-operation. The Mining Subcommittee of the Canada-Russia Business Forum (www.canada-russia.com) and its members have been most active in the Working Group's deliberations.

The Russian Oil Market

In 1998, Russia was the world's third-largest oil producer with an estimated output of 304 million tonnes (mt), or 9 per cent of total world production. Ten years ago, Russia was the world's largest producer with 569 mt, or 19 per cent of world output. In 1998, Russian oil reserves were estimated at 6.7 thousand million tonnes and represented 4.6 per cent of world reserves. Russia is the seventh-largest country in terms of proven oil reserves.

Russian oil companies account for more than 90 per cent of domestic production. Its main oil producers are Lukoil, Surgutneftegas, Yukos, Tatneft, and Tyumen Oil Company, which account for about 55 per cent of production and 52 per cent of total exports. Siberia is the largest oil-producing region, representing 70 per cent of Russia's total, followed by the Urals (14%) and the Volga

region (12%). As a result of the passing of the PSA by the State Duma in January 1999 several international companies have arranged consortia to develop major oil fields, particularly on Sakhalin Island. PSA legislation is intended to improve the business environment for major investors by replacing several taxes with one overall agreement to share production revenues.

Most of Russia's 25 oil refineries are old, inefficient, in need of modernization and utilized at an average rate below 60 per cent. Refining is carried out mostly in the Volga (25%), the Urals (23%), the Central Region (14%), East Siberia (9%), and North Caucas (8%).

Major opportunities for equipment and services exist in the following areas: electronic software for oil exploration; geophysical and drilling equipment; hydraulic fracturing equipment; engineering services, computerized systems and general equipment to improve the cost-effectiveness of oil refineries; pipeline monitoring systems and sensors; and gasoline stations for the local retail gasoline network.

This year's **National Petroleum Show** in Calgary in June will feature representation from all major Russian oil companies and Gazprom. A seminar on opportunities in the Russian oil, gas and pipeline sector is being organized by DFAIT as part of the show.

Sources of Information and Assistance

Department of Foreign Affairs and International Trade (DFAIT)

The Department's Eastern Europe Division, the Canadian Embassy in Moscow and the Canadian Consulate General in St. Petersburg provide advice on doing business in Russia, as well as information on trade shows and potential customers and distributors. DFAIT also co-ordinates

the Canada-Russia IEC, which works to facilitate bilateral trade and economic relations. For information, contact Pat Molson, Trade Commissioner at tel.: (613) 992-8590; e-mail: pat.molson@dfait-maeci.gc.ca

Export Development Corporation (EDC)

While the 1998 financial recession forced EDC to suspend its activities in Russia, recent improvements in Russia's economy and financial system indicate that at some point in the near future EDC and other Western credit agencies will be returning to the market.

For information, contact the EDC Emerging Exporters Team, tel.: 1-800-850-9626, or the Small Business Team, tel.: 1-800-575-4422, Web site: www.edc.ca

Canadian International Development Agency (CIDA)

CIDA has two programs supporting activities in Russia. The Technical Cooperation Program was established to promote and support the transition to market-based economics. It is available to Canadian companies on a cost-shared basis with an identified Russian partner. Funding does not cover capital, start-up or business operating costs. **For information**, contact the program at tel.: (819) 994-7127, fax: (819) 994-0928.

CIDA's Renaissance Eastern Europe program helps Canadian companies position themselves in Russia through joint ventures and training. The program supports Canadian-Russian joint ventures by investing in feasibility studies and personnel training up to \$100,000. **For information**, contact the program at tel.: (819) 994-7159, fax: (819) 994-7131. Details on both programs are also available at the CIDA Web site: www.acdi-cida.gc.ca

Canada-Russia Business Forum (CRBF)

Founded in 1997 in Toronto, the CRBF is a not-for-profit organization committed to promoting bilateral business with Russia. It offers Canadian companies networking opportunities, as well as advice and information on technology commercialization, financing, industrial and regional development and government liaison. **For information** on the CRBF, check out its Web site at www.canada-russia.com

Canadian Business Association in Russia (CBAR)

CBAR, located in Moscow, helps Canadian companies based or doing business

in Russia to network and share their business experience. It also provides a forum to liaise with other business communities and to make representation to Russia government bodies. **For information**, e-mail Betina Meindl, CBAR Business Manager, at cbar@matrix.ru

Canada-Eurasia Energy and Industry Alliance (CEEIA)

Established in April 1995, the CEEIA is a non-profit organization representing companies primarily in the oil and gas sectors in Western Canada. Located in Calgary, the CEEIA promotes Canada's energy expertise in Russia, helps identify potential business opportunities, organizes roundtables and seminars and provides a forum for exchange of

information. **For information**, contact Iva Schafferova, tel.: (403) 218-4822, fax: (403) 205-4096, e-mail: iva@ceeia.org

Canada-Pacific Russia Trade Centre (CPRTC)

Based in Vancouver, the CPRTC promotes business links between Western Canada and the Russian Far East. The Centre publishes a weekly newsletter that provides trade intelligence and leads, holds regular luncheon meetings and lobbies the Canadian government to expand business services in the Russian Far East. **For information**, contact Ian Ogilvie at tel.: (604) 926-7103, fax: (604) 926-7143, e-mail: CanPacRussia_trd-Ctr@compuserve.com

Bulgaria Moves Toward a Market-based Economy

Smaller countries like Bulgaria usually are not well-known, but many of them offer attractive business opportunities. Despite its unfortunate heritage from 45 years of socialist rule (1944-1989), for the last decade Bulgaria has undergone a difficult, but definite transition from a planned economy to a free market-driven one. In addition to this economic transition, the country is also pursuing dramatic democratic reforms of its institutions and state governance in accordance with the policies of the European Union (EU) and the North Atlantic Treaty Organization (NATO).

Located on the Balkan Peninsula, over 111,000 square kilometres, the Bulgarian territory is a strategic crossroads for business. Major transportation corridors connect Central and Northern Europe to Turkey, Greece and Middle Asia. Oil and gas pipelines connect Russia and former Soviet republics through Bulgaria to neighbouring countries in Southeastern Europe.

Up to 1944, Bulgaria had a dominant agricultural economic profile, but

became heavily industrialized after the 1960s and especially in the early 1970s. Key industries included mining, metal works, and industrial construction as well as chemical, fertilizer, oil refining, food processing, textile, and agriculture. After 1990, the country started to liberalize its economy and privatize state-owned enterprises. As well as privatization, which is perhaps the key issue of government policy, great effort was made to attract foreign investors. These efforts resulted in foreign direct investment inflow totaling \$US2.5 billion from 1993-1999, focussing primarily on the industry, trade and financial sectors. The best is yet to come, however, for potential interests in information technology and telecommunications (Bulgaria is home to one of the world's best software developers, and its entire economic infrastructure is being rebuilt), transportation, construction, engineering, and agriculture. Particularly attractive is the energy sector, which is

undergoing dramatic restructuring intended to separate and subsequently privatize the generation, transmission and distribution of electrical energy.

Undoubtedly, market conditions in Bulgaria are challenging for foreign investors, and doing business there is by no means easy. But after years of financial volatility and legal disorder, the situation is now improving substantially with financial stability and an improved business environment for foreign investors. Following the Introduction of the Currency Board on July 1, 1997, the official exchange rate of the



national currency — Bulgarian *lev* — was fixed to the German *mark* (currently 1 *lev* = 1 *mark*), leading to higher confidence, more predictability and lower inflation. According to estimates of the National Statistics Institute, the annual average inflation rate for 1999 was 1.8 per cent. For the first quarter of this year, the rate was 3.1 per cent, which is expected to average out to 3 per cent to 4 per cent for the year.

Over the last few years, Bulgaria's trade balance has been in a deficit position due to low exports and financial crises in emerging markets as well as the conflict in Kosovo and the former Yugoslavia. As the Bulgarian economy relies heavily on exports, the decline in exports has led to a fall in GDP. Meanwhile, the volume of imports is progressively increasing as a result of low-cost consumer and industrial goods.

The most active investors in Bulgaria are Western European countries (Germany, Belgium, Austria), and recent successes are attracting more and more foreign businesses to Bulgaria.

For more information, contact Claude Charland, Senior Trade Commissioner, tel.: (011 401) 222-9845, e-mail: claud.charland@dfait-maeci.gc.ca

Historic Expansion of the European Union Will Bring Opportunities and Challenges for Canada

The European Union (EU) is preparing for the largest expansion of its history — a monumental undertaking aimed at reuniting Europe on terms very different from the divisions and strife of the 20th century. The European Commission President, Romano Prodi, talks of a "new European order ... offering peace, stability and prosperity." The expansion is certain to have a major political, economic and trade impact on the world, including Canada. As currently envisaged, the EU would grow in the coming years from its 15 member states to 28. And it is possible that even more states may join in the longer term as the EU discusses where its eventual eastern borders should lie.

An expansion of this magnitude is without precedent since the EU began its existence as the six-member European Coal and Steel Community in 1952 (and later as the European Economic Community in 1957). Previous expansions involved fewer states and economies at a more or less similar level of development (*see chart opposite*). The larger EU would have 30 per cent more people (from 370 million people to 500 million) and 30 per cent more land mass. It would also be much more heterogeneous, encompassing a greater cultural and income diversity between regions than ever before.

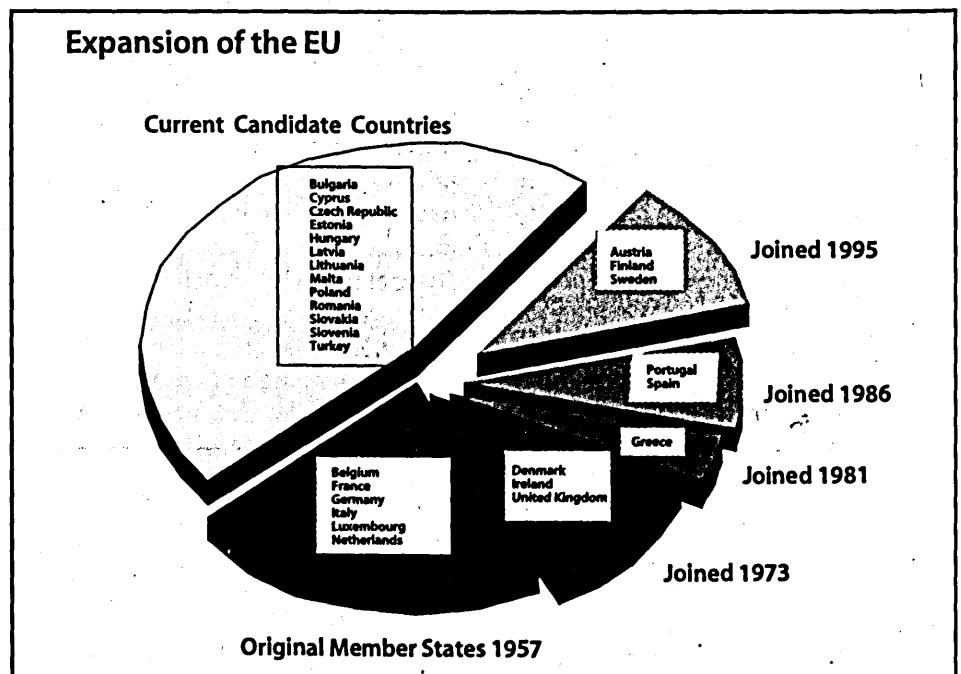
To prepare for expansion, the EU will undergo a major overhaul of its institutions. An Intergovernmental Conference (IGC) is meeting throughout this year to decide on:

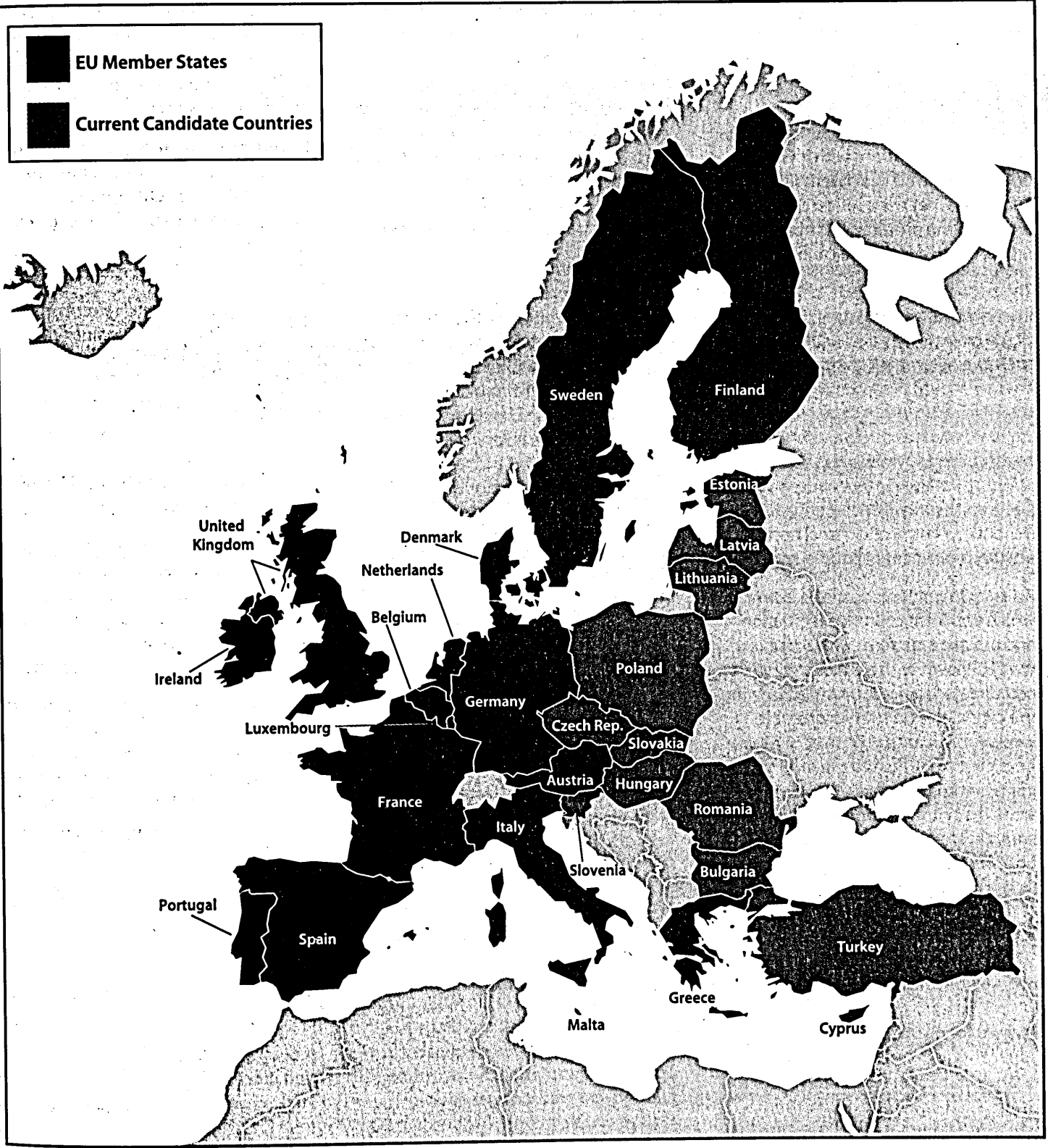
- ◆ the voting weight that each member state should have in the expanded Council;
- ◆ the possible extension of qualified majority voting in the Council to replace the current system where most decisions need to be unanimous; and

- ◆ the future size and composition of the Commission.

The Conference is scheduled to wrap up its work by December 2000. The EU aims to complete its internal reforms by December 2002, including the ratification of changes, and be in a position to welcome new members by that time.

Negotiations with 6 of the 13 candidates (Cyprus, Czech Republic, Estonia, Hungary, Poland and Slovenia) began in March 1998. In December 1999, the Helsinki Summit decided to initiate





negotiations as well with Bulgaria, Latvia, Lithuania, Malta, Romania and Slovakia. These negotiations commenced officially in February and substantively in March. In addition, Turkey was accepted as a candidate, although negotiations with it will only open after the EU has determined that Turkey has met the political criteria, including the protection of human rights, which apply to all candidates.

The negotiations cover 31 "chapters" intended to ensure integration into the single market. They deal with sectors such as environment, transportation, energy, industrial restructuring, agricultural infrastructure, and rural society; standards such as nuclear safety, public health, unemployment, and health and safety at work; and other issues such as freedom, security, justice, rights of minorities, control of external borders, asylum, movement of people, and so on.

An assessment is made of the extent to which applicant countries' legislation and practices conform with those of the EU, known as the *acquis communautaire*. Assistance is provided to bring the candidates up to an acceptable level of conformity prior to accession. Applicant countries are required to make commitments in each of these areas. If a country cannot adapt quickly enough, the scope and duration of possible transition periods are negotiated. In the past, the same chapter for negotiation was opened to all applicants simultaneously. The Helsinki Summit, however, decided that future negotiations would take place at various times. Different chapters will be opened for negotiations with different applicants at different times depending on their state of readiness to absorb the *acquis*. Thus, accession negotiations will be held at a "multi-speed pace." In other words, one size does not fit all.

Assessments as to which countries are furthest advanced in the talks could vary at times. Front runners hope to join by 2003-2005; the rest will join at other

times in subsequent years depending on the pace of the individual negotiations. Once talks are completed, the European Council must approve the particular deal reached with each applicant. Ratification is also necessary in each of the EU member states as well as in the applicant state.

Applicants have much to do to prepare. For each candidate country the EU has drawn up what it calls an Accession Partnership, which sets out short- and medium-term priorities to be met to prepare for membership. The Accession Partnerships also indicate the financial assistance available from the European Union. Overall, the EU will make available over 3 billion euros in aid each year from 2000 to 2006 (1 euro equals roughly \$1.25). Assistance is divided into 1.6 billion euros annually for institution-building and adoption of the *acquis communautaire* under the PHARE program; 1 billion euros annually to co-finance investment in environmental and transportation infrastructure under the ISPA program; and a further 520 million euros annually to support agriculture and rural development under the SAPARD program.

In addition, separate Europe Agreements with each candidate country came into effect in 1994-95. These are basically free trade agreements for industrial products, facilitating the integration of applicant countries into the EU's non-agricultural market. The agreements are applied asymmetrically, giving applicants better and faster access to the EU market.

The entire pre-accession strategy has already had a tremendous impact on applicant countries, all of whom are currently busy adapting their own legislation to conform to that of the EU — even before accession. The economies of the Eastern and Central European countries have been adjusting to the EU market since 1990 in terms of investment and exports, and are gaining market share (from 2% in 1990

to 7% in 1997) at the expense of the EU's non-preferred trading partners.

In the multilateral arena, there is already a reluctance on the part of some applicants to assume positions inconsistent with that of the European Union. Hungary, for example, withdrew from the Cairns Group, which is strongly opposed to agricultural export subsidies. Canada is also a member of the Cairns Group.

Apart from institutional reforms, the EU also needs to agree on financial and policy reforms prior to expansion. The latter — known as Agenda 2000 — were decided at the Berlin Summit in March 1999, and included a reform of the Common Agricultural Policy (CAP). Most observers are of the view, however, that unless the EU is prepared to pay for the significantly higher costs associated with admitting new members, further reform of the CAP will be necessary before EU expansion can proceed. The accession of the 10 Central and Eastern European (CEE) countries would double the number of EU farmers and increase the area of cultivated land by 50 per cent. One option is for the EU to fully integrate new members. Alternatively, the EU could elect to implement transition periods in the agricultural sector, which would gradually phase in their participation in the CAP. Franz Fischler, EU Agriculture Commissioner, has noted that questions remain as to whether the Berlin Compromise will be sufficient to achieve the objectives originally envisaged by the Commission.

In agriculture, there are various trade scenarios stemming from the expansion process, which need to be examined. For example, if new members have full CAP rights upon accession, will production increase in these countries as a result? Will third country exports to new members be displaced by product from the EU's current 15 members? In the event of higher agricultural surpluses from countries such as Poland

and Hungary, will this expanded production find its way onto the international market aided by EU export subsidies, or will it be absorbed into the larger European Union?

Applicant countries are either adopting, or soon will be, the entire range of EU phytosanitary and animal health legislation and mandatory product standards, a number of which may have an impact on Canadian exports. Canadian fish exports to candidate countries will also be subject to high EU tariffs on fisheries products.

However, the impact of the EU common external tariff will vary considerably, depending on the applicant country. The larger Eastern European countries have tariff structures which, like Turkey's, are high compared to those of the European Union. Thus, almost all Canadian exports to these countries will face lower duties once they become EU members. For example, we can expect significant

improvement in access to Poland for Canadian chicks, pork, turkey meat, durum wheat, fur, textile fabric, zinc and titanium ores and concentrates, and machinery. In a few cases, however, there will be increases in duties. For example, exports of pork, herring, fruit juice, woven fabrics, and aluminum to the Czech Republic will be subject to higher tariffs after accession. Conversely, burglar alarms, asphalt, and ice skates will incur lower duties.

In the applicant countries, the creation of open, market-based economies will bring new trade and investment opportunities. The harmonization of laws and regulations will mean fewer and simpler regulations for exporters. However, there is concern that regulatory barriers, which exporters encounter in the EU, could be transferred to the new member states. Moreover, European companies will likely benefit disproportionately from the economic growth. Spending under the PHARE program, for example, is

restricted to EU-based companies. Such assistance allows EU companies to get a foot in the door and can give them an ongoing advantage on later projects, even when these are open to international tenders.

Canada has long supported EU expansion as it will help to improve political stability and market-based economic prosperity in Eastern and Central Europe, and to accelerate reforms in this region. For Canadian exporters, the pre-expansion period, as well as the actual expansion of the EU, hold both challenges and opportunities. The Government of Canada is working with Canadian industry to better understand the implications of EU expansion — to minimize the possible negative effects — and to explore new export opportunities in the expanded union.

We Want to Hear from You

DFAIT invites Canadian exporters and other interested Canadians to share their experiences and perspectives, whether positive or negative, on how EU expansion has or will affect their business.

You can reach us at:

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For advice on exporting to CEE countries, consult the Canadian Trade Commissioner Service Web site at www.info-export.gc.ca/menu-e.asp. Also of interest is the Renaissance Eastern Europe (REE) program, administered by CIDA, which works in co-operation with Canadian private-sector companies, helping them establish long-term business associations with CEE private-sector companies. (See www.acdi-cida.gc.ca for details.)

Canadian Domestic Exports — Total of All Products (HS Codes)
(in thousands of Canadian dollars)

	1995	1996	1997	1998	1999
Poland	115,943	161,043	141,651	184,505	144,892
Czech Republic	63,049	67,577	67,528	60,611	73,575
Hungary	40,945	41,737	88,961	94,016	55,352
Slovenia	25,345	27,487	29,288	88,576	38,882
Romania	20,749	96,830	64,313	53,771	31,310
Cyprus	20,094	15,090	15,324	24,306	21,332
Bulgaria	5,885	11,202	8,843	7,590	13,428
Latvia	5,048	7,577	10,171	13,145	10,004
Slovakia	14,028	15,726	35,509	17,228	9,126
Malta	3,910	4,807	9,030	7,618	7,103
Estonia	6,519	14,397	6,698	5,559	4,107
Lithuania	3,088	8,712	5,291	8,194	4,063

Source of data: Statistics Canada

Report Date: 23-March-2000

Canadian Imports — Total of All Products (HS Codes)
(in thousands of Canadian dollars)

	1995	1996	1997	1998	1999
Poland	120,567	144,143	146,608	170,842	184,774
Czech Republic	75,846	95,700	110,139	124,144	131,420
Hungary	45,158	47,736	75,056	95,226	100,487
Romania	59,698	50,229	68,703	121,540	99,214
Estonia	12,008	7,177	9,123	28,533	51,813
Bulgaria	51,897	49,743	78,354	49,339	49,113
Slovenia	54,663	55,196	42,435	61,965	46,352
Slovakia	29,603	20,279	55,272	68,594	38,020
Malta	47,757	58,593	79,097	32,739	35,757
Lithuania	24,722	14,033	22,107	22,033	34,829
Latvia	6,170	6,240	2,192	3,126	13,340
Cyprus	1,690	3,726	1,186	2,385	3,543

Source of data: Statistics Canada

Report Date: 23-March-2000

Trade mission in September will build commercial ties with Canada

Baltic States Represent Dynamic New-Trade Opportunities

Nestled on the east coast of the Baltic Sea, Estonia, Latvia and Lithuania are rediscovering economic growth and the entrepreneurial spirit that was commonplace until they were occupied by the Soviet Union in 1940. Before their annexation, the economies of the three Baltic states resembled the relatively prosperous free markets of Western and Central Europe at that time.

Their entrepreneurial spirit, however, was never fully extinguished under the collective market planning of the Soviet era. In fact, the Baltic states emerged as three of the most prosperous republics in the Soviet Union. When the Soviet Union broke apart in 1991, Estonia, Latvia and Lithuania reclaimed their independence, rapidly transformed their economies, and re-established democratic legislative and liberal judicial institutions. These developments have created a region of dynamic opportunities as the citizens of the Baltic states strive for economic prosperity in a free market.

Since re-independence, growth in the Baltic states has been spectacular. With a combined population of 8 million, today, the GDP of Estonia is US\$5.2 billion, Latvia's is US\$6.4 billion, and Lithuania's US\$10.7 billion, representing growth of just under 500 per cent for each country since 1993. All three countries have been very successful in redirecting their traditional trade routes from Russia to the West, and all three are actively engaged in negotiations to join the European Union.

The Baltic states are developing modern economies out of the ashes of 50 years of socialist rule. Most first-time visitors to the Baltic states are amazed at how

modern the countries are and how many foreign companies are active in the region. Foreign enterprises, mostly European, know that the Baltic countries will emerge as significant centres of business activity, and are preparing to capitalize on regional developments, including:

- ◆ Major initiatives through privatization are under way to rebuild the energy infrastructure. Opportunities exist in oil and gas pipelines and related industries, rehabilitation of electrical power production plants and distribution networks, and the development of co-generation facilities.
- ◆ Efforts to address severe environmental challenges left over from the Soviet legacy, including the need to establish modern waste and water management systems.
- ◆ Growing demand for consumer goods as a result of new-found prosperity in the region. Consumers are looking for value-added Western food products, and there is strong demand for high-quality building materials for modern, energy-efficient and affordable housing.
- ◆ Deregulation and privatization of the telecommunications industry has created numerous opportunities in software, hardware and telephony, particularly wireless technology and e-commerce.
- ◆ The Baltic states enjoy a strategic location as transit points to Russia and other Eastern markets. All three

nations are developing their transportation facilities to serve as entry points to the entire region. There are specific initiatives under way to upgrade road, rail and port facilities, and further opportunities in storage and handling.

- ◆ The Baltics have well-developed textile industries and are a source of finished clothing for many parts of Europe. Clothing manufacturers are looking for competitive and high-quality sources of textile inputs.

Few Canadian firms have been active in these growing markets, whereas Nordic, German, Italian and British enterprises have stepped up their presence by acquiring privatized firms and industries. To a lesser extent, U.S. firms are also active in the region.

While privatization and deregulation policies continue to be pursued and economies develop with the introduction of new standards and technologies, Canadian companies have an opportunity to take advantage of these growing markets and to create a Canadian presence in this dynamic region of Europe.



Supporting this objective, DFAIT is launching a business mission to the region — **Baltic Express II**. The mission will be led by Toronto-area Member of Parliament Sarmite Bulte, who is of Latvian descent. Ms Bulte led a previous business mission to the Baltics in 1998.

Baltic Express II will take place **September 11-15, 2000**, with mission members visiting all three Baltic countries and meeting one-on-one with potential partners in each nation. Combined with the official program, **Baltic Express II** will help to create busi-

ness linkages between Canada and the Baltic countries and raise Canada's profile in these growing economies.

Interested Canadian companies should contact Allan Edwards, DFAIT, tel.: (613) 943-0611, e-mail: allan.edwards@dfait-maeci.gc.ca

Canadian Aircraft Take to the Skies in Germany — Canada Firmly Planted in Other Major Sectors

Germany is a market of 82 million prosperous consumers. It is the world's third-largest economy and by far the largest in Europe. It is an industrial powerhouse with an important presence in most areas of manufacturing. The scale of German production is sometimes hard to imagine. The BASF operation in Ludwigshafen, for example, has 350 different chemical plants on 7 square kilometres, employing over 40,000 people.

German salaries and wages are high — nearly double that of Canadians. With a huge manufacturing industry, but some weaknesses in the new economy, and a large population able to pay top prices for consumer goods, Germany should be an interesting market for Canadian exporters.

Canada's exports to Germany total \$2.5 billion, but much more can be done. The German market is not particularly difficult. Some attention needs to be given to local language requirements and European standards, but if a Canadian company has a good product or service, it can sell in Germany. Since price levels are perhaps 50 per cent higher in Germany than in Canada, price is less important there than in many other countries.

Networks, Corel, Newbridge Networks, Eicon Technology, Teleglobe, Matrox, ATI, Lumonics, JetForm, and Cognos are well established in Germany, clearly demonstrating Canada's world-leading technological capabilities. Nowhere was this more evident than at CeBIT, the world's largest information technology exhibition, last held in Hannover in February 2000. Nortel's and Corel's presence drew considerable attention, matched only by such giants as Microsoft. Canadian manufacturers of super-fast video equipment, like ATI, were a huge hit with the computer games crowd — no European or Asian firm had this kind of drawing power. The governments of Canada and several provinces had stands in three halls in CeBIT this year, around which some 40 smaller companies exhibited. A similar presence is planned for CeBIT 2001, and Canadian ICT firms are strongly encouraged to participate and to tap into the huge European market.

Automotive

Canadian automotive suppliers have been exceptionally successful in Germany, so much so that many have established sizeable production facilities in the country, to meet the requirements of quality-conscious companies such as DaimlerChrysler, BMW, Porsche, and Volkswagen as well as Opel (GM) and Ford.

Canadian firms in Germany include ABC Group, Magna, Ventra, and Woodbridge Foam.

There are many opportunities for Canadian suppliers, and this is being explored by German firms visiting Canada on a regular basis under such instruments as the Ontario-Baden Württemberg Co-operation Agreement, and through ministerial and sector-specific missions bringing Canadian firms to Germany. Smaller parts manufacturers are also encouraged to seek alliances with German companies. Ontario, for example, has organized German-Canadian partnering events in Windsor, during the SAE Conference in Detroit.

As the merger of major automobile firms continues, most clearly demonstrated by the DaimlerChrysler union, Canadian automotive suppliers will be able to put their North American connections to

Information and Communications Technologies (ICT)

Canada has clearly demonstrated its high-tech prowess through its strong presence in Germany's ICT sector. Nortel

advantage in Germany. They too should explore the evolving, excellent opportunities by seeking German industrial partners.

Aerospace

Canada has put its best foot forward in Germany in the aerospace sector. Aircraft are the second-largest Canadian export to Germany, reaching almost \$800 million in 1999. Many Germans don't know that when they board a Lufthansa aircraft that they are flying in a Canadian-built **Bombardier** regional jet. Lufthansa is Bombardier's largest customer in Europe; it owns some 53 Bombardier aircraft and has options for many more. Bombardier has other important customers in Germany, including the German Air Force, and has a repair and overhaul centre in Berlin that services Europe, the Middle East and North Africa. It also owns the second-largest European railway stock manufacturing company, located in the former East Germany.

Canada's aerospace presence in Germany is further strengthened by **Pratt & Whitney Canada's** engine overhaul facility for Europe, Africa and the Middle East, and by **CAE's** subsidiary company in Stolberg and its pilot training facility near Berlin.

The Canadian aerospace industry in Germany is supported by a memorandum of understanding between the Aerospace Industry Association of Canada and its German counterpart. Canadian aerospace firms are strongly encouraged to consider how they might co-operate with German firms under this agreement.

Construction and Building Products

Attractive architecture and the low cost of Canadian wood homes have translated into sales by many Canadian packaged home exporters. Estimated sales of Canadian homes in Germany run at slightly more than 1,000 per year.

Some 15 to 20 firms from across Canada are active in the market, and this number is expected to continue to grow. Among the major players are **Nascor, Royal Homes, Prestige Homes, Canadiana Homes, Interhabs, and Caledon Log Homes.**

Canadian exporters are participating in growing numbers in German construction and building trade fairs. Thirty-five Canadian companies exhibited at the **Bau Fair** last year, 50 firms at **Interzum 99**, and another 50 at **Baufach** in Leipzig, where Canada was the featured Partner Country. CMHC has been highly supportive of Canadian firms at these fairs with a program to familiarize the German building industry with Canadian wood-frame housing technologies.

Canadian firms have also been very successful in Germany with housing components such as manufactured and semi-manufactured hardwood products from Quebec and the Maritimes, softwood products from the West Coast, as well as high-quality windows, doors and other components from Manitoba and Ontario.

Agri-food

The image of high-quality, stringent food safety and the high production standards of Canadian agri-food products have paved the way for new Canadian food products into German supermarket chains, department stores and the hospitality industry. In addition to companies such as **Nestlé Canada, Cadbury/William Neilson, Quaker Oats, and Molson Breweries**, products from small and medium-sized Canadian companies like **Biscuit Leclerc Ltd., Sweet-Ease Inc., Whistler Water, and CTH-Products Inc.**, to name a few, are now available on the German market. And now, Canadian beer (from **Queen Molly Brewery** and **Old Mill Brewery**, for example) is produced under licence in Germany.

Canadian agri-food exporters participate regularly at **ANUGA**, the world's

largest food fair, in Cologne. In 1999, 60 Canadian exhibitors presented their products at three Canada Stands in a product-specific hall to some 190,000 trade visitors from 149 countries.

In addition to conventional products, Canadian companies are also exporting organic products such as pulses, grains and maple syrup, which are in demand in Germany.

Investment

German investment in Canada is an important aspect of our bilateral economic relationship. Most of Germany's large multinational companies, such as Siemens, Bayer, Daimler-Chrysler, and many of its medium-sized enterprises have established manufacturing operations in Canada, providing valuable employment for Canadians and bringing important technology into Canada. There are now over 600 German firms in Canada, operating from over 1,500 locations across the country, many of which are undertaking new investments or expanding existing operations. Various other companies are considering first-time investments and weighing carefully Canada's significant advantages, especially within the North American Free Trade Agreement (NAFTA). Provincial and municipal authorities are encouraged to consider how they can attract German investment in their jurisdictions. The Canadian Embassy in Berlin is ready to provide advice, assistance and support to such provincial and municipal investment promotion efforts.

Germany is a huge reservoir of technology in Europe and a world leader in many areas of industry. At the Embassy in Berlin, technology development officers help Canadian industry, particularly small and medium-sized enterprises (SMEs), acquire new innovative technologies from Germany. Some recent examples involve German technology related to aluminum transformation, rail doors, bio-degradable pack-

aging, tire recycling, aquaculture, and fuels made from agricultural waste.

Remember, Germany is *the* country of trade fairs. It hosts some of the world's largest international fairs, which are an

excellent way to enter not only the German and European market but also those of other continents.

European Consolidation Promises Soaring Opportunities for Canadian Aerospace Firms

Recovering rapidly from recent downturns in the market, the European aerospace industry is now poised for growth. Consolidation of the industry and the new aerospace programs about to be launched have companies looking for risk-sharing partners and new suppliers. Canadian aerospace firms are well positioned to climb aboard and get ready for takeoff.

Although recent events such as the Asian financial recession and political uncertainty in the Middle East have adversely affected its overall growth, the European aerospace and defence market — the second largest in the world — is quickly recovering. In 1999, overall business volume reached \$98 billion, an increase of 4 per cent over the previous year, and is forecast to grow by 6 per cent in 2000.

Industry consolidation (and the subsequent reduction in the risks of participating in major projects), increased government support, heightened demand for civil aircraft to accommodate the growing number of travellers, and expanding air routes have all contributed to the recovery of Europe's commercial aerospace sector. The market is also turning around on the military side as a result of emerging international and regional trends such as NATO's renewed operational presence, pending large U.S., Dutch, German, French and British defence procurements, and plans to create a more autonomous, integrated and advanced European defence force.

Consolidating a Continent

In the past year, Europe's aerospace industry has effectively restructured

into two monolithic blocks — a continental group headed by the European Aeronautic, Defence & Space Co. (EADS) and a British group led by BAE Systems.

Following British Aerospace's (BAE) acquisition of the British defence company Marconi Electronic Systems and the Australian portions of Germany-based Siemens' defence operations, BAE Systems was established in the last quarter of 1999. With major facilities located across Europe and North America, and a business volume of \$31 billion, the new company is considered to be the world's second-largest defence company.

The formation of BAE Systems dealt a heavy blow to the prospect of pan-European consolidation. Nevertheless, a few months later, France's Aerospatiale-Matra, Germany's DaimlerChrysler Aerospace (DASA) and Spain's Construcciones Aeronauticas Sociedad Anonima (CASA) formed EADS. The group, which includes the world's second-largest aerospace company, employs 96,000 people and is expected to post sales of \$32 billion this year.

The last major phase of European aerospace industry consolidation, completed in April of this year, saw EADS form a 50/50 joint-venture company with Italy's Alenia Aeronautica (a division of Finmeccanica). Called the European Military Aircraft Company (EMAC), the new joint venture brings together the aerospace components of Aerospatiale-Matra, DASA, CASA, and Alenia. The company, a division of EADS, is one of the largest entities of its type (17,000 employees), and dominates Europe's military aerospace program.

EMAC holds 62.5 per cent of the Eurofighter program, 57.5 per cent of the Tornado program, 71 per cent of the A400M program, and 100 per cent of the Maritime Patrol Aircraft (MPA) and the Aero International (Regional) ATR programs. BAE Systems holds the remaining shares of each of these programs. EMAC is expected to reach annual sales of \$3.6 billion.

Transatlantic Consolidation

The next stage of consolidation facing the European aerospace and defence industry appears to be on the transatlantic front. However, the possibility of a merger between BAE Systems and EADS cannot be fully ruled out in light of the number of joint ventures — including the well-known Airbus Industrie consortium — that exist between them.

BAE Systems, which already has major manufacturing facilities in the United States, and is not burdened by the involvement of four nations in its decision-making process, has a decided advantage over EADS when it comes to mergers with North American companies. Indeed, BAE Systems has already increased its holdings in the U.S. through its recent purchase of Lockheed Martin Control Systems (LMCS). In addition, BAE has been participating in discussions with Boeing for almost a year, causing industry experts to speculate on the possible creation of joint ventures between the two companies in the near future.

EADS is also pursuing opportunities in North America. DASA, its German arm, is looking to the U.S. market for possi-

bilities and is in the process of identifying a possible partnership with U.S.-based Northrop Grumman.

Reaching for the Sky

Canadian aerospace companies should take note of Europe's interest in the United States. With Canada's close proximity to U.S. markets and advantages resulting from the NAFTA, partnerships with technically advanced Canadian aerospace manufacturers can offer European companies an excellent base to access markets south of the border.

For most Canadian companies, however, opportunities are opening up as a result of the consolidation trends as well as new programs about to be launched. The cost of many of these new programs is forcing the European Union (EU) to look beyond its borders for risk-sharing partners. While larger Canadian companies may be capable of taking on such risks directly, the best chances for success for small and medium-sized enterprises (SMEs) are through alliances with European suppliers.

The two most prominent opportunities are both programs of the Airbus Industrie consortium, originally formed between Aerospatiale, DASA (each with a share of 36%), BAE Systems (22%) and CASA (6%). The consolidation of the French, German and Spanish companies means that EADS now controls 78 per cent of Airbus. Although moving closer to privatization as a result of its strong performance in 1999 (its 476 new aircraft orders surpassed Boeing's 391 orders), current tensions between the two controlling interests, EADS and BAE Systems, will likely hamper formation of the Airbus corporation for at least some time.

On the commercial side, Airbus is ready to launch the \$22.2-billion A3XX jumbo airliner, presenting significant opportunities for Canadian suppliers. Despite arguments against the viability of such an aircraft and the fact that only one

customer — United Arab Emirates — has so far committed (verbally) to purchasing the aircraft, it appears that Airbus will go ahead. The United Kingdom has committed an investment of \$1.2 billion, and aid is also expected from France, Germany and Spain. Opportunities also exist for larger Canadian companies to become risk-sharing partners and for smaller companies to align with European investors.

On the military side, Airbus is aggressively pursuing a Future Large Aircraft (FLA) program — the \$9-billion A400M. With varying degrees of commitment from its shareholders, Airbus has reduced the number of aircraft required to proceed with the program, from 288 to 180.

Canadian companies interested in Airbus' other programs (e.g., the A320 family), should be aware that involvement in either the A3XX or A400M program will go a long way to opening doors to other programs and projects. Moreover, Canadian aerospace equipment suppliers should note that more than \$4 million of buyer furnished equipment (BFE) is installed on each Airbus before it is turned over to its new owner. This points to strong opportunities for suppliers of BFE such as Traffic Alert and Collision Avoidance Systems (TCAS), Flight Management Systems (FMS), Differential Global Positioning Systems (DGPS), satcoms, airphones, interior furnishings, and galley equipment.

Country Market Profiles

France

France's aerospace and defence market is the second largest in the world. Nearly 200 companies, employing 95,000 people, are geared to both commercial (Airbus Industrie) and military (Rafale and Eurofighter) production. In 1998, the industry achieved sales of \$48.4 billion — 60 per cent of which was from the civil sector.

United Kingdom

Ranked third in the world, the U.K. aerospace market totalled \$36.2 billion in 1998, and is expected to reach \$103.8 billion in 2002 and \$128.2 billion in 2003. The industry is the largest single contributor to the country's trade balance and is currently gearing up for A3XX wing production, which should create 8,000 new jobs. As with most other European nations, the U.K. military is learning to do more with less.

Germany

Germany is one of the most important aerospace markets in the world, ranking fifth internationally. After slowing somewhat in the 1990s, the market has recovered, and in 1997 and 1998 posted a 25-per-cent increase in sales, reaching approximately \$16 billion. Despite this recent recovery, Germany is in the midst of rethinking its defence strategy and has made dramatic cuts to aerospace and defence spending.

Italy

Italy's aerospace industry has grown substantially in recent years, becoming the fourth largest in Europe. Key areas are expected to revolve around participation in various aircraft programs, including wide-body passenger (with both Boeing and Airbus), regional (Embraer), military transport (A400M), and fighter (Eurofighter, Tornado and ATR) programs.

Belgium

Although Belgium does not have an aircraft integrator, its approximately 25 aerospace and defence manufacturers supply both Airbus and Embraer, and are potential alliance partners for Canadian firms. Collectively the companies employ 12,000 people, and in 1999 generated sales of \$1.8 billion. Belgium's principal aerospace companies are Techspace Aero (TA), SONACA, SABCA, and ASCO Industries.

Contact the following aerospace and defence trade commissioners for more information on opportunities throughout Europe.

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- ◆ **France:**
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- ◆ **Sweden:**
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tel.: (44-171) 258-6610

For more information on the United Kingdom and German aerospace markets, refer to the InfoExport Market Information Web site at www.infoexport.gc.ca

The European Union (EU) is the world's largest market for agri-food products and is the second largest agri-food exporter. Canada has a 2.5 percent market share of EU agri-food imports, making it the tenth largest supplier of agriculture and agri-food products to the EU. While total Canadian agri-food exports to the EU decreased from \$1.8 million in 1995 to \$1.5 million in 1998, the portion of value-added exports jumped from 17 percent to 22 percent during this same period.

EU priority markets for Canadian agri-food products include the United Kingdom, Germany and France. Belgium and the Netherlands are also important ports of entry for transshipments to other EU member states; they also act as conduits to many other markets around the world by virtue of the large number of international brokers working in these countries.

EU investment in Canadian agriculture

A number of EU member states are world leaders in the production,

processing and packaging of agriculture and agri-food. Through various initiatives and programs, the Government of Canada is working closely with Canadian industry to assist in the development of

The agri-food market in Europe

strategic alliances, joint ventures and partnerships with European counterparts.

EU investment in the Canadian agri-food sector would improve Canadian operations by establishing the company's presence in new markets, enabling companies to acquire new technologies and products and minimize costs.

SIAL 2000

Salon international de l'alimentation (SIAL), one of Europe's most dynamic trade shows and the world's largest international agri-food trade show, will be held in Paris, October 22-26, 2000.

Organized by Promosalons, SIAL 2000 will feature 5,000 exhibitors, representing 88 countries, showcasing their products to over 135,000 food and beverage trade professionals from around the world.

This premier trade show offers Canadian companies an exciting opportunity to introduce products to the global marketplace and demonstrate first-hand Canada's solid reputation as one of the world's leading producers of exceptional quality food products at competitive prices.

Agriculture and Agri-Food Canada (AAFC) is organizing and managing the Canadian presence at this year's show. For more information on SIAL 2000, visit the AAFC Web site at ats-sea.agr.ca

For more information on exporting, visit the DFAIT infoexport Web site at www.infoexport.gc.ca which provides instant access to market information and offers other programs and services to help you do business abroad. ✪

Trade mission to Russia

Continued from page 1

Following the IEC meeting, the mission will proceed to St. Petersburg for a one-day networking program with government and business leaders from Russia's important Northwest region.

"Your participation will provide you with an opportunity to strengthen relationships with local business partners, provide an impetus to bring

business agreements to the closure stage and meet new clients and counterparts while enhancing your visibility in the Russian market," added the Minister.

For more information on the mission, contact the Team Canada Division, DFAIT, tel.: (613) 995-2194, fax: (613) 996-3406, Web site: www.tcm-mec.gc.ca ✪

Looking for Export Opportunities?

Make sure you are registered in the WIN Exports database, which is used by trade commissioners abroad to promote your company's capabilities to foreign buyers. Fax request for a registration form to 1-800-667-3802 or (613) 944-1078. Or call 1-800-551-4946 (613-944-4946 from the National Capital Region).



Foreign direct investment (FDI) is booming around the world. During the 1990s, FDI grew at an average rate in excess of 20 percent per year. In contrast, world GDP grew at an average rate of 5 percent, while international trade grew by 7 percent per year.

The implication is that an increasing share of investment spending is being done outside the company's home country. In an increasingly unfettered trading environment, companies are more than ever able to consider the world in its entirety when deciding where best to locate their production facilities, and with which partners they should build alliances. Such investments boost two-way trade and benefit both countries.

Is Canada getting its fair share of all this investment? Perhaps more than fair. Canada's share has gone down through time, from around 3 percent in the 1980s to around 2 percent or a little higher in the 1990s. But Canada represents around 2 percent of the world economy, which makes these numbers respectable. In fact, FDI into Canada has skyrocketed

in the past two years, rising by 54 percent in 1998 and 47 percent in 1999. The reason? The undervalued Canadian dollar makes Canadian

investments expensive. As the dollar strengthens in coming months, the

Cross-border investment

Is Canada getting its fair share?



EDC's Stephen S. Poloz

By Stephen S. Poloz, Chief Economist, Export Development Corporation

companies seem cheap to foreign investors.

Canadians do their fair share of investing abroad, too. Indeed, Canada's inflows and outflows balance out over time: as of the end of 1999, we had accumulated US\$257 billion in investments abroad, and foreigners had \$240 billion in investments in Canada. But our outflows collapsed in 1999, falling by nearly 35 percent

gap between FDI inflows and outflows should narrow once again.

The bottom line is that we should not worry about whether we are getting our fair share of global investment, or whether foreigners are taking over our economy. Foreign direct investment is a two-way street in which all travellers benefit. ★

Bringing Canada to Mexico

(Adapted from an article originally written by Deborah Chapman, EDC)

"Mexico is clearly a priority market for Export Development Corporation (EDC), and I am delighted to have the opportunity to play a role in building on EDC's success in Mexico," says Marvin Hough, the new full-time EDC market representative for Mexico.

Hough will be based at the Canadian Embassy in Mexico City. In order to maximize the interaction between EDC and the Canadian Trade Commissioner Service, EDC and the Department of Foreign Affairs and International Trade have entered into a co-location agreement.

Explains Hough, "Being located within the Canadian Embassy means that I can take advantage of the trade

knowledge of the Commercial Division while making sure that my initiatives and those of the Trade Commissioner Service reinforce each other."

Last year, EDC provided support to 370 Canadian exporters and investors in Mexico, totalling over \$1.2 billion in business volume. Hough will work to create new business relationships and partnerships, as well as build on the strong business network that EDC has already established.

The foundation for the vibrant trade relationship between Canada and Mexico is solid:

- Mutual access to our markets has increased significantly since the implementation of NAFTA in 1994.

- Throughout the 1990s, trade between Canada and Mexico has increased dramatically. Last year alone, based on import data from both Canadian and Mexican statistical agencies, bilateral trade was C\$13.9 billion.
- In the last five years, Canadian investment in Mexico has grown by more than 300 percent.

Mexico and Canada share a mutual interest in working together to develop a number of industrial sectors, including oil and gas; electric power, telecommunications, mining, automotive, transportation, and agriculture.

For more information, contact Marvin Hough, tel.: (011-52-5) 387-9316, e-mail: mhough@edc-see.ca ★

The Groupe Conseil Femmes-Expertise and the Chambre des femmes d'affaires et professionnelles au développement are organizing an international forum on *Women, Business Opportunities and Trade in Developing Countries*, which will take place from September 21 to

Department of Foreign Affairs and International Trade, as well as Canadian businesswomen active in international trade and the Réseau des femmes d'affaires du Québec.

This event is a business conference and forum for international discussion and networking between

conferences with distinguished guests, workshops, roundtables, lunchtime conferences, networking and visits from Quebec and Ontario industrial and manufacturing firms.

The Millennium Awards Gala, to be held on the final evening of the event, will pay tribute to women who have distinguished themselves through their achievements in developing countries. Nominations will be accepted until July 30, 2000.

Themes and workshop topics will include women entrepreneurs and the international market, women and globalization, markets in developing countries, ways to access markets, cultural differences, establishing partnerships with SMEs run by women, export financing, insurance, credit and international risk management.

For further information or to register, contact the Groupe Conseil Femmes-Expertise, Ottawa, tel.: (613) 590-7422 (toll free: 1-877-650-5191), fax: (613) 590-7423, e-mail: femmes-expertise@sympatico.ca ✪

International Forum and Millennium Awards Women in trade

23, 2000, in Hull and at the Ottawa Congress Centre.

Organized as part of the Millennium Awards program, this forum represents a unique opportunity to meet women entrepreneurs from Africa, Southeast Asia, Latin America, the Caribbean and Canada.

Women entrepreneurs and heads of business from Canada interested in developing new markets abroad will have the opportunity to discuss and exchange information on new business visions in the context of globalization, establish ties and negotiate business partnership and professional service agreements with their foreign counterparts.

The forum has the support of the Export Services for SMEs [small and medium-sized enterprises] Division,

women business heads from various sectors, including manufacturing, services, agri-food, information technology, tourism, textiles and natural resources.

It will also be attended by delegations from other countries, as well as people working in areas such as business and co-operation, government, international trade and NGOs.

Scheduled activities include private meetings and business contacts,

Quick trick for wood exporters

Grandiose theories and business plans are fine, but if you want to export wood to France or do business in Europe, how do you go about starting the networking process? Here's a quick trick that takes two minutes, and it won't cost you a cent. Just visit the site www.chez.com/lescarret/

This is a French-Spanish bilingual site where you can post classified ads on your exporting possibilities. The site reaches an international (primarily European) clientele. The ads are disseminated weekly among buyers by e-mail, fax or regular mail.

As well as offering the opportunity to peruse the prices asked by other sellers, you can look at the ads placed by wood buyers in order to get a better idea of their needs and specifications.

It's very simple, but it's something tangible, and you have to start somewhere!

Good luck! ✪



Since NAFTA came into effect in 1994, the manufacturing of electronic products in Mexico has boomed. In various parts of the country, there has been a rapid development and consolidation of manufacturing clusters for a wide range of products, including personal computers, hand-held PCs, printers and other peripherals, telecommunications equipment, cellular phones, cameras, fax machines, TV sets and VCRs.

Major original equipment manufacturers (OEMs) such as IBM, Hewlett-Packard, Motorola, NEC and Xerox have important factories and distribution centres in the country. Most of the largest electronics manufacturing service companies are also present including Celestica, SCI Systems, Solecron, Flextronics, Jabil Circuits and Dovatron, along with an important number of specialized parts manufacturers.

The regions with the highest concentration of these manufacturing operations are:

- **Guadalajara:** computers, office equipment, telecommunications and semiconductors
- **Aguascalientes:** office equipment and electronic parts
- **Northwest (Tijuana and Chihuahua):** appliances, consumer products and automotive parts
- **Northeast Mexico (Monterrey):** telecommunications and consumer products
- **Mexico City:** telecommunications equipment

Electronics a big industry

There are an estimated 650 companies in the Mexican electronics industry. For Jalisco State alone, electronics exports were an estimated \$US 9 billion in 1999.

The industry has grown not only in volume but also in integration, sophistication and quality. Being export-oriented, plants comply with the most stringent worldwide quality standards. Several multinational manufacturers have recognized their Mexican plants

as being among the most efficient and high quality in the world.

Although the majority of output is still of high-volume, low-complexity products, more complex production

Electronics sector in Mexico

programs are being transferred to Mexico, something many analysts see as a trend that will accelerate in the next few years. One example is the large increase over the past year of networking equipment orders sourced from Mexico.

Developing a supply base is a key element for the competitiveness of these emerging manufacturing hubs. Total cost and time delivery pressures force the manufacturers to continuously look for reliable, cost efficient and conveniently located suppliers. The major electronics manufacturing services companies (EMS) have moved quickly into the market; to keep pace with their clients, in the past year alone, they have doubled their production capacity in Mexico. Suppliers at other levels of the supply chain such as specialized electronic and mechanical parts manufacturers and manufacturers' representatives are taking similar steps.

A Mexican site not required

But being close to the market does not necessarily require physical presence near manufacturing areas in Mexico. The large majority of the inputs for this industry are imported, mainly from Asia. Transportation costs and time, the importance of being close to the final consumer, the increasing production of high-end products in Mexico, and, of course NAFTA, have put Canadian industry in a privileged situation to supply various products and services to different layers of the procurement chain of the Mexican electronics industry.

Areas of opportunity include integrated circuits and semiconductors, cables and connectors, rigid and flexible PCBs, power adaptors, supplies for SMT lines, moulds for plastic precision

injection, packaging, technical training and English language training.

DFAIT initiatives

The Department of Foreign Affairs and International Trade (DFAIT), through its Mexico Division, the Canadian Embassy in Mexico City and the Canadian Consulates in Guadalajara and Monterrey, is vigorously pursuing a strategy to publicize and assist Canadian companies to take advantage of the opportunities in electronic products manufacturing in Mexico.

Several recent initiatives include:

- a national stand at the upcoming **Mexitronica**, the national trade show for the electronics industry (see "Trade Fairs and Missions," page 15)
- the preparation of a directory of electronics companies in Guadalajara — Mexico's "Silicon Valley"
- the preparation of a directory of plastic injection companies sourcing the electronics industry
- the organization of a trade mission to Canada with companies from the electronics and IT sectors in the Guadalajara area
- the preparation of a market profile on the electronics sector, which will be available shortly on the Trade Commissioner Service Web site www.infoexport.gc.ca

For further information, contact Ted Mackay, Trade Commissioner, Mexico Division, DFAIT, tel.: (613) 995-0460, fax: (613) 996-6142, e-mail: ted.mackay@dfait-maexl.gc.ca *

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

SINGAPORE — Brake Blocks for Electric Multiple Unit Trains — Notice received from the Canadian High Commission in Singapore: The Singapore MRT is looking for potential suppliers/manufacturers who are interested in a term contract for the supply and delivery of brake blocks for use on electric multiple unit trains. Cost of bid documents: SG \$25.75 or approximately C\$23 per set. Closing date: **July 18, 2000.** Contact Daniel Lemieux, IBOC, fax: (613) 996-2635,

International Business Opportunities Centre

e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000426-01658. For details: www.iboc.gc.ca/webleads.asp?id=271en

THAILAND — Power Transmission Line Construction — Notice received from the Canadian Embassy in Bangkok, Thailand: The Electricity Generating Authority of Thailand (EGAT) is inviting sealed bids for the supply and construction of a 115 kV power transmission line (Lan Krabu-Lamphaengphet) under the Transmission System Project for Independent Power Producers. Bid documents are available for THB 4,000 per set or US\$100 (non-refundable). Closing date: **July 28, 2000.** Contact Daniel

Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000510-01825. For details: www.iboc.gc.ca/webleads.asp?id=296en

THAILAND — Power Transmission Line Construction — Notice received from the Canadian Embassy in Bangkok, Thailand: The Electricity Generating Authority of Thailand (EGAT) is inviting sealed bids for the supply and construction of a 230 kV power transmission line (Pluak Daeng - Ban Kai) under the 500 kV Transmission System Project for Independent Power Producers. Cost of bid documents: THB 8,000 per set or US\$210 (non-refundable). Closing date: **July 27, 2000.** Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000510-01824. For details: www.iboc.gc.ca/webleads.asp?id=295en

IBOC trade opportunities — find out more at www.iboc.gc.ca *



Quick Facts

Since it opened in 1995, IBOC has contacted more than 25,000 Canadian companies and has responded to more than 16,000 inquiries from foreign buyers.

Thanks to IBOC, more than 8,500 Canadian firms have been in contact with foreign buyers.

IBOC's sourcing experts use a variety of databases, as well as a large network of business contacts across the country, to identify Canadian companies of all sizes.

IBOC is jointly operated by the Department of Foreign Affairs and International Trade and Industry Canada, with special co-operation from Agriculture and Agri-Food Canada. It is the sourcing centre for Team Canada Inc.

Morocco mission highly successful

Continued from page 1

A Canadian trade mission involving eleven companies from Quebec and one from New Brunswick travelled to Tangier, Casablanca and Rabat in Morocco in April. Organized by the Forum Francophone des Affaires, the Association of Manufacturers & Exporters of Quebec (AMEQ), and the Banque Centrale Populaire du Maroc, the mission was made up of business representatives from the aerospace, training, environmental, computer, information technology, telecommunications and engineering consulting sectors. The delegation attended

meetings and seminars and toured industries; the Canadian Embassy outlined trade opportunities available in Morocco and provided information on how to do business in Morocco. (Morocco has just signed a memorandum of association with the European Union.) Only two months after the trade mission, a number of co-operation and partnership agreements have already been signed in fields such as waste collection, agri-food, software, telecommunications, and higher education. Other deals are in the works. *

Health 2000: A world premiere

MONTREAL — September 30 - October 5, 2000 — The Montreal Convention Centre will be the venue for Health 2000, a conference and interdisciplinary exhibition involving thousands of health care professionals from all over the world.

Managers of hospitals and health care centres, general practitioners and specialists, nurses, pharmacists, researchers, politicians, representatives of sectoral associations, manufacturers of equipment and products, and suppliers of services will all be participating.

The event has obtained the prestigious Trade Fair Certification granted by the U.S. Department of Commerce and will encompass five very current themes: biotechnology, telemedicine, ambulatory care, bioethics, and health care economy and management. Five areas of specialization will also be included: cancer, cardiovascular diseases, infectious diseases, mental illness, and human development and aging.

A parallel exhibition will showcase hundreds of suppliers of products and services, many of them in national or theme pavilions. Mini-presentations of a commercial or technical nature will also be made in a central activity area.

The Health 2000 Congress is presented jointly by the International Association of Health Care Professions (IAHP) and the Réunion des partenaires des industries de la santé (RÉPIS) with the support of many professional and academic associations. One of the main sponsors is Canada Economic Development.

Emphasizing distance medicine

The 5th International Conference on the Medical Aspects of Telemedicine, a joint initiative of the Canadian Society for Telehealth (CST) and the International Society for Telemedicine (ISFT) will also take place under the Health 2000 umbrella.

Telemedicine is a cutting-edge field in which Canada is a leader. With telemedicine, diagnosis, patient

monitoring, updating of files, simultaneous consultation among several experts, training, and even very delicate surgery can be performed at a distance. Canada's geography and advanced telecommunications technologies have helped it to advance in

this sector, which should revolutionize the practice of medicine in the coming decades.

For further information, contact Pierre Lebeault, Health 2000, tel.: (514) 990-8643, fax: (514) 990-8651, e-mail: plebeault@groupeexpo.com Internet : www.sante2000.com and www.isf+2000.com *

The BIG 5: Building the future in the Middle East

DUBAI, UNITED ARAB EMIRATES — October 15-19, 2000 — The BIG 5 is the largest annual trade show for the construction industry in the Middle East. It is set to attract over 1,000 exhibitors from 36 countries and offers the opportunity for instant access to a dynamic and expanding global market.

Five major exhibitions in building and construction, water technology and environment, air conditioning and refrigeration, cleaning and maintenance, glass and metal, bathrooms and ceramics will be held under one roof at the Dubai World Trade Centre. This event offers Canadian exporters the opportunity to tap into a market, which is experiencing the fastest growth rate in the world.

Private and public sector development in the Middle East offers billions of dollars in opportunities in the key industry sectors exhibited at the BIG 5.

In the past, the BIG 5 has attracted almost 20,000 industry professionals from key public and private sector buyers, contractors and specifiers to local manufacturing decision makers.

The Canadian delegation will continue to focus on the expanding infrastructure opportunities in the telecommunications, hospitals, schools, universities, airports, hotels, shopping malls, supermarkets, luxury homes and residential housing markets.

The population in the Middle East has grown to over 100 million and is

expected to increase to over 170 million by 2010. With approximately 60 percent of the population under the age of 25, the coming decade will be one of explosive development and household construction.

At the 1999 exhibition, approximately 60 percent of the space for the 2000 BIG 5 had already been reserved.

For more information, contact Cosmos Pacific Investment and Consulting Inc., tel.: (604) 731-9663, fax: (604) 263-1652, e-mail: cpic@direct.ca *

Food promotion in Northwest Russia

ST. PETERSBURG, RUSSIA — September 25, 2000 — A one-day Food Show organized by Agriculture and Agri-Food Canada and the Canadian Consulate General in St. Petersburg will take place following the World Food Show in Moscow, September 18-22, 2000. This event will be a great opportunity to promote your food product or food technology in Northwest Russia — an area with a population of 17 million!

For more information, contact Margarita Sandal, Commercial Officer, Canadian Consulate General, St. Petersburg, tel.: (011-7-812) 325-8448, fax: (011-7-812) 325-8393, e-mail: margarita.sandal@dfait-maeci.gc.ca *

BARBADOS — November 6-7, 2000 — ANTIGUA — November 9-10, 2000 — Canadian Export Development (CED), in co-operation with the Canadian High Commission in Barbados, is organizing the Canadian Building/Construction Products Showcase, a premier trade show for the commercial, industrial and domestic building and design industries.

Canadian companies will be able to display their products and services under one umbrella as they pursue business opportunities in Caribbean markets. As well, key government and private sector decision makers and buyers from the Eastern Caribbean region will be invited to visit the Canadian event.

The Canadian High Commission encourages Canadian businesses to take a close look at the opportunities in building and construction in the Caribbean, one of the region's leading growth sectors, particularly in public sector infrastructure such as airports, ports, roads, and waste water. Major projects underway include airport

Canadian Building/Construction Products Showcase in the Caribbean

development in Dominica, airport expansion in Barbados, and a cruise ship pier in Antigua. Your participation can be a powerful component of your company's marketing strategy by providing an excellent opportunity to introduce yourselves to an important market, generate new sales and initiate business relationships with Caribbean partners.

Companies may be able to obtain financial assistance from DFAIT's Program for Export Market Development (PEMD) for some of the expenses to participate in these showcases. Eligible companies can be reimbursed up to 50 percent of the costs for travel, space and booth rental. Enquire at the International Trade Centre in your area.

For more information or to register, contact Robert Grison, Director of Operations, CED, tel.: (613) 825-

9916, fax: (613) 825-7108, e-mail: cced@sympatico.ca

For more information on business opportunities in the Eastern Caribbean (Anguilla to Grenada) region, contact Charlotte Hutson, Commercial Officer, Canadian High Commission in Bridgetown, tel.: (1-246) 429-3550, fax: (1-246) 437-8474, e-mail: charlotte.hutson@dfait-maeci.gc.ca *

Foodtech 2000 will be served in Turkey

ANKARA, TURKEY — October 13-16, 2000 — Foodtech 2000 — International Food and Food Technologies Fair is a major event featuring an extensive conference with prominent speakers from FAO, the Turkish Ministry of Agriculture and Rural Affairs and the Universities of METU, Hacettepe and Ankara, as well as an exhibition of the latest developments in food products and food industry technology such as fast food, food equipment, packaging material and machinery, cleaning equipment, and waste water treatment.

The conference will include such topics, some discussed at an international level for the first time, as regional food security, sustainable food security, the impact of recent developments in the European Union and the World Trade Organization on the food industry, strategies for enter-

ing foreign markets, the use of pesticides in agriculture, environmental health, and research management in the food industry. Following the presentations, there will be open discussion forums.

This is a unique opportunity to see the newest developments and products in the industry and to meet with key decision makers and companies from North and South America, Asia, Europe and the Middle East.

For more information, contact Can Özgüç, Commercial Officer, Canadian Embassy, Ankara, tel.: (011-90-312) 436-1275, fax: (011-90-312) 446-2811, e-mail: can.ozguc@dfait-maeci.gc.ca or visit the Foodtech 2000 Web site at www.comart.com.tr/english/index_eng.html (registration forms are available electronically). *

MEXITRONICA 2000

GUADALAJARA, MEXICO — October 17-19, 2000 — Canada will host a national stand at Mexitronica, the sixth annual National Electronics Manufacturing Conference and Exposition of Mexico.

Mexitronica is Mexico's premier showcase for the electronics industry, a key event for suppliers of components, equipment and other goods and services for the electronic products manufacturing sector.

Canada's presence will build on its strategy of promoting Canadian capabilities and supporting the business efforts of individual firms. Participating firms will have the advantage of being part of a recognizable Canada Stand, as well as being able to benefit from the expert services offered by Consulate staff including matchmaking and translation.

For more information on Mexitronica, visit the Web site at www.mexitronica.com

For information on the Canada Stand and to register, contact Ted Mackay, Trade Commissioner, Mexico Division, DFAIT, tel.: (613) 995-0460, fax: (613) 996-6142, e-mail: ted.mackay@dfait-maeci.gc.ca *

canadexport



TODAY'S STORIES

It's Official TEAM CANADA 2000 Going to Beijing, Shanghai and Hong Kong

Prime Minister Jean Chrétien announced last month that he will lead the next Team Canada trade mission to Beijing, Shanghai, and Hong Kong, November 18 to 26. DFAIT Ministers of the Canadian business community, heads of consular offices, and young entrepreneurs will join this sixth Team Canada mission.

Africa Trade Strategy to help exporters

Last month, International Trade Minister...

TRADE NEWS

● Africa Direct means business



● Trade records set Minister Pettigrew issues first annual state of trade report

● Join the services trade consultation

● A vision for the future with CCC

● Russia Environmental Sector Profile Market overview and opportunities

THE ILS CONNECTION

NEW EXPORTER of the MONTH

● BLAME CANADA! A New Brunswick dot-com speeds up on the U.S. information highway



TRADE FAIRS and MISSIONS

● AfricaRad 2000 on track for business

● Caribbean Island to showcase Canadian technology, products and services

● Food and Hotel South China 2000 Show

● Canadian Food and

Eureka!

No more waiting for the mail to arrive. The new CanadExport Web site is now up and running! Visit www.infoexport.gc.ca/canadexport to take advantage of the latest in export news!

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling 1-800-267-8376 (Ottawa region: 944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maaci.gc.ca

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Business mission to Central Europe

Dept. of External Affairs
Min. des Affaires extérieures
OTTAWA

JUL
JUIL 4 2000

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CENTRAL EUROPE — September 10-15, 2000 — International Trade Minister Pierre Pettigrew will lead a delegation of businesspeople to Budapest (Hungary), Bratislava (Slovakia), Prague (Czech Republic), and Ljubljana (Slovenia) this September.

Recruiting for October MISSION TO MOROCCO, ALGERIA AND SPAIN

International Trade Minister Pierre Pettigrew will lead a multisectoral trade mission to Morocco, Algeria and Spain from October 10 to 20.

See story on page 20

**RETURN TO DEPARTMENTAL LIBRARY
RETOURNER A LA BIBLIOTHÈQUE DU MINISTÈRE**
For the last 10 years, these countries have experienced significant changes in their economic systems, abandoning their centralized and controlled economies to introduce open market economic systems. Investors and business partners are welcome, and new equipment and services to modernize infrastructures are in strong demand as these countries seek to become more competitive globally.

The focus of business communities and governments is on productivity and competitiveness, as well as on new technologies, products and services, making these countries ideal markets for Canadian enterprises. Moreover, their move toward market economies, accession to the European Union (EU) over the next few years,

Continued on page 10 - Business

A stepping stone into Hungary

Hungarian-Canadian Chamber of Commerce

Manhattan Island, which was at one time inhabited by Aboriginal people, was purchased by the Dutch for the sum of \$24. That was back in 1624. Today, New York is one of the most powerful financial centres in the world, with some of the highest rents. Who wouldn't dream of getting their hands on Manhattan today for the modest sum of \$24!



Right now, the same applies to Hungary. Although the country is not yet part of the European Union (EU), that will change soon. Establishing a presence in Hungary or building business relations in anticipation of its admission to the EU offers a double advantage: the benefit of pre-

Continued on page 11 - Canadian

Vol. 18, No. 12 -
July 4, 2000



**FOCUS ON ABORIGINAL EXPORT
SUCCESS**
(See supplement inside)

Canada

The Department of Foreign Affairs and International Trade (DFAIT) recently named John Gero Assistant Deputy Minister, International Business and Chief Trade Commissioner, replacing William L. Clarke.

policy, government procurement, services, and intellectual property issues. Gero was also recently appointed to the Board of the Canadian Commercial Corporation. As Chief Trade Commissioner,

the regions to identify new exporters and help them prepare to enter foreign markets. He also places great emphasis on improving service to Canadian businesses by ensuring that the TCS provides full electronic service to its clients in the near future.

Gero has already had the opportunity to accompany International Trade Minister Pierre Pettigrew to Quebec City and St. John's to meet with Canadian companies. "I plan to continue the vital contacts with the business community to emphasize the key role that the Trade Commissioner Service can play in their business development," adds Gero. "I hope they contact me directly (john.gero@dfait-maeci.gc.ca) if they wish to suggest improvements in the Service, or merely to let me know of a job well done by a particular trade commissioner." ❁

New Chief Trade Commissioner

Gero, an economist, joined the Canadian government in 1975 and has worked on international aid and trade issues. He has served at Canadian missions in Nairobi and Geneva, and was the Canadian negotiator for the General Agreement on Tariffs and Trade and the North American Free Trade Agreement on intellectual property. Gero headed DFAIT divisions dealing with international intellectual property issues, general market access concerns, and trade remedies. Since 1996, he has been Director General of the Trade Policy Bureau covering trade policy aspects of investment, competition



John Gero, Assistant Deputy Minister, International Business and Chief Trade Commissioner

Gero intends to continue the renewal of the Trade Commissioner Service (TCS), which has already shown positive results. For example, Canadian businesses now have a clearly defined set of core services that they can request from all 130 offices around the world. "The Canadian business community has shown much support for the changes they have seen in the Trade Commissioner Service," says Gero. "We will continue to strive to offer the best possible service to our clients."

Among his priorities in the coming year, Gero plans to build further on the Team Canada Inc partnership in

Export Development Corporation appoints representative in Brazil

To help create new business opportunities and build stronger trade relations between Canadian and Brazilian businesses, Canada's official export credit agency, Export Development Corporation (EDC) is establishing a permanent market representative in Brazil.

"In view of the scope and diversity of our trading relationship and the

opportunities for both Canadian and Brazilian companies, EDC wants to have greater permanent presence in this strategic market," says Eric Siegel, EDC Executive Vice-President. "This move will help us to better understand the Brazilian business community and to assist companies in Brazil to source high-quality Canadian goods and services."

Continued on page 19 - EDC

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Petroleum is often referred to as "black gold" and water as "blue gold," indicative of how precious both liquids have become at the turn of the century. At Victoria-based Hill Murray, a 35-employee water reclama-

supporting us for this project, and the American dollar is a commonly used currency."

Conor Pacific's role in the airport's modernization project involved designing the water treatment facility,

First export plunge

Victoria company helps water-short Barbados reclaim water for airport

tion and engineering firm established in 1993, every drop counts, and not one drop deserves to be wasted.

"We started out as a company focused on water reuse projects. These were very interesting projects for the water industry and, from there, we developed our core competencies in water recycling," explains Trevor Hill, President of Hill Murray, before it was acquired four months ago by Conor Pacific

Environmental Technologies Inc. Hill Murray has become the 50-person Water Division at Conor Pacific.

Last January, growing and export-prone Hill Murray crossed the border to make it all happen. With his first project outside Canada — a contract for the Grantley Adams International Airport in Barbados — entrepreneur Trevor Hill became an exporter.

The assignment

"We quickly found out that the Victoria, B.C., area had too few projects for us. We then began looking for water-short areas which would be interested in our water reclamation technology," says Hill. Then came Barbados, based on a tip from Sypher Mueller International. "Working in Barbados is rewarding because it is water-short, the government there is very flexible, the Canadian International Development Agency (CIDA) is

equipment specifications, shipping, some equipment installation and commissioning. This is typical for Hill Murray, which often oversees projects from conception and design to operations, maintenance and upgrade.

"Our systems use a unique mix of physical separation (membrane filtration) and biological treatment to purify waste waters. Our combination of techniques and technology yield consistently high-quality water. With a biochemical oxygen demand of less than 5 mg per litre, the treated water will be used in toilet systems. We supply the airport facility as well as the airplanes landing there."

Getting down to the \$2.5 million deal

"CIDA became very interested in us after learning that we were going to help the Government of Barbados in adapting its water reuse legislation," continues Hill. CIDA was very excited to see that we would bring our experience [of regulatory issues management and public policy at the Canadian provincial level] to the table, in addition to our design and operational services."

CIDA's Industrial Co-operation Program (CIDA-INC) provided Hill Murray with a letter of interest corresponding to 5 percent of the project value.

Hill is not short of compliments for CIDA or for Commercial Officer Charlotte Hutson at the Canadian High Commission in Bridgetown. "Charlotte Hutson was instrumental and very helpful. She linked us to government agencies, gave us contact information, helped us schedule and arrange meetings, and assisted us throughout the process to obtain CIDA support. She took our case to heart."

Also a key element to success was Hill Murray's networking with fellow engineering firm Sypher Mueller International Inc., a leader in airport planning based in Ottawa. "It's a long story," says Hill, "we made contact while we were both working on a ferry project in British Columbia." Sypher Mueller was contracted by the Ministry of Tourism and International Transport of Barbados to be the engineer for this U.S.\$50 million airport terminal expansion and rehabilitation project.

With experience comes wisdom

"To new exporters, I would have three things to say," advises Hill:

1. Capitalize. Exporting is an expensive business, involving local contracting. It is an exciting adventure but it requires money.
2. Get a grip on Canadian law. Try to have all contractual and extra-contractual documents made and signed under Canadian law (e.g. as a subcontractor). It will be easier for you, as you will know what your legal rights are and you will know how to enforce them with proper legal action before Canadian courts.
3. Advance payments: Be clear. In our case, we asked for 95 percent paid in advance and 5 percent on delivery. We made everything real clear as to when and how. Pay attention to shipping, to risks sharing and to accounts receivables."

For more information, contact Trevor Hill, tel.: (250) 216-7478, fax: (250) 655-8954, e-mail: trevor.hill@conorpac.com Web site: www.conorpac.com

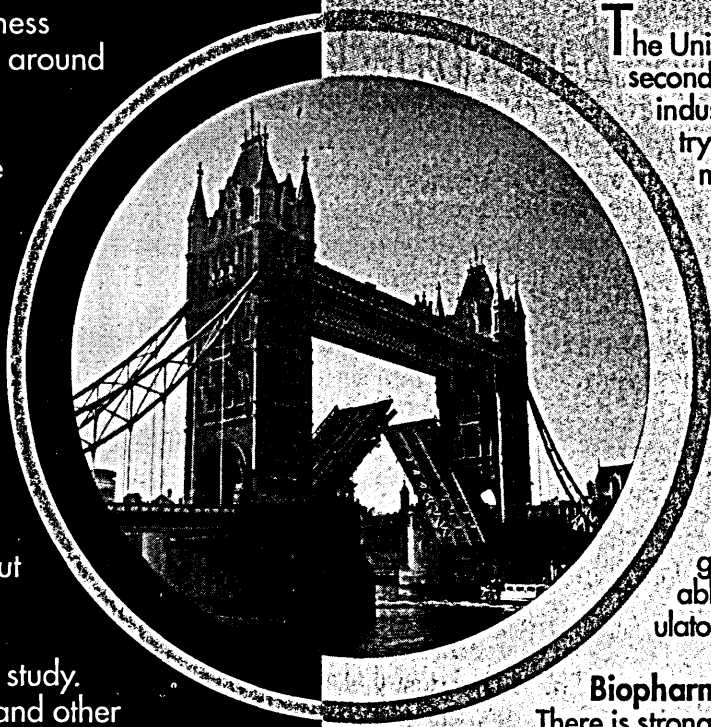


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— Biotechnology

The United Kingdom is home to the second-largest biotechnology industry in the world. The industry is characterized by strong multinational corporations and a vibrant SME sector reliant on mergers, partnerships and licensing agreements. There are a number of world-renowned research institutions and academic training facilities throughout the country, as well as technology parks that cluster the industry and encourage collaboration. Strong government support is available to the industry and the regulatory environment is effective.

Biopharmaceuticals

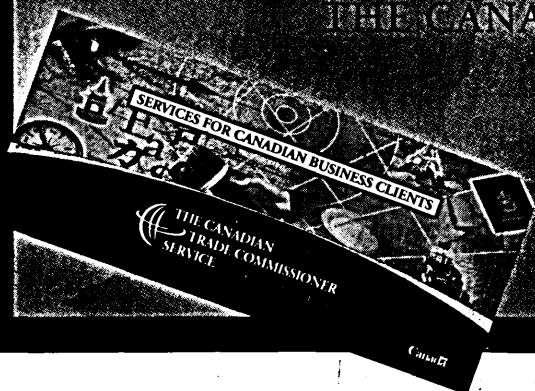
There is strong support for research in health care and pharmaceuticals. The most significant opportunities for Canadian firms in the United Kingdom are in drug discovery and development. Many of the world's largest biopharmaceutical corporations are headquartered in the United Kingdom. Most have offices in Canada, so Canadian companies are in a good position to establish collaborative research part

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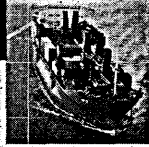
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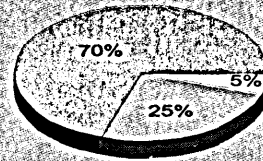
Biotechnology market

partnerships, technology transfer agreements, and licensing ventures.

Agricultural biotechnology
Given the current state of public opinion on issues of agricultural biotechnology and

technologies used in the U.K. "Off-the-shelf" technologies and environmental solutions are in particular demand. Canadian companies offering niche products and technology will find many opportunities in this growing market.

Industry Distribution



biopharmaceuticals
 agricultural biotechnology
 environmental biotechnology

The market at a glance

Annual sales, 1998	\$9.7 billion
Expected sales, 2000	\$22 billion
Projected R&D spending, 2001	\$773 million
Number of companies	460
Publicly traded companies	40
SMEs (estimated)	300

See potential?

To learn more about opportunities, customer expectations and market entry strategies, read *The Biotechnology Market in the United Kingdom*, a full report prepared by the Market Research Centre of the Canadian Trade Commissioner Service. The report is available online at www.infoexport.gc.ca

Increasing public pressure throughout the European Union, the British government has agreed to a moratorium on commercialization of new agricultural biotechnology products until 2002. Field trials have been allowed to continue for health and environmental investigation and research institutions continue to work on developing transgenic plants and animals.

Environmental biotechnology

Further opportunities exist in the field of environmental biotechnology. Currently, bioremediation represents only 7% of the decontamination tech-



Other opportunities

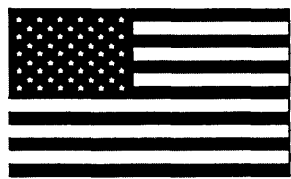
The U.K. industry is putting greater emphasis on biomanufacturing. This creates opportunities for Canadian companies with experience in establishing production facilities and related services. The market is also strong for preclinical research studies and other research services for clinical trials. Other areas of opportunity in the research and development sector include sequencing, gene therapy, the production of proteins and enzymes, and chemical synthesis.

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Biotechnology market

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The U.S. Connection

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Looking at old friends in a new way

PM joins Atlantic Premiers on first Team Canada mission to the U.S.

"Canadian Trade Team to Blitz Boston" — as headlined in the May 5, 2000, edition of the *Boston Business Journal* — proved to be an accurate description of Team Canada Atlantic Trade Mission, May 8-12, in southern New England.

At the invitation of Prince Edward Island Premier Pat Binns, Prime Minister Jean Chrétien joined the four Atlantic Premiers and International Trade Minister Pierre Pettigrew to launch a very successful five-day trade mission to highlight the expertise of Canada's Atlantic exporters, and to boost trade and investment between the Atlantic provinces and New England.

The impetus for this foray into New England was built on last year's groundbreaking Team Atlantic Trade Mission — to the four northern New England states — where 10 participants from each Atlantic province

met with over 300 companies in New England, generating immediate sales of \$2.2 million and anticipated sales of over \$28 million. (In 1999, trade between the six New England states and the four Atlantic provinces totalled \$4.9 billion.)

"One of my main goals as Prime Minister has been to create jobs in all

regions of Canada by giving our exporters exposure in key markets," noted the Prime Minister. "Atlantic Canada is home to world-class businesses and highly skilled workers specializing in the new economy, and is a low-cost investment destination. I am pleased to join the Atlantic Premiers in building stronger links with New England."

Executives from more than 40 Canadian companies took part in this first Team Canada mission to the U.S., which included stops in Rhode Island and Connecticut following the initial day of activities in Boston.

Highly productive events in Boston

A high point of the mission was the Prime Minister's participation in an investment roundtable attended by 13 CEOs and other senior business executives from prominent New England businesses — several with



Group picture of Team Canada Atlantic Trade Mission with (front row from left): Mary Clancy, Canada's Consul General in Boston; Premier Pat Binns (P.E.I.); Premier John Hamm (N.S.); Prime Minister Jean Chrétien; Premier Bernard Lord (N.B.); Premier Brian Tobin (Nfld. and Labrador); and International Trade Minister Pierre Pettigrew.

Team Canada Atlantic - Brian Simpson

significant investment in Canada.

One U.S. participant, Frank Girard, had been interested for some time in doing business in Canada. His Massachusetts-based information technology company, Converse Network Systems, is active in over 65 countries. Commented Girard after the meeting, "This is very encouraging."

Newfoundland and Labrador Premier Brian Tobin was also encouraged. "As a result of meetings," he said, "several major U.S. corporations are interested in visiting Newfoundland and Labrador to explore investment opportunities. I am very pleased with the number of strong contacts that have developed during the mission, and I am confident that we will see many deals initiated on this trip finalized in the coming months."

Another productive event was the Venture Capital Forum with Minister Pettigrew, attended by executives from six major venture capital firms and moderated by Claude Lemay, CEO of Montreal-based Alis Technologies Inc. Lemay led a lively discussion on ways to increase the flow of venture capital to the Atlantic provinces and enhance communication and networking in the North American venture capital community.

Looking to do business with the U.S. federal government?

Opportunities are just a key stroke away at the Internet site (www.gsa.gov) of the General Services Administration (GSA), which facilitates purchases by the U.S. government — "the world's largest consumer" — and the Electronic Posting System site (www.eps.gov). More GSA opportunities are listed on the site of the Canadian Embassy in Washington, D.C., (www.canadianembassy.org) and periodically in *CanadExport*.

Newfoundland and Labrador Minister of Industry, Trade and Technology, Sandra Kelly, met a company that focuses primarily on venture capital for small and medium-sized enterprises. "The firm expressed an interest in coming to meet with our local businesses, and I expect company officials to visit our province this summer," she said.

The Massachusetts Biotechnology Council's Executive Director Janice Bourque, who was impressed with Nova Scotia and Newfoundland when traveling there in November, was pleased that Prime Minister Chrétien was in Boston to help spread the



Minister Pierre Pettigrew (right) chatting with Senior Trade Commissioner Jim Sotvedt, Canadian Consulate General in Boston, and Kenneth D. Taylor (middle), Consultant, NBTEL.

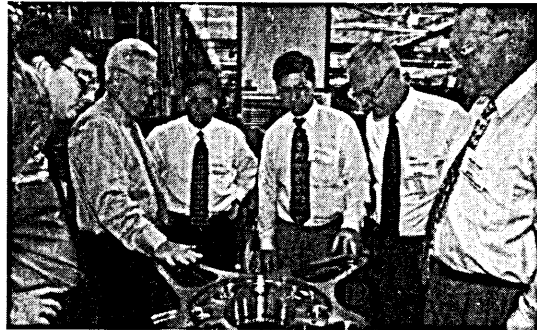
positive news to local business executives.

"I was very surprised by the level of research going on in Halifax and St. John's," remarked Bourque. "They obviously offer a lot of opportunity. Here we have a community that has great technical ability, and they're very close by. It seems crazy for us to think about going to Europe when we're not going next door."

On to Boston and Connecticut

After Boston, the mission moved to Warwick, Rhode Island, where participants attended a breakfast hosted by Governor Lincoln Almond. The following day, they travelled to New Haven, Connecticut, to hold individual meetings with local companies.

Beforehand, Governor John Rowland hosted a breakfast reception for mission members and business represen-



Sikorsky helicopter plant tour in Connecticut (from left): Premier Bernard Lord; Dean Borgman, President of Sikorsky Aircraft Corp.; Premiers Brian Tobin, Pat Binns and John Hamm; and Craig Dobin, Canadian Helicopter Corporation.

tatives from the state.

As a result of these meetings, Connecticut-based Sikorsky Aircraft and Newfoundland Bonding and Composite (NBC) formed a partnership. NBC is a subsidiary of CHC Helicopters of St. John's, the world's largest helicopter company.

Premier Binns said of P.E.I.'s participation, "So far it appears that Island companies have achieved between \$3 million and \$6 million in sales as a result of the contacts made."

Amalgamated Dairies Limited, the largest dairy producer in P.E.I., marketed its ADL brand cheese during the mission. "I made two great contacts on the last day of the mission which have great potential for ADL cheese," said Ron Dehmel, ADL's Director of Sales and Marketing. "One large food broker provided me with information on all the major food chains, food brokers and every single food distributor in New England, saving me more than a month in research."

The mission gave participants the opportunity to make invaluable business contacts within the New England region. "We're extremely pleased with the results," summed up Premier Binns. "For many of the smaller companies, this trade mission provided them with the support and encouragement to explore a market that offers access to millions of consumers." ❁

Team Canada Atlantic - Brian Simpson

Team Canada Atlantic - Brian Simpson

In 1998, Sweden generated 3.8 million tonnes of household waste. Of this amount, 27 percent was recy-

and used for household waste, with the other half owned by industry. The country has some 4,500 decommis-

water of good quality, through more stringent and uniform environmental requirements for landfill; another calls for a good living environment through reduced quantities for landfill.

Waste management opportunities

Sweden

cles, 38 percent was incinerated for energy retrieval and 8 percent was treated biologically. Sweden's export-driven industry generates an estimated 60 to 80 million tonnes of waste per year. About 47 percent of the industrial waste is recycled or reused, 40 percent is incinerated, and the balance is deposited at landfill sites.

About 600 landfill sites are in operation. Half are municipally owned

sioned landfill sites. Some of these have caused serious damage to the surrounding environment and will require remediation.

In January 1999, Sweden adopted a new Environmental Code including a Waste Collection and Disposal Ordinance, which broadened and tightened national legislation. Of 15 new national environmental quality targets, one calls for ground-

On January 1, 2000, a tax was levied on waste sent to landfill. Further planned steps are a ban set for 2002 on sending combustible waste to landfill, in addition to mandatory waste sorting; and a ban set for 2005 on sending organic waste to landfills.

Waste management in Sweden gives top priority to recycling/reuse, followed by conversion of waste to energy and, as a last resort, landfill.

Waste has become an important energy source in Sweden. Some 22 plants convert household waste to generate a total of 7.1 TWh of

Continued on page 9 - Waste

DENMARK, SWEDEN, FINLAND — September 18-22, 2000 — Canadian companies with waste management technology and expertise will have a chance to participate in a New Exporters Overseas (NEXOS) mission to Denmark, Finland and Sweden.

The three countries are increasingly trying to reduce waste sent to landfill. Their efforts translate into new opportunities for businesses with innovative recycling technologies or with hazardous and other waste management solutions.

Through a program specially tailored to participants, the five-day mission will promote Canadian technologies and products new to the target markets. On the agenda are briefing sessions and one-on-one company meetings. One to two days will be spent in each country.

Focus on environmental protection

While national market characteristics and regulations may differ, Denmark, Finland and Sweden share similar views on protecting the environment. Within the European Union (EU) and internationally, they commonly join forces to promote sustainable devel-

Mission to explore waste management opportunities in Nordic EU nations

opment policies. The three countries are also focusing on environmental protection in the neighbouring countries surrounding the Baltic Sea, where environmental markets are still emerging.

The mission will begin in Copenhagen and then take the newly opened 7.8 km Oresund Bridge to Jönköping, Sweden, for a Waste and Recycling Trade Fair plus two complementary shows: Water and Nordic Road, and Traffic 2000. Attending will be most Swedish companies in the field, as well as exhibitors from neighbouring countries. From Jönköping, mission participants will continue to Stockholm by train, and from there to Helsinki by air or overnight ferry.

If you are interested in joining the mission, contact us before July 21.

For more information on the markets, contact Inga-Lill Olsson, Business Development Officer, Canadian Embassy, Stockholm, tel.: (011-46-8)

453-3019, fax: (011-46-8) 24-24-91, e-mail: inga-lill.olsson@dfait-maeci.gc.ca

To register for the mission, contact Emmanuel Skoulas, Trade Commissioner, European Business Development, DFAIT, tel.: (613) 995-6565, fax: (613) 944-1008, e-mail: emmanuel.skoulas@dfait-maeci.gc.ca

To help you make the most of your time in Europe, we are co-ordinating plans with the Canadian High Commission in London. In the preceding week, September 12-14, another NEXOS mission will be held to coincide with a Recycling and Waste Management Exhibition in Birmingham.

For more information on the U.K. mission, contact Patrick Stratton, Business Development Officer, Canadian High Commission, London, tel.: (011-44-20) 7258-6654, fax: (011-44-20) 7258-6384, e-mail: patrick.stratton@dfait-maeci.gc.ca ✪

Waste management costs Finland approximately \$1.26 billion per year. The country annually generates roughly 3 million tonnes of municipal waste and an equivalent amount of industrial waste. New taxes and growing landfill charges are spurring interest in recycling and converting waste to energy. The most important aim over the next few years will be to develop source-separation methods in order to channel waste for material recovery and for energy use.

New environmental legislation came into effect on March 1, 2000, based on European Union (EU) requirements for integrated pollution prevention and control. The objective is to improve the state of the environment by using Best Available Technology (BAT). Sizeable further investments in waste management and emissions control are expected by 2007, the deadline for compliance with the law.

In 1998, the total value of Finland's environmental market was estimated at approximately \$2.5 billion. Finnish companies produce \$2.7 to \$4.6 bil-

regulations; a product that has gained access to any other EU country should have no difficulties in entering the Finnish market.

Waste management opportunities

Finland

lion worth of environmental technology per year. Their strength lies in strong technological know-how; their weaknesses are in marketing and capital base.

Opportunities

Opportunities exist for niche suppliers of unique and/or competitively priced BAT in areas such as automated waste separation and handling systems, material recycling technology, co-combustion and pyrolysis technology.

Market considerations

Rather than full-scale sales operations, local agents and distributors are recommended for environmental technology equipment. Finland adheres strictly to EU directives and

Municipalities and government institutions account for the bulk of environmental projects; they favour local, domestic and regional suppliers. Industry is more open to internationally recognized suppliers of environmental technology.

Finland offers partnering and border logistical services for entry into the Russian and Baltic states markets. But Russia's economic instability remains an impediment. Through Finnish partners, however, access may be available to major projects funded by international organizations.

For more information, contact Seppo Vihersaari, Business Development Officer, Canadian Embassy, Helsinki, tel.: (011-358-9) 171-141, fax: (011-358-9) 601-060, Web site: www.canada.fi ✪



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Waste management opportunities in Sweden

— Continued from page 8

energy. Another 423 GWh of energy was generated from landfill gas extraction in 1998.

Opportunities

- innovative recycling technologies, separating, etc.
- hazardous waste treatment solutions
- leachate water treatment solutions
- remediation methods
- other innovative technologies

Market considerations

Sweden's 289 municipalities have different waste management policies. To deal with language difficulties and local regulations, a local Swedish partner is advisable.

For more information, contact Inga-Lill Olsson, Business Development Officer, Canadian Embassy, Stockholm, tel.: (011-46-8) 453-3019, fax: (011-46-8) 24-24-91, e-mail: inga-lill.olsson@dfait-maeci.gc.ca Web site: www.canadaemb.se ✪

Denmark annually generates more than 11 million tonnes of waste, including 6 million tonnes of commercial/industrial waste. Over the past 15 to 20 years the Danish government has intro-

Waste management opportunities

Denmark

duced extensive waste regulation. The goal is to deal with waste as a resource, not a burden on society.

The government's current waste policy is three-pronged:

- Reduce waste by implementing cleaner technology.
- Promote recycling.
- If recycling is not viable, incinerate waste to generate energy or, as a very last resort, use landfill.

Denmark has one of the highest waste incineration rates in the world. Each year it incinerates approximately 2.5 million tonnes of waste, including 80% of non-recyclable household waste. Today, however, the focus is on increasing recycling. By 2004, the government seeks to achieve recycling of 65% of industrial waste and 30% of domestic waste.

Opportunities

- cleaner technology (i.e., processes, manufacturing systems and raw materials that produce less waste or less residue)
- recycling systems for materials, equipment, components and packaging
- systems and technologies for separating environmental contaminants from waste
- "full cycle" systems that recycle spent products into new products (e.g., nickel-cadmium batteries)
- environmental management systems, and improved quality

control systems (to reduce resource consumption)

- special waste collection systems
- hazardous waste treatment systems

Partnership/technology transfer opportunities

Denmark's environmental contact base in Central and Eastern Europe is excellent, offering partnering

opportunities for Canadian firms.

Internationally recognized for its innovative environmental technology, Denmark offers opportunities for transferring technology/know-how to Canada.

Market considerations

Partnering with a local company is advisable as municipalities prefer doing business in Danish. High-tech solutions are in demand.

For more information, contact David Horup, Business Development Officer, Canadian Embassy, Copenhagen, tel.: (011-45) 33-48-32-58, fax: (011-45) 33-48-32-21, e-mail: david.horup@dfait.maeci.gc.ca Internet: www.canada.dk ★

Business mission to Central Europe

— Continued from page 1

and their proximity to Russia and other Eastern European countries (a combined market of 400 million people) create attractive trade and investment opportunities.

The business mission will feature the following industry sectors:

- **Information technology and telecommunications** — wireless radiotelephony, e-commerce, software;
- **Agri-food** — seeds, pulses, meat;
- **Transportation** — aerospace, railways, automotive, road traffic control systems;
- **Construction and building products** — advanced building materials, intelligent building software, pre-engineered homes, specialized building products;
- **Medical and pharmaceutical products** — generic drugs, food supplements, vitamins, health care and hospital management information systems, medical supplies;

- **Environmental products and services** — monitoring technologies, solid waste treatment technologies, water/waste water treatment;

- **Energy** — small-scale hydro-electric power generators;
- **Advanced technologies** — geomatics;
- **Financial services** — software, systems management.

Canadian companies, particularly small and medium-sized enterprises, interested in exploring or expanding their presence in Central Europe are encouraged to participate in this mission, which is sponsored by the Bank of Montreal, Canada Post, and Export Development Corporation.

For more information, contact the Team Canada Division, DFAIT, tel.: (613) 995-2194, fax: (613) 996-3406, Web site: www.tcm-mec.gc.ca ★

Continued from page 1

membership prices and opportunities, and a preparation period before gaining privileged access to the entire European market via Hungary's entrance into the EU.

It would be a great advantage to be there when the economic boom sweeps Hungary!

One of the best ways to learn more about Hungary, develop social links, learn the language, organize joint projects or even begin to build a business network with Hungarian businesses and government is to contact the Hungarian-Canadian Chamber of Commerce.

Achievements of the Chamber

Founded in 1988, and located in Montreal, the Chamber has about 130 members, 30 percent of whom are Hungarian and 60 percent francophone. It takes pride in its past, and the Director, Thomas Szirmay, likes to look back on the initiatives that have marked the Chamber's contribution to greater co-operation between Canada and Hungary. "In 1991, we participated in negotiations on the double taxation of Canadian companies in Hungary.

"We were also present when Budapest modernized its bus system, since we were the liaison between the Commission des valeurs du Québec [Quebec Securities Commission], the STCUM (Société des transports en commun de la Communauté urbaine de Montréal) [Montreal Urban Community Transit Commission] and Hungarian bus drivers. Moreover, these bus drivers came to Montreal to train over a three-year period. Our role consisted in establishing contacts with the governments.

"We also assisted the Caisse de dépôts et de placements du Québec [Quebec Deposit and Investment Fund] with its negotiation plans, public image and information when it combined with its Hungarian coun-

terpart to form a joint enterprise, 80-per-cent owned by the Caisse, to make its management expertise available to the pension funds of the Hungarian Army and Ministry of Agriculture.

"We are proactive," adds Szirmay.

business opportunity arises in an industry, such as the pharmaceutical or hotel industry."

Concerning networking opportunities, Szirmay says that people would be surprised to see how far the Chamber succeeds in attracting and

A stepping stone into Hungary

Hungarian— Canadian Chamber of Commerce

"We don't like to wait around for someone else to do things for us!"

Services available

Members meet about six times a year during visits, conferences and banquets. "It's true, we concern ourselves with cultural affairs. And sometimes, our meetings are strictly social functions. However, business is our goal," emphasizes Szirmay. On the

agenda are training, conferences, escorted trips to Hungary, and networking opportunities. For instance, a large conference was organized for major Canadian and Hungarian banks in 1993, bringing together the Caisses populaires Desjardins, the Canadian Imperial Bank of Commerce, the Toronto-Dominion Bank and Hungarian banks.

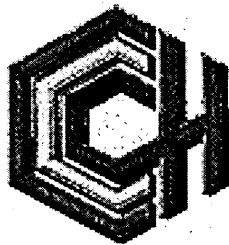
But that is not all. "We also promote Hungarian-Canadian interests," says Szirmay. "We are constantly on the look out for attractive companies and good candidates to conduct bilateral business. We also advise Canadian and Hungarian companies when a

contacting very influential people, for instance, from the Caisse de dépôts et de placement du Québec. "Even a former vice-president of finance for Quebec," he says. "We are really very active." The Chamber is following closely the Canadian trade mission planned for September. (See story on page 1.)

Says Szirmay enthusiastically, "Changes in Hungary are moving at a fast pace: there is a new government, and new opportunities are opening up. The Chamber's founder is now living in Budapest, which gives us a very strong link with Hungary."

Szirmay points out that the Chamber is also looking to expand into western Canada. "We are distributing information on the West Coast, in British Columbia and in Calgary."

For more information or to become a member, contact Thomas Szirmay, Director, tel.: (514) 932-1988, fax: (514) 932-5188, e-mail: hccc@sympatico.ca, Web site: www3.sympatico.ca/hccc *



Last January, Ralph Goodale, Minister of Natural Resources Canada, led a two-week trade and investment mission to China, South Korea and Japan. The mission, some 80 strong, included representatives from federal and provincial governments, industry associations, Aboriginal communities and private companies. It was the largest delegation of Canada's resource industries ever to visit a foreign market.

Two immediate objectives, flowing from the government's long-term economic goal of continuous productivity growth, determined the mission's course: developing new markets for Canadian resource firms; and positioning Canada as a reliable supplier of resource technology, services, and products.

A trade mission dedicated to resource industries was a "natural." Employing more than three quarters of a million people, the sector accounts for over 10 percent of Canada's gross domestic product (GDP), over 20 percent of all new capital investment in Canada, and about one third of all



Signing of the Canada-China Agreement on Forest Fire Management Training in Beijing between Minister Goodale (left) and China's Deputy Administrator, State Forestry Administration, Li Yucai. Standing (left to right) Canada's Ambassador to China, Howard Balloch; Doug Ketcheson, Director General, Canadian Forest Service, Natural Resources Canada; and Ray Mathieu, Regional Vice-President, Bombardier Amphibious.

Canadian exports. In recent years, new technology and better business practices have paid off in productivity growth more than double that of the national average.

Knight, "it's important to be on these trade missions, because it gives us access to decision makers."

Nor are the contacts confined to foreign countries. We don't usually

Natural Resources Canada Mission to Asia a huge success

The mission's itinerary offered participants a view of both mature and emerging Asian economies. Japan is the largest economy in Asia and the second largest in the world, after the United States. The Chinese and South Korean economies are expanding rapidly — last year they recorded GDP growth of 8.1 percent and 13 percent, respectively.

The mission was extremely successful on several fronts, one of which was the valuable information made available to participants. For companies, trade missions help not only to close deals, but also to get a feel for local needs and opportunities. "This trip gave us a much clearer idea of what we have to do to succeed," says Roland Knight, President of RADARSAT International. For the government, the trip served as a kind of "reconnaissance in force," a learning experience that will be drawn on in preparing for the upcoming Team Canada trade mission to China in November.

The mission also produced a wealth of new personal contacts. Trade missions offer firms the opportunity to meet potential business contacts that they would normally be hard pressed to arrange on their own. "For private companies," says

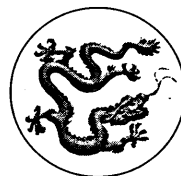
think of going abroad to get to know Canadians better. But this is a bonus of every trade mission. "Through the contacts I've made on the mission, I've become more excited about the possibilities in value-added forestry products," says Ken Noskey,

President of the Métis Settlements General Council.

None of this progress, of course, would have been possible without the expertise of the people from Natural

Resources Canada, the Canada-China Business Council, and the Department of Foreign Affairs and International Trade, all of which co-operated in planning and guiding the mission. "The Embassy staff and the people travelling with the Minister had a professional knowledge of the market," says Natalia Bouvier, Director of Market Development, Canadian Plywood Association.

Perhaps the most telling tribute to the organizers, and to the spirit of the mission, is that participants came home more convinced than ever that there is more to a market than reports and numbers, and that for firms serious about success abroad there's no substitute for spending time on the ground, for going out and looking, asking and listening. ★



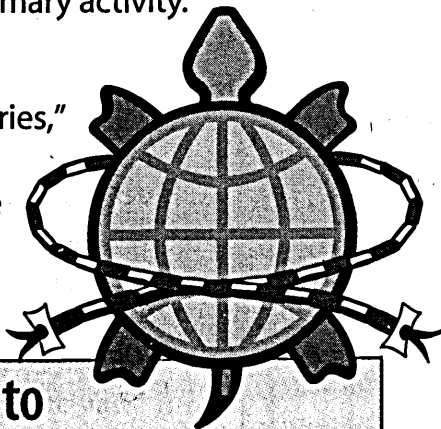
Aboriginal Export Success

Much more than Arts and Crafts ...

Canadian Aboriginal traditions of trade and commerce go back hundreds of years. In fact, Canada's business history begins with Aboriginal people, who played a pivotal role in the growth of this country's early trading success.

Today, Aboriginal companies are a dynamic and growing presence in Canada's economy. There are now well over 20,000 Aboriginal people who own their own business, and Aboriginal entrepreneurs are active in virtually every facet of the economy, including software design, manufacturing, tourism, the arts, health care, engineering, management, consulting, finance and much more. As well, many Aboriginal businesses are already active exporters — 19 per cent are involved in exporting, and for 6 per cent, exporting is their primary activity.

"There are so many different success stories," says Phil Fontaine, National Chief of the **Assembly of First Nations (AFN)**.



Reaching Out to Aboriginal Exporters
see page 7

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prepared by the Export Services — Small- and Medium-Sized Enterprises Division (TSME)

Don't Touch that Dial

adapted from "*Don't Touch That Dial*"
by Harmony Rice, VOICES

The Aboriginal Peoples Television Network (APTN), a national Native television service, was launched September 1, 1999, in Winnipeg.

"We want to provide a basic level of service, so that people on the west coast and on the east coast can talk to each other," says Chief Operating Officer Abraham Tagalik. "We can really educate Canada about who Aboriginal people are."

In June 1998, Television Northern Canada submitted an application to the Canadian Radio-television Telecommunications Commission outlining its intentions. On February 22, 1999, it happened — a broadcasting licence. Now, the APTN has mandatory carriage to nearly 8 million households with cable in Canada. It is also developing relationships for exporting to other countries.

"The fact of the matter is that in Aboriginal communities, we've behaved like we weren't in the rest of the world. Well we are, and we will have to be creative to be with the rest of the world," says APTN board member Calvin Helin.

The network has programmed a minimum of 90 per cent Canadian content to fill its licence requirement. However, it has been acquiring content from the U.S., South America, Australia and New Zealand.

"It's time for Aboriginal people to start changing their attitudes. Not only in our own communities but in the greater Canadian community," says board member Dave Tuccaro.

Surpassing all expectations, the APTN has boldly stepped into the spotlight with a voice that cannot be silenced. It is the voice of where Aboriginal people come from, who they are and where they are going.

And the list
goes on —
in every sector
and in every
part of the
country —

from advanced
technology ...

Founded in 1996 by Chris Piche, **Eyeball.com** (formerly Infranet Solutions Ltd.) is a young, fast-growing company specializing in scaleable multimedia technologies and 3D virtual reality computer games.

Eyeball.com completed its first export sale in 1997 to Hong Kong. "We had an advanced technology and it so happened there was a company in Hong Kong that was interested in the technology, so it was a natural fit," says Piche. "When we started the company, we didn't think about geography. It just so happened that initial demand was in Hong Kong."

The Vancouver-based company is now looking to enter the U.S. market through partnerships with other companies.

to communica- tions ...

Edmonton's **Aboriginal Multi-Media Society**

(AMMS) is the largest publisher of Aboriginal news in Canada, with four papers on the go: *Windspeaker*, *Alberta Sweetgrace*, *Saskatchewan Sage*, and *Raven's Eye*. *Windspeaker*, with a circulation of 19,000, is AMMS's flagship publication and has attracted the attention of readers outside of Canada, particularly in the U.S. and Europe.

Director of Marketing Paul Macado says the company had no plans to circulate any of its publications abroad. "It just happened — largely by word of mouth." But now with the introduction of its Web site, AMMS has seen a marked increase in subscriptions from overseas readers. "We have weekly inquiries from England, Sweden, the Netherlands. It's amazing the kind of interest that is out there," says Macado.

to furniture ...

Artistic Steel of Edmonton, Alberta, founded 10 years ago by Andy Hawirko, a member of the Métis community from Lac La Biche in northern Alberta, does custom metal fabrications and soft seating products such as lounge chairs and sofas. With 30 employees, Artistic Steel services western Canada, Ontario and the U.S., and supplies a number of Aboriginal businesses in the gaming, hotel and hospitality sectors.

Hawirko is a strong believer in trade shows as a means of entering export markets. "We went on a NEBS [New Exporters to Border States] mission to

North Carolina, where we attended one of the world's largest residential furniture trade shows. We learned quite a bit — that you have to find a niche, have to find your corner, try not to be everything to everyone. You have to be focused and persistent and patient."

to fashion design ...

We cannot, and should not, however, dismiss the tremendous success that Canada's Aboriginal entrepreneurs have had in the world's **arts and crafts** markets. A case in point — Dorothy Grant — one of Canada's leading artists/designers and most successful exporters ...

Long before her star would rise as an internationally acclaimed fashion designer, Dorothy Grant was first and foremost, a great Haida artist. A traditional Kaigana Haida artist of the Raven clan, her garments, ceremonial button blankets, spruce root baskets and hats can be found in museums and private collections throughout the U.S., Western Europe and the Far East.

The 1999 Team Canada trade mission to Japan couldn't have happened at a better time for **Dorothy Grant Ltd.** The six-year-old company of eight people was already exporting on a small scale to the U.S., but Grant was looking to expand further. She knew there was a market in Japan for her elegant Haida garments — ever since a Japanese man happened by her store in Vancouver and, very impressed, bought many items which he quickly sold on his return home. He would later become Dorothy's agent.

With the help of her agent, who set up meetings beforehand, Dorothy held fruitful discussions with magazine editors, fashion designers and manufacturers, enabling her to gain a solid foothold in Japan. "With all that I absorbed about Japanese culture, fashion and marketing techniques, this trip will continue to pay off over time," she says. "My agent and I now have a two-year plan to launch my products in Japan — and we are both confident of succeeding."

Dorothy's advice to new exporters: "Do your homework. Research the market, have an export plan and understand the social and business culture of the country you want to export to. You also have to find a way to build production capacity to meet export orders. But the only way to find out is to go there, spend time in the market, do your research and build a plan."

•••••

"We have demonstrated our ability in traditional sectors such as arts, crafts and woodworking, but we are equally skilled in many other areas, including the knowledge-based industries that constitute today's global business environment."

This point was reinforced by Chief Fontaine and others, including Ray Ahenakew, CEO of the **Meadow Lake Tribal Council** in Saskatchewan, last December at a Department of Foreign Affairs and International Trade (DFAIT) presentation entitled *Canadian Aboriginal Exporters — Year 2000 and Beyond*.

Given the opportunity, say Fontaine and Ahenakew, Aboriginal businesses can compete with the best in the world.

Supporting Aboriginal Export Success in Canada and Around the World

Exporting can present many challenges, particularly to small- and medium-sized enterprises (SMEs). The potential rewards and benefits, however, far outweigh the time, energy and cost that exporting ventures demand.

But the good thing is that Canadian Aboriginal enterprises don't have to do it all on their own. There are countless government and private organizations that are ready, willing and able to assist Aboriginal entrepreneurs strengthen and expand their businesses in Canada, and enter and develop markets the world over.

New to Exporting?

Do you want to export? How do you know if you are prepared? What does "being prepared" really mean? What do you do when you receive a request to export your product or service to another country? How do you prepare for a trade mission? Do you need to go overseas to find out about the potential for your products or services? Where can you get help in Canada?

So many questions, but where do you start? Two thirds of the exporting effort is done from home. If you are

new to this, the easiest place to start is to call Team Canada Inc's (TCI) toll-free number at **1-888-811-1119**. Your call will be transferred directly to the nearest Canada Business Service Centre where a trade representative will direct you to the export program or service that best meets your needs as well as to the service providers in your area. You can also take advantage of the TCI Web site at **www.export-source.gc.ca**

Team Canada Inc is a virtual trade network of all federal, provincial and some private-sector export services under one roof. It provides basic export information, counselling

(export contacts), market intelligence (market reports, sector information), financial assistance (export financing), and on the ground support (export regulations/logistics, trade events, including trade missions).

The TCI Web site has specific advice on: preparing to export; researching countries and sectors; marketing your exports; entering the market; financing your exports; getting products or services to market; business trip planning; preventing and resolving problems; trade show preparation; responding to unsolicited orders; international project bids.

Register Now!

If you are an exporting or export-prepared company, register with the Department of Foreign Affairs and International Trade's (DFAIT) **WIN Exports database**. Accessible by trade commissioners around the world, it is used to match Canadian firms with international business opportunities. You will also receive *CanadExport*, Canada's bi-monthly international trade news publication about exporting opportunities. Registration is free. Call WIN Exports' hot line at **1-800-551-4946** or register on-line at **www.infoexport.gc.ca/winexports**

Step 1

If you have no previous export experience but have a product or service that is unique and competitive in your target market, and you have the capacity to handle the extra demand associated with exporting, you can test your export "preparedness" on-line at **www.exportsource.gc.ca** (look for the heading *Preparing to Export*). The questions allow you to look at all aspects of your business and ascertain your readiness to handle the extra time and effort it takes to build an export market.

Step 2

Once you have ascertained that your business is ready to enter the international market, then what? Now it's time to zoom in on the most promising foreign niche market. In the same Web site (www.exportsource.gc.ca), under the heading *Researching Countries and Sectors*, look up your product category and you will see a list of market reports. For example, if you are in the bottled water market, there are nine country market reports on-line.

Read the reports and select the four or five most likely markets that you see an opportunity in. Then do more research. For example, there are country reports on how to do business in those countries, look at the political situation, cost of doing business, customs and tariff restrictions (e.g. fish and wildlife), freight forwarding, and so on. You may need to adapt your product or service to meet the characteristics and identified needs of your target markets.

At this point you should also start developing a marketing plan which describes how you intend to sell your product (e.g. direct export, licensing, joint venture). Establish a pricing policy, determine the financing

options or payment mechanism you can offer potential clients, establish contacts with freight forwarders and Customs brokers.

Now would also be a good time to initiate contact with trade commissioners at International Trade Centres located in each province. Provide them with information about your company, your product or service and objectives in the market. Ask for an assessment of the market potential for your product or service to confirm your research.

Step 3

Now you are ready to visit the market, i.e. attend trade shows and test elements of your market development strategy. This will entail translating company information (including business cards and promotional material) into the local language to take with you, meeting with potential clients and identifying their needs, locating potential associates such as agents, distributors or after-sales service providers — and interviewing them.

Key Publications

Two very helpful publications available on this subject are:

- *A Step-by-Step Guide to Exporting*, which can be ordered by calling 1-888-811-1119 or visiting the Web site at www.exportsource.gc.ca for the on-line edition.
- *Roadmap to Exporting: Guide to Federal Government Services* is a very handy guide to help you through the maze of government departments with export programs. It is available by calling 1-800-267-8376 or by e-mail at enqserv@dfait-maeci.gc.ca

Important Web Sites

There are many Web sites aimed at providing assistance to Canadian businesses interested in or actively exporting, including:

- www.infoexport.gc.ca — DFAIT's electronic source of political, cultural and trade information.
- www.strategis.gc.ca — Canada's most complete Web site of information for and about Canadian business. *Strategis* helps to identify new markets, find business partners, form alliances, locate emerging technologies or processes, and assess various risk factors.

Aboriginal Business Canada invests in building the capacity of Aboriginal businesses as a means of expanding markets and trade to increase their success. Services and assistance from Aboriginal Business

Canada are available to Canadian Status and Non-status Indians on or off-reserve, Inuit and Métis. Further information can be obtained from any of the nine offices across Canada or on the Aboriginal Business Canada Web site at www.abc.gc.ca



Spirituality Drives Four Worlds International

"Starting from within, working in a circle, in a sacred manner, we heal ourselves, our relationships and our world."

So begins the international trade agreement signed by Canadian Aboriginal organizations and leaders of the Otomi Nation during a trade mission to Mexico in May 1999. Not rhetoric, the words summarize the guiding principles, and underpin the profound vision and success, of the Canadian Aboriginal organization that facilitated the signing – **Four Worlds International Institute for Human and Community Development** — and its economic arm **Four Directions International**.

Four Worlds' success stems from its unique focus on the importance of culture and spirituality in all dimensions of human and community development.

An internationally recognized leader in human and community transformation, Four Worlds International has roots going back 30 years, when its founder Phil Lane Jr. (who serves as

Four Worlds' International Co-ordinator and Four Directions' President) began working at the grass-roots level with Indigenous peoples around the world. Over its 18-year existence, Four Worlds has initiated a variety of projects, programs and prototype models, for use in both North America and countries around the world, including Thailand, Ukraine, Bolivia, and Papua New Guinea. Four Directions International was created in 1995 to fund the organization's non-profit humanitarian work.

The trade agreement in Mexico with the Otomi, representing more than 100,000 Indigenous peoples, points to potential investment and profit-making opportunities for Canadian Aboriginal businesses and communities. These include the production and export of organic coffee and herbal medicines for re-export, the distribution of environmental and information technologies, and the provision of technical assistance in sustainable

forestry practices. Four Directions already has a North American-wide distribution system in place through its partnership with U.S.-based Lotus Light Inc., a joint venture with Canadian information technology company **Syntec**, and a distribution agreement with the U.S. environmental technology firm PolleyTech Corporation.

The Department of Foreign Affairs and International Trade (DFAIT) has supported the work of Four Worlds for the past year, particularly in Mexico, where Embassy officials continue to help facilitate the implementation of the trade agreement.

DFAIT's Senior Advisor, Aboriginal and Circumpolar Affairs Division, Laurent Charette, says, Four Worlds had already done most of the leg work. "This trade mission was the right timing for Four Worlds; it gave them high visibility in Mexico. But they had been meeting and consulting with potential partners there for the past seven years."

The mission, sponsored by the Assembly of First Nations, Contigo International and the Government of Canada, was the first-ever Canadian Aboriginal trade mission to Mexico.

Charette feels that while Four Worlds has all the elements of a modern trade organization, its integration with the Native spiritual tradition is "one of the keys to its success — and likely the key to developing long-lasting relationships with Indigenous peoples around the world."



Thaayrohyadi Serafin Bermudez de la Cruz, General Co-ordinator of the Otomi Council, and Phil Lane Jr., sign the Reunion of the Condor and the Eagle: Social Development and Trade Unity Pact.

Rural New Brunswick Firm Slides into U.S. Markets

A long driveway curves through the woods to a white clapboard house on a hill. Two small girls play in the yard, and, in the distance, a 500-metre luge run drops down to the Nashwaak River, evoking exciting possibilities for winter fun. One would never suspect that in the basement of this idyllic rural retreat in Taymouth, New Brunswick, a small information technology firm is doing lucrative business with a leading U.S. Web software development firm on the opposite coast. This is the home — and office — of David Lewis and
Taybridge Communications.

Lewis — who is a full-status Mohawk — formed Taybridge in 1992 as a desktop publishing and writing services company. In 1994, seeing the opportunities available on the Internet, he switched tacks. The company now provides on-line services, including Web site development, computer- and Web-based training, interactive CD-ROM development, project management services, and on-line software support.

Among Taybridge's impressive client list are Industry Canada, Aboriginal Business Canada, Interactive Marketing Technologies, New Brunswick Health Department, and his two current U.S. clients, California's NetObjects Inc. and New Jersey-based

Formal Systems America Inc. (FSAI). Currently, 95 per cent of the company's sales are to the United States.

The story behind Taybridge's contract with NetObjects is not the usual one of aggressive marketing. In fact, the contract came through a means rarely used in the business world: volunteer work. "I actually never pursued export markets. The California contract came from assisting, as a volunteer, in their support groups over the last few years. I developed good relationships with some key people, and when projects came up that suited my skill set, they asked me if I was interested." In fact, the company told Lewis he was "the only choice."

The project itself is also unusual in the business world. Lewis is providing on-line technical support for trial users of the client's software. "I've been using the product for about three years, so I know it pretty well. There's no sales pitch. Just support. Not many companies offer support at the trial level."

Although he has not aggressively sought out exporting business, Lewis does have salient advice for other exporters: "Network, network, network." He stresses the importance of taking the time to develop long-term relationships. "And once they're developed, you have to deliver. It's that simple. Be competitive price-wise, but find your niche and excel at it."

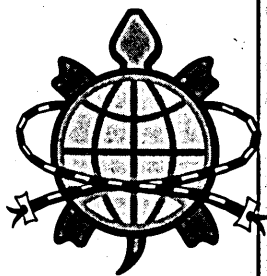
Reaching Out to Aboriginal Exporters

In January, the three co-chairs of the Aboriginal International Business Development (AIBD) Committee, DFAIT, Aboriginal Business Canada, and Indian and Northern Affairs Canada (INAC), with the Vice-Chairperson of the National Aboriginal Economic Development Board, Mary Jamieson, sought the views of 100 Aboriginal company representatives across Canada on how best to promote market access and development for Aboriginal exporters.

John Hemstad of Grey Owl Marketing Ltd. in Saskatchewan was one of the Winnipeg session participants. He felt that there is a growing interest and fascination among companies to develop export business. As well, he added that companies need more export information and resources to become export-ready.

A copy of the AIBD Plan can be obtained by calling **1-800-267-8376** or by e-mail at **enqserv@dfait-maeci.gc.ca**

The AIBD Plan was outlined in the January 17, 2000 issue of *CanadExport* ("Focus on Aboriginal Exporters," page 1).



AIBD logo by Raymond Skye
 Raymond Skye was born in 1947 on the Six Nations Reserve of the Grand River Territory. He is a member of the Tuscarora Nation of the Iroquois Confederacy. Raymond, a self-taught artist, conveys his culture through his artwork.

Did We Miss You?

One of the first major initiatives of the Aboriginal International Business Development (AIBD) Committee was the publication of the *Directory of Aboriginal Exporters*, which provides profiles of Aboriginal SMEs that are exporting, export-ready, or considering exporting. The Directory will be used by the Canadian government's trade network in Canada and abroad to encourage the participation of Aboriginal companies in international business development activities.

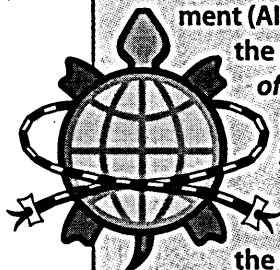
If for some reason we missed your company, it's not too late to be included in our electronic database. You can register on the WIN Exports

database at **1-800-551-4946** or directly through the Internet at

www.infoexport.gc.ca/winexports

This publication is available by calling

1-800-267-8376 or by e-mail at **enqserv@dfait-maeci.gc.ca**



Expanding Aboriginal Trade

Exporting to markets outside of a company's home province and outside of Canada is an important part of its growth. Aboriginal businesses are gaining the expertise, skill and know-how to compete and succeed in markets throughout the world.

Like Saskatchewan's **Meadow Lake Tribal Council**, which will be providing environmental services to Indigenous peoples in Nicaragua (under contract with CIDA), many Aboriginal businesses are finding success through trade beyond our borders. The Government of Canada has actively facilitated *Indigenous-to-Indigenous* trade opportunities to restore and strengthen relations with the world's Indigenous peoples. Developing formal links between Indigenous peoples through such means as the Canada-Mexico Aboriginal Economic Round Table is promoting and expanding economic opportunities for Aboriginal businesses in Canada.

Aboriginal Business Canada helps to identify new markets and prepare companies for the challenges of reaching those markets. Businesses such as furniture manufacturer **Artistic Steel** of Edmonton and **Cree-Tech Geographic Information Services** of Chapeau, Ontario, providers of remote sensing and image analysis services, are two companies that have benefited from this assistance. Support can include matching companies with experts in Industry Canada's international trade sector teams, with Team Canada Inc and with trade specialists at DFAIT.

Helping Aboriginal Enterprises Grow ...

You're a **young company** looking to step on to the world stage for the first time ...

You're an active exporter looking to expand into **new international markets** ...

You need **advice** on how to proceed ... which direction to take ... which markets to pursue ...

You need market and sector **information** ... financial **assistance** ... **contacts** in foreign markets ...

You need a **helping hand** ...

This is exactly what the following **government and private-sector organizations** offer ... from export counselling and market information to financial support and networking opportunities.

Contact them **today!** They are waiting to **hear from you!**

federal government

- Aboriginal Business Canada (www.abc.gc.ca)
- Agriculture and Agri-Food Canada (<http://aceis.agr.ca>)
- Atlantic Canada Opportunities Agency (www.acoa.ca)
- Business Development Bank of Canada (www.bdc.ca)
- Canada Business Service Centres (www.exportsource.gc.ca) (toll-free: 1-888-811-1119)
- Canada Customs and Revenue Agency (www.ccr-a-dr-c.gc.ca)
- Canada Economic Development for Quebec Regions Agency (www.dec-ced.gc.ca)
- Canada Mortgage and Housing Corporation (www.cmhc-schl.gc.ca)
- Canadian Commercial Corporation (www.ccc.ca)
- Canadian International Development Agency (www.acdi-cida.gc.ca)
- Department of Canadian Heritage (www.pch.gc.ca)
- Department of Foreign Affairs and International Trade (www.dfait-maeci.gc.ca)
 - Canadian Trade Commissioner Service (1-888-306-9991) (www.infoexport.gc.ca)
- Environment Canada (www.ec.gc.ca)
- Export Development Corporation (www.edc.ca)
- Federal Economic Development Initiative for Northern Ontario (<http://fednor.ic.gc.ca>)

- Human Resources Development Canada (www.hrdc-drhc.gc.ca)
- Indian and Northern Affairs Canada (www.inac.gc.ca)
 - Aboriginal Resource Guide (www.aboriginalresourcenet.com/)
- Industry Canada (www.ic.gc.ca)
- National Farm Products Council (www.nfpc-cnpa.gc.ca)
- National Research Council (www.irap.nrc.ca)
- Natural Resources Canada (www.nrcan.gc.ca)
- Public Works and Government Services Canada (www.pwgsc.gc.ca)
- Statistics Canada (www.statcan.ca)
- Transport Canada (www.tc.gc.ca)
- Western Economic Diversification (www.wd.gc.ca)

private sector

- Assembly of First Nations (www.afn.ca)
- Congress of Aboriginal Peoples (www.abo-peoples.org)
- First Nations Bank of Canada (www.firstnationsbank.com)
- First People's Business Association (www.tepee.net/aapp)
- Forum for International Trade Training (www.fitt.ca)
- Inuit Tapirisat of Canada (www.tapirisat.ca)
- Métis Business Centre (www.sae.ca/mbc)
- Métis National Council (www.metisnation.ca)

- National Aboriginal Forestry Association (<http://sae.ca/nafa>)
- Native Trail (www.nativetrail.com)
- Peace Hills Trust (<http://peacehills.com>)
- Spirit of Aboriginal Enterprise (www.sae.ca)

international

- Inter-American Development Bank (www.iadb.org)
- Inuit Circumpolar Conference (www.inusiaat.com/icc.htm)
- World Bank (www.worldbank.org)

procurement

- Procurement Strategy for Aboriginal Business (www.inac.gc.ca)
- IFInet (www.infoexport.gc.ca)

women

- Métis National Council of Women (www.metisnation.ca)
- Native Women's Association of Canada (613-722-3033)
- Pauktuutit, Inuit Women's Association (www.pauktuutit.on.ca)

youth

- Aboriginal Youth Business Initiative (www.ic.gc.ca)
- First Nations and Inuit Youth Business Program (www.inac.gc.ca/ps/ys/youth4_e.html)

Nooaitch Indian Band Launches Log-home Business

Entrepreneurial ventures are nothing new for the Nooaitch Indian Band of Merritt, British Columbia. The 120-member band is a shareholder in a successful Day's Inn Hotel as well as an accounting and computer service company. The creation of **Eagle's Nest Log Industries, Inc.** in 1998 was a natural business development strategy for a band that holds a woodlot licence, has a waiting list of members needing housing, and is preparing to develop a 23-lot subdivision.

Nooaitch's decision to launch a log-home building business fulfilled many of its long-range goals, according to James Fountain, Band Administrator.

"Our goal is to increase job opportunities in the forest industry in the Nicola Valley, not only for the Nooaitch but for other bands as well. We're also committed to improving housing conditions for our community members."

So far, the company has built a 750-square-foot cabin, a 1,500-square-foot house, sheds and picnic tables. When the company is fully operational, it will employ eight people, including a crew of seven and a business manager. The band expects some local business and employment spin-offs such as construction, logging and trucking subcontracting. Last year, Eagles' Nest entered into a joint venture with **Esh-kn-am Investments**, an economic

development company owned by four Thompson bands, including Nooaitch.

David Walkem, Chief of the Cook's Ferry Band and one of the principals of Esh-kn-am, says, "We see Eagle's Nest as a good long-term investment for Esh-kn-am. The company will create jobs and build houses for people in our community. There's also the potential to sell nationally and internationally."

Meanwhile, Eagle's Nest Log Industries intends to address the needs of its own community members first. It has established its priorities, at least for the present. "For now, we're going to focus on building log homes for band members, before we start exporting off reserve," says Fountain.

Women and Young Exporters Go Global

Aboriginal Women Learn the Ways of Exporting

An increasing number of Aboriginal women are starting their own businesses and establishing networks to maximize their chances of success in Canada before tackling attractive export markets.

Several recent conferences have enabled dozens of Aboriginal women to discuss the best practices of good business management and establish contacts with federal representatives of such organizations as DFAIT.

During a national conference for Aboriginal businesswomen held in Ottawa last October, as well as a workshop on international business opportunities for Aboriginal women consultants in early November, participants listened with interest as Joanna Townsend, Director of DFAIT's Export Services for Small- and Medium-Sized Enterprises Division, explained the vast potential of export markets and the support available from the federal government.

The first contact in exploring export opportunities should be the Canada Business Service Centre at

1-888-811-1119, or visit the Web site at **www.exportsource.gc.ca**

Youth International Internship Program (YIIP)

Under the YIIP, DFAIT provides opportunities for young Aboriginal people to gain valuable international work experience and to address a number of issues of concern to Indigenous peoples. For information on YIIP, contact

toll-free: **1-800-559-2888**, e-mail:

yiip-psij@dfait-maeci.gc.ca,

Internet: **www.dfait-maeci.gc.ca/interns**

From Coffee Plantations to Strategic Alliance:

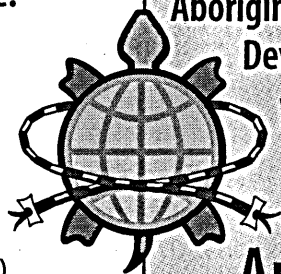
The Journey of an Entrepreneurial Spirit

Peter Bernard, from Golden Lake First Nation in Ontario, is a graduate of Algonquin College's (Ottawa) International Trade Program. Under DFAIT's Youth International Internship Program (YIIP), part of the Government of Canada's Youth Employment Strategy, Peter had the opportunity to participate in a project sponsored by Carleton University's Norman Paterson School of International Affairs.

The project, launched through the YIIP, was with the International Indigenous Network on the Environment and Trade, an organization dedicated to helping Indigenous communities in Central America improve their economic condition while preserving their natural resources and cultural heritage. Peter's work was to develop a business plan to import coffee from Guatemala, giving impetus to *Indigenous-to-Indigenous trade*, and to find the most cost-effective channel for bringing the product to Canada. A number of potential clients were identified, including the **Mohawk Council of Akwesasne** and **Casino Rama** (Rama, Ontario). Peter's efforts resulted in an agreement with **Take-a-Break Coffee** to train Akwesasne youth in the coffee business, with the Mohawk Council subsequently opening its own café in Cornwall, Ontario.

Since his internship, Peter Bernard has been very busy. He is President of **SyroTech Global**, a leading-edge underwater logging operation with interests worldwide, which recently announced a strategic alliance with **Aquatic Cellulose** to harvest some 500 million board feet of timber in the Gatineau River area of Quebec, with an estimated value of \$160 million.

Several other ventures now occupy Peter's time, such as running a gaming store in Ottawa. SyroTech, as well, will soon be submitting a proposal to CIDA for a technology transfer and infrastructure development project in Central America and Asia, through which SyroTech hopes to develop joint-venture partnerships with other companies in these regions.



Aboriginal International Business Development (AIBD) Committee

Working for You in Canada and Around the World

Mandate

The AIBD Committee's mandate is to promote Aboriginal export market development and access to world markets.

Objectives

- To facilitate access and use of available relevant government programs and services by the Aboriginal business community.
- To ensure that export development services respond to the identified needs of Aboriginal SMEs.
- To address the need for training and skills development to increase the number of export-prepared and exporting Aboriginal firms.
- To increase the level of participation by Aboriginal firms in trade activities and to develop special initiatives to take advantage of unique international business opportunities and challenges.
- To integrate and co-ordinate the participation of Team Canada Inc partners providing programs and services to the Aboriginal business community.
- To identify exporting and export-prepared Aboriginal SMEs for inclusion in the WIN Exports (World Information Network for Exports) database.

Committee Contacts

- **Rosi Niedermayer**, DFAIT: tel.: (613) 944-0634; e-mail: rosi.niedermayer@dfait-maeci.gc.ca
- **Miriam Wall**, Aboriginal Business Canada (Industry Canada): tel.: (807) 628-8334, e-mail: wall.miriam@ic.gc.ca
- **Claudette Fortin**, Indian and Northern Affairs Canada: tel.: (613) 953-2100, e-mail: fortincl@inac.gc.ca

Trade Fairs and Missions

Calling Out to the World

One of the best ways to penetrate foreign markets is to participate in international trade fairs and missions.

"I believe the most effective means of marketing and pursuing international markets is to attend international trade shows and to hire an international company or person to sell your product."

— Sandra Kersteman, VP Operations
Global Aerospace Corporation (Mississauga, Ontario)

DFAIT offers the following programs for new exporters: **NEBS** (New Exporters to Border States), **NEBS Plus**, **NEXOS** (New Exporters to Overseas) and **NEXSA** (New Exporters to South America) are aimed at companies that have not previously exported. They usually entail a trip to a particular market with a group of other companies in the same industry, as well as export training and counselling.

International Development Days 2000 (September 17-20, 2000, Saskatoon, Saskatchewan)

Learn more about international opportunities provided through international development agencies and international financial institutions. To register or for more information, call Saskatchewan Trade and Export Partnership at **1-877-313-7244**, or visit **www.sasktrade.sk.ca**

Aboriginal Arts and Crafts Producers Trade Mission to Belgium and the Netherlands June 14-21, 2000

The Government of Canada, through Aboriginal Business Canada and DFAIT, recently co-ordinated a trade mission to Belgium and the Netherlands for representatives from Canada's Aboriginal arts and crafts community. The eight-day educational program informed participants of various aspects of doing business in both countries. The mission included briefings, a product showcase and meetings with distributors, gallery owners and retailers. Mission delegates included business representatives from British Columbia (**Akazaaze Design Corporation** and **U'mista Cultural Centre**), Alberta (**Nokomis** and **Two Feathers Gallery**), and Nunavut (**Nunavut Development Corporation**).

Market Reports

- *The Native Art and Handicraft Market in Belgium*
- *The German Market for Aboriginal Arts and Crafts from Canada*
- *Aboriginal Art and Craft — USA*
- *First Nations Art and Craft Market — Midwest USA*
- *Canadian Aboriginal Art and Craft Market — Midwest USA*

For full market reports, visit **WWW.infoexport.gc.ca**, go to *Market Reports and Contacts*, and then to *Aboriginal Products, Services and Technologies*.

AFN-NEXUS'2000 Trade Show and Business Conference

Attend the largest Indigenous trade show in Canada and develop partnerships, strategic alliances and business leads for Aboriginal organizations and businesses.

Strategic Indigenous Alliances in the New Millennium

July 11-13, 2000, Lansdowne Park, Ottawa, Ontario

www.native-invest-trade.com or **1-800-337-7743**

The success of the Team Canada trade mission to Japan in September 1999 triggered the launch of a proactive and ambitious follow-up initiative aimed at stimulating and maintaining interest among the

Follow-Up

Team Canada mission to Japan

Canadian business community in current commercial opportunities in Japan.

The Japan Division of the Department of Foreign Affairs and International Trade (DFAIT), in partnership with the provinces/territories, Japan External Trade Organization (JETRO), International Trade Centres, Asia Pacific Foundation, and other private organizations, implemented throughout February and March 2000 an extensive Team Canada follow-up program comprised of seminars and outreach sessions in 14 cities across Canada. A complementary seminar in Toronto was also organized by the Canada-Japan Trade Council and JETRO on e-commerce opportunities in Japan. The seminars were immensely successful, attracting over 500 participants.

The seminars included a series of lectures by private and public-sector specialists from Canada and Japan covering topics such as current trends in the Japanese market; Canada's priority trade sectors for Japan; Canadian success stories in Japan; provincial trade development activities in Japan; strategies to break into the Japanese market; and Japanese customs and etiquette.

Each seminar targeted a wide audience including new and experienced exporters to the Japanese market, Team Canada participants and local

industry associations. While the focus of the seminars mirrored the priority sectors set out for the Team Canada mission, participation from Canadian firms was not limited to these sectors. During the seminars, participants

received a broad range of recent market studies on Japan and a list of relevant contacts to assist them in the Japanese market.

Following the morning lectures, one-on-one meetings between Canadian firms and trade commissioners from Japan and Canada were held as well as an extensive outreach program the following day.

Companies were very pleased with this program as it provided them with



useful information to reinforce their position in Japan or contributed to their optimism about penetrating the Japanese market. Some of the comments clearly showed the level of satisfaction: "Very good all-round presentations that give a good overview"; "A very good introduction to the market with practical advice"; "Learning about what the Japanese industry expects was very helpful."

Almost all of the respondents expressed their interest in being involved in similar future seminars.

For more information about the Japanese market, visit the Web site at www.dfait-maeci.gc.ca/ni-ka

Upcoming Events

July 12-14, 2000 — **Sea Food Show** — Tokyo Big Sight

September 28-30, 2000 — **Kobe Import Housing Materials Exhibition (HOUMATEX Kobe 2000)**

October 2000 — **Canadian Culinary Cup Competition** — Tokyo, Osaka, Fukuoka, Nagoya

October 5-9, 2000 — **International Food Fair** — KitaKyushu

October 17-19, 2000 — **7th International Conference and Exhibition on Natural Gas Vehicles** — Yokohama

October 17-20, 2000 — **Wireless Showcase Seminars** — Tokyo and Osaka

October 19-20, 2000 — **Kansai-Canada West Business Forum** — Kyoto

Success Stories

VisualABS of Calgary has signed a contract with Itochu Techno-Science, a division of the giant Japanese trading house Itochu. Itochu Techno-Science will market VisualABS' 3-D display technology to Japanese display and games manufacturers. VisualABS technology can produce 3-D images without the use of special glasses, headgear, or dual projection systems. Itochu is forecasting sales worth 1 billion yen (\$13.5 million) the first year and rapid growth after that. VisualABS will receive licence fees and royalties.

Home builder **Selco Homes** of Sendai has received a certificate of recognition from the Canadian Embassy in Tokyo for being the top Japanese importer of Canadian homes for five consecutive years (1995-1999). Over 1,400 Canadian homes were imported into Japan in 1999, 765 of them (54 percent) by Selco and its franchises. Selco is expanding its sales network and aims to build 1,000 Canadian homes in Japan this year. ❁

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/leads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown Corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

VENEZUELA — Fundemeca Group of Companies for Sale — The Fundemeca group of companies founded in Venezuela in 1984 is made up of the following companies:

- Fundemetal C.A. (Fundemeca) — aluminum smelting and processing;
- Cobre y Plomo C.A. (Coploca) — storage of raw material;

- Aleaciones de Plomo C.A. (Aleploca) — lead smelting and processing;
- Decoplas C.A. - copper and plastic derivatives.

All four companies are strategically located along the National San Joaquin-Guacara Road in the El Tigre Industrial Zone, Carabobo State. These companies have access to the Caracas-Valencia highway, as well as to the town of Guacara, which is characterized by its strong industrial development. Fundemeca's installations are about half way from each of Venezuela's most important ports, La Guaira and Puerto Cabello.

Fundemeca's main activity is the recycling of all types of aluminum, lead and copper, including UBC (used beverage cans), sections, shavings, and ornamental and roof sheets, among others. Using these materials as a starting point, through a controlled productive process, hard alloys are made for pressure/fusion needs, permanent molds and DEOX 95 aluminum, which are produced as slugs and filings for the iron and steel industry, also alloy 5000, 6000, and specials. The products are presented in the form of filings, 2.5, 10 and 22.5 kg slugs.

Fundemeca has the capacity to process any type of aluminum waste, as well as to operate with primary aluminum for the production of high-purity primary alloys, secondary alloys for pressure/fusion use, permanent

mold and DEOX.

The company counts on modern technology and trained personnel, which makes it a very competitive asset. Fundemeca also enjoys good road infrastructure, utility services, customs services for export and import, and abundant, low-priced energy (gas, oil, electricity).

The Fundemeca Group is now for sale, presenting an excellent opportunity for investment in this industry, particularly given the cost advantages in Venezuela. Additionally, the company is located 2 kilometres from Puerto Cabello as well as La Guaira Port. Its location allows easy access to scrap iron centres, resulting in significant savings in transportation costs and access to important quantities of raw material. Closing date: **September 5, 2000**. Contact Donna Parsons, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000529-02089. For details: www.iboc.gc.ca/webleads.asp?id=371en

VIETNAM — SCADA Systems for Power Distribution Projects — A tender has been issued for the design, building and implementation of SCADA systems in three cities — Bien Hoa (Dong Nai province), Can Tho (Can Tho province) and Da Lat (Lam Dong province) — for the Central and Southern Vietnam Power Distribution Project (southern area). The project is partially funded by a loan from the Asia Development Bank. A complete set of bidding documents are available upon payment of US\$300 (or VND4,200,000), non-refundable. Closing date: **September 15, 2000**. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635,

Continued on page 23 – Business



International Business Opportunities Centre

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®).

General Motors (GM) and the Canadian Commercial Corporation (CCC) team up to win \$2.5 billion in worldwide sales of the Light Armoured Vehicles built in London, Ontario.

Canada's peacekeeping efforts have deservedly won a lot of attention both at home and abroad. What is less well known is the strong supporting role played by a line of Light Armoured

"Canada's armed forces are a big customer for the LAVs, but we also export two-thirds of our production," says Ken Yamashita, Manager of Government Relations and Industrial Benefits at GM's Canada's Diesel Division in London, Ontario. "We've worked closely with CCC for almost 20 years to give our export customers the option of dealing on a government-to-government basis. It's been a very productive part-

GM — A productive partnership

Vehicles (LAVs) built by GM Canada's Diesel Division, and sold to buyers around the world through contracts administered by the Canadian Commercial Corporation. The London plant has the General Motors world product

nership because our LAV customers not only have the guarantee of General Motors, but also the guarantee of the Government of Canada through CCC."

The partnership began in 1982, when GM Canada and CCC won a competitive contract with the U.S. Department of Defense to supply 771 light armoured vehicles to the U.S. Marine Corps. Since the value of this single contract approached \$1 billion, CCC set up a site office at GM's London plant, staffed with 15 technical, contracting and support personnel. Subsequent export sales to the Saudi Arabia National Guard, the Australian Army, and the U.S. National Guard have kept CCC's site office busy ever since.

"Hands-on" approach

"Our project staff must have a "hands-on" program function to ensure that the needs of the buyer, GM Canada, and CCC are met," says Bob Mooder, Manager of the CCC office at the plant. "Since we're on site, we can respond quickly to enquiries, certify proposals, and provide contract and technical guidance on all aspects of the contracts. It's a system that's proven itself over the years."

GM Canada's foreign government customers are quick to see the benefits of dealing with GM through the



Bill Pettipas, Executive Director, Diesel Division, GM; Bob Mooder, Manager, LAV Projects, CCC; Keith Zerebecki, Deputy General Director, Defence Operations, Diesel Division, GM; and CCC's LAV project office staff.

mandate for the LAVs, which have been used in Kuwait and, most recently, in peacekeeping missions in Kosovo and Indonesia, where Australian peacekeepers used them to land in East Timor.

GM Canada and CCC partnership

Dating back almost 20 years, the partnership between CCC and GM Canada has been instrumental in the sale of the more than US\$ 2.5 billion worth of LAVs sold outside Canada.

CANADIAN COMMERCIAL CORPORATION SHAPING TRADE SOLUTIONS FOR CANADA'S EXPORTERS



A federal Crown corporation, the Canadian Commercial Corporation (CCC) partners with Canadian exporters to negotiate and win sales in difficult markets on favourable terms. It provides special access to U.S. defence and aerospace markets and specializes in trade to foreign governments and international organizations.

Whether bringing buyers and sellers together, acting as a prime contractor or working with small- and medium-sized companies to win sales, CCC's access to specialized markets continues to open doors for thousands of Canadian companies doing business in over 60 countries.

For more information, contact CCC at tel.: (613) 996-0034, fax: (613) 995-2121, e-mail: info@ccc.ca Web site: www.ccc.ca

CCC. Since the foreign buyer gets CCC's guarantee of contract performance, they often waive requirements for bank guarantees and performance bonds, explains Sherri Lillico, Manager, International Business.

"The supplier may get preferred payment terms as a result," she adds. "And on a sole source sale, the foreign buyer saves the time and costs associated with tendering, and they're guaranteed the same price and terms as the Government of Canada receives. They also benefit from our staff's expertise throughout the terms of their contract."

Impact on southwestern Ontario economy

Aside from its obvious boost to Canada's export sales, the LAV program has had an impact on the economy in southwestern Ontario. London Mayor Dianne Haskett notes that the LAV program has provided significant

Continued on page 23 — Partnership

E-commerce has been the world's biggest business story for the last several years, and the epic tale of e-business is just beginning to unfold whatever the stock market

ments involved to ensure that errors don't occur or key pieces of paper go astray.

For a young and growing Canadian exporter, however, the time and money

Montreal, HSBC Canada and the National Bank of Canada — have all invested heavily in their own customized on-line export finance applications. And EDC, which insures all NORTHSTAR transactions, has just completed a major upgrade of its site www.edc-see.ca

The scope of the federal government's initiatives to make Canada an e-commerce leader is also impressive.

An example, one of many, is the setting up by the Canada Customs and Revenue Agency of an on-line framework that reduces paperwork costs all the way to the foreign customs desk.

Export bankers are especially interested in attempts being made to eliminate as much as possible of the \$400-\$500 billion that the UN estimates is the annual cost of paperwork involved in world trade.

This past fall, for example, the Bolero project was launched. Its goal is to provide a secure message system for electronic trade documents, which would ultimately become an accepted global standard. Bolero is backed by SWIFT, a co-operative providing messaging services to 6,500 financial institutions worldwide.

HSBC Canada has just announced that it will be participating in the Bolero project. The Bank of Montreal is involved in the similar Trade Card initiative, which has more of a North American focus.



For our part, we at NORTHSTAR plan on riding the e-export finance wave as it crests higher and higher, as it inevitably will.

And I invite you to join in and get your feet wet with us as we do.

For more information, contact Scott Shepherd, tel.: 1-800-663-9288, e-mail: s.shepherd@northstar.ca Internet: www.northstar.ca

Riding the B2B E-Export Finance Wave

by Scott Shepherd, President and Chief Executive Officer, NORTHSTAR Trade Finance Inc.

might be doing to correct the pricing of dot.com firms over the short term.

Most of the e-businesses have been focused on selling to the consumer. But Canada's real on-line future is in businesses selling on-line to businesses (B2B) in a vast new digital marketplace just beginning to take shape.

How vast? Multinationals in the auto and oil industries are setting up sites where suppliers can bid for billions in contracts. Even these companies, which are among those still stinging from the bite of the love bug virus, are not going to pause for long when they see the major savings to be made from this new generation of e-commerce applications.

While companies of every size, shape and description have been busy racing to gear up for the B2B revolution, exporters too often find red tape keeping them tied up in the e-commerce starting blocks.

Naturally, governments want a paper trail in place for every item that crosses their borders. Private sector parties in export transactions also want to keep their eye on the docu-

spent on processing paperwork is not just an annoyance but can represent a serious competitive disadvantage

because larger companies tend to have extensive e-commerce solutions in place for dealing with suppliers and customers more economically.

As a firm specializing in supporting the efforts of entrepreneurial Canadian exporters by financing their end buyers, NORTHSTAR has a keen interest in rectifying

this situation by every e-means possible.

Consequently, we have put on-line on our Web site the forms that we need buyers and exporters to fill out, plus the Canadian Benefits Report that is a prerequisite for Export Development Corporation (EDC) support of a NORTHSTAR-financed transaction.

That is just the very beginning for us, and only a tiny part of the vast mosaic of e-export solutions being built as Canadian financial institutions bid billions in their gamble to become leaders in the global on-line marketplace. For their part, the banks that provide NORTHSTAR with its capital — the Royal Bank, the Bank of



Scott Shepherd,
President and Chief
Executive Officer,
NORTHSTAR

Business travellers can make their lives easier by carrying an A.T.A. [admission temporaire/temporary admission] Carnet, the virtual "merchandise passport." A carnet saves valuable time, effort and expense for the Canadian businessperson who

Electronic applications are particularly advantageous for the following reasons:

- Convenience of access: The required forms can be downloaded at any time of day or night, and can be completed at your convenience.

Montreal
Canadian Chamber of Commerce
1255 University Street, Suite 1510
Montreal, Quebec H3B 3X2
Tel.: (514) 866-4334
Fax: (514) 866-7296
E-mail: carnetmontreal@chamber.ca

Ottawa
Canadian Chamber of Commerce
350 Sparks Street, Suite 501
Ottawa, Ontario K1R 7S8
Tel.: (613) 238-4000
Fax: (613) 238-7643
E-mail: carnetottawa@chamber.ca

Toronto
Canadian Chamber of Commerce
BCE Place, 181 Bay Street
Heritage Building (Galleria)
Toronto, Ontario M5J 2T3
Tel.: (416) 868-6415, ext. 237
Fax: (416) 868-0189
E-mail: carnettoronto@chamber.ca

Vancouver
Canadian Chamber of Commerce
c/o The Vancouver Board of Trade
999 Canada Place, #400
Vancouver, B.C. V6C 3C1
Tel.: (604) 681-2111
Fax: (604) 681-0437
E-mail: carnetvancouver@chamber.ca

Carnet Headquarters
E-mail: carnet@chamber.ca ✪

An A.T.A. Carnet

You can't travel without it ...



wishes to temporarily export Canadian goods as commercial samples, professional equipment, or for demonstration purposes at fairs and exhibitions in the over 56 countries which are signatories to the A.T.A. Convention.

A carnet is a straightforward Customs document listing the goods you wish to have covered for the country or countries you intend to visit, with each carnet prepared to meet your specific requirements.

Diverse Canadian businesses and organizations in the arts, sciences, sports, media, and fashion industry use the carnet for a variety of reasons as it eliminates complicated and time-consuming Customs procedures.

Travellers do not need to prepare national entry forms or purchase a bond for security purposes at each Customs station. During its one-year period of validity, business travellers can use the carnet for multiple entries in and out of participating countries.

Carnets are issued exclusively by the Canadian Chamber of Commerce, and the worldwide Carnet System is administered through the International Bureau of Chambers of Commerce/International Chamber of Commerce located in Paris.

For more information about the carnet and its advantages to the business traveller, check our Web site at www.chamber.ca/carnet The required application documents are now available electronically in Excel and MS-Word format.

Normally, three business days are required to process the carnet itself. However, if need be, and if received early in the morning, carnets can be delivered by overnight mail the next morning (subject to a rush surcharge).

- Efficiency: Exporters applying for multiple carnets during the year need only re-enter variable information, and can then e-mail the required documents to the regional office of choice.

You may also contact a regional Carnet Services Representative at one of the following locations:

The Russians are coming

The Yeltsin Democracy Fellowship (YDF) Program is looking for Canadian companies interested in hosting outstanding young Russian managers for a one- to three-week period this fall. The YDF represents a unique opportunity for Canadian enterprises to establish potential business contacts with some of the best young talent in Russia today, as well as providing them with valuable business training.

About 25 young Russian managers, primarily from the Russian Far East, representing a wide range of industries, including manufacturing, retail, construction, natural resources and services, will visit Canada in October 2000.

The YDF pays all living and travel costs — all you have to do is show them how you do what you do. All of the participants speak English and are eager to learn about Canadian business practices and establish contacts in Canada.

The program will likely entail a one-week orientation to Canada, a one-week management seminar program, and a three-week internship with Canadian companies, followed by a one-week debriefing session before the participants return to Russia.

Continued on page 18— Russian

The network of Canada Business Service Centres (CBCSCs), headed by Industry Canada, the Atlantic Canada Opportunities Agency, Canada Economic Development for Quebec Regions and Western Economic Diversification, provides a one-stop integrated information service at the various Centres across the country for start-up entrepreneurs and existing small and medium-sized enterprises, and a first step on the road to exporting.

CBCSC information resources cover a cross-section of 36 federal departments and agencies, as well as a wide range of provincial ministries and other useful sources of information.



Last December, the network received the distinguished Public Service Client Service Excellence Award on the occasion of the second Head of the Public Service Awards presented by Mel Cappe, Clerk of the Privy Council. Seated, from left: Alex Bertolini (Northwest Territories), Yvan Deslauriers (Info Entrepreneur, Quebec), Barbara Gagnon-Thériault (New-Brunswick), Mel Cappe, Sandy Babcock (Yukon), Carl Kuhnke (British Columbia), John Ayling (Ontario). Standing, from left: Brenda McInnis (Prince Edward Island), Nora Henderson (Nova Scotia), Shannon Coughlin (Manitoba), Diana Matsuda (Saskatchewan), Holly Palmer (Edmonton), Beulah Bouzane (Newfoundland).

Canada Business Service Centres

A one-stop service

CBCSCs can be accessed in many ways from toll-free telephone service and in-person visits to the Centres to the Web site and e-mail. Last year, there were some 886,000 interactions with clients and almost one million visits.

The CBCSCs have developed several unique products such as the award-winning Interactive Business Planner (www.cbosc.org/ibp), where over 1,000 business plans are created each month, and the On-line Small Business Workshop (www.cbosc.org/osbw). These tools bring complex information together by focusing on the client's business needs.

The CBCSC network comprises 12 business Centres (one in each province and territory) and 240 regional access partners. In British Columbia, for example, the business service centre and its REACH offices offer an easy-to-use computer program that allows owners of new businesses to simultaneously register for GST, PST, Revenue Canada and the Workers Compensation Board. Now that's one-stop service!

For more information, contact your provincial or territorial Canada Business Service Centre or visit the Web site at www.cbosc.org ★

Russian YDF Program — Continued from page 17

The internship portion of the program is designed to provide participants with hands-on experience of how business operates in their industry in Canada. The YDF will contract firms to design and deliver specialized training programs for individual Russian managers.

The YDF Program is managed by Sigma VI, an education and training management firm with offices in Montreal and Ottawa. Sigma VI is

contracted by the University of Saskatchewan which, under the terms of a Contribution Agreement with the Canadian International Development Agency (CIDA), is responsible for the management of the trust fund, strategic research and relations with alumni.

For more information, contact the YDF, tel.: (613) 232-7622, e-mail: ydf@sigma6.ca, Web site: www.ydfp.org

"I have thoroughly enjoyed hosting Fellows from the Yeltsin Democracy Fellowship Program. It is very rewarding to witness the formation of new business knowledge in a young manager from another culture, but even better to know that you helped to make that happen. I have hosted YDF Fellows twice now, and would recommend this as a very worthwhile experience for any Canadian organization, whether or not there is any interest in doing business in Russia."

Marcel Faggioni,
President, MC Faggioni & Associates,
Sudbury, Ontario ★

The Government of Canada is seeking the opinions of Canadians on a possible free trade agreement between Canada and Singapore.

the past few years, the output of its manufacturing industry has changed to higher value-added and less labour-intensive products, and services have

It welcomes advice and views on any priorities, objectives and concerns regarding a possible free trade agreement with Singapore. Input should focus on: areas of export and import interest; general rules of origin issues; "trade facilitation" issues such as customs procedures; the possible inclusion of investment, services, or competition policy within the scope of the negotiations; and ways to reflect the interests and values of Canadians in the areas of the protection of the environment, basic workers' rights, human rights and other social concerns, as they relate to Singapore.

Preliminary consultations

Trade negotiations with Singapore

As a small country with little natural resources, Singapore relies heavily on trade with other countries. Canada already has good trade and investment relations with Singapore. In 1999, Canada exported \$367 million in goods to Singapore and imported \$1.2 billion.

Singapore is one of the most competitive economies in the world. Over

become a significant part of the economy. Furthermore, Singapore is committed to positioning itself as a knowledge-based economy.

The Government of Canada wants to be fully aware of the interests and sensitivities of Canadians with respect to this initiative before a decision is made on whether or not to proceed.

Contributions should be received prior to **July 31, 2000**. Mail: Trade Negotiations Consultations (Singapore), Trade Policy Planning Division (EAI), Department of Foreign Affairs and International Trade, 125 Sussex Drive, Ottawa, Ontario K1A 0G2, fax: (613) 944-0757, e-mail: consultations@dfait-maeci.gc.ca ✪

EDC representative in Brazil

—Continued from page 2

EDC's new representative in Brazil is J. Claudio Escobar. Based at the Canadian Consulate General in São Paulo as part of a special co-location agreement, Escobar will be Director for Brazil and the southern cone countries.

With more than 24 years experience in international trade and business development in the Americas, Escobar has in-depth knowledge of the region and its markets, as well as an extensive background in trade policy, business negotiation, marketing and strategic planning. He has actively participated in numerous conferences and written several articles and publications on international trade and business in Latin America. Escobar joined EDC in February 1998 as Regional Manager, International Markets.

Brazilian companies can benefit from EDC's trade finance expertise when buying Canadian goods and services, such as bank letter of credit confirmation insurance, selective contract insurance and long-term financing, including structured financing programs. EDC has, for example, established lines of credit with various institutions such as Banco do Brazil, Petrobras, Unibanco and BankBoston. In addition, EDC has established relationships with many other organizations, including BCP (in support of a B-Band wireless telecom project in São Paulo), CVRD, Billiton, Embratel, Telemig, Tele Norte Leste, and Telo Centro Oeste.

"Establishing a permanent representative in Brazil should lead to incremental business for both Canadian and Brazilian companies," adds Siegel.

"Our objective is to encourage stronger business relationships which are critical to helping both Canadian and Brazilian companies expand their export trade and investments."

As one of Canada's most important trading partners in Latin America, Brazil represents a strategic and growing market for EDC. In 1999, the volume of Canadian exports to and investments in Brazil supported by EDC was more than \$1.4 billion.

Founded in 1944, EDC is a Crown Corporation that operates as a commercial financial institution devoted exclusively to providing trade finance services in support of Canadian exporters and investors in up to 200 countries.

Escobar can be contacted at the Canadian Consulate General in São Paulo, tel.: (011-55-11) 5509-3456, fax: (011-55-11) 5509-3452.

For more information, also visit the EDC Web site at www.edc.ca ✪

The Mediterranean — A World of Opportunities

Ministerial trade mission to Morocco, Algeria and Spain

MOROCCO, ALGERIA AND SPAIN — October 10 to 20, 2000 — Algeria, Canada's main trading partner in Africa, and Morocco are undergoing a period of unprecedented political and economic change. Firmly committed to a market economy and globalization of trade, both countries offer attractive prospects for Canadian companies in fields as diverse as agri-food, oil and gas, mining, telecommunications, the environment, training and health care.

As a result of the many reforms undertaken in the political, legislative and socio-economic arenas in Algeria and Morocco, the need for outside expertise is considerable. Canadian products and services have a reputation for quality and are in demand.

Firmly anchored within the European alliance, yet part of the Mediterranean, with a thriving economy evidenced by sustained growth, Spain as well offers excellent opportunities for Canadian companies, especially in the information technology, environment, transportation and construction industries.

The Spanish government's ambitious liberalization and privatization policy is generating all kinds of business opportunities. Strong domestic demand and an ongoing need to modernize have made Spain the ninth-largest importing country in the world. Spanish investments abroad, especially in Canada, have also increased significantly in recent years.

Reflecting the region's tremendous potential, trade flows, excluding services between Canada and the three countries in question, totalled nearly \$2.85 billion in 1999, and the best is yet to come.

This mission, sponsored by the Bank of Montreal, Canada Post, and Export Development Corporation, is a wonderful opportunity for any company wishing to increase its visibility in this part of the world or to access new markets. The Department of Foreign Affairs and International Trade (DFAIT) encourages you to be a part of it!

For more information, contact the Maghreb and Arabian Peninsula Division, DFAIT, tel.: (613) 944-5987, fax: (613) 944-7431. ✱

Canadian mining firms gearing up for MINExpo International 2000

LAS VEGAS, NEVADA — October 9-12, 2000 — Mining companies from around the world will gather at MINExpo International 2000, one of the world's largest exhibitions of mining equipment and services.

Once again, a Canada Pavilion will be organized by the Canadian Association of Mining Equipment and Services for Export (CAMESE).

"For Canadian mining suppliers seeking export markets, this is likely the world's single most cost-effective trade show," says Francis Bourqui, CAMESE's Director of International Market Development.

Held every four years, this year's event is expected to draw over 40,000 industry personnel and exhibitors. In previous years, 25 per

Continued on page 23 - MINExpo

Canadian trade mission to Taiwan

TAIPEI — October 1-6, 2000 — Canada Mortgage and Housing Corporation (CMHC), in partnership with the Canadian Trade Office in Taipei (CTOT), is co-ordinating a mission for potential exporters of building materials, housing and related services to the Taipei International Building Materials and Furniture Exhibition to be held at the Taipei World Trade Centre, October 1-4.

The *Economic Daily News*, one of Taiwan's leading commercial newspapers, is organizing the show, which is the largest and most important of its kind in Taiwan. The Trade Mission will give Canadian companies the opportunity to showcase their products and services and to assess market potential and challenges.

Companies can either book their own booth to participate in mission activities or share space in a booth booked by CMHC and CTOT. Canadian participants will have the opportunity to present their company and products at a technical seminar, and, following the show, CTOT will arrange matchmaking and networking sessions for mission participants as well as tours of construction sites and projects.

Registration is on a first come, first served basis, and must be received by August 4.

For further information, contact Nellie Cheng, Senior Export Advisor, CMHC, tel.: (604) 666-8064, fax: (604) 666-3020, e-mail: ncheng@cmhc-schl.gc.ca or Joshua Hodgson, Deputy Director and Assistant Trade Commissioner, CTOT, tel.: (011-886-2) 2547-9555, fax: (011-886-2) 2712-7244, e-mail: joshua.hodgson@dfait-maeci.gc.ca ✱

SAINT-HYACINTHE, QUEBEC — October 15-17, 2000 — Bioagral, a non-profit organization dedicated to the technological and commercial development of agri-food biotechnologies, is organizing a major international conference and exhibition — the 4th **Bio Agro Contact 2000**.

The event is first and foremost a business meeting, from which significant economic benefits are expected to flow. Its objectives are to improve the understanding of the industrial potential of agri-food biotechnologies, enhance the marketing skills of the participants, foster networking, and promote business partnerships.

The event brings together international experts who will discuss the implications, limitations and challenges in marketing agri-food biotechnologies in their respective regions of the globe. Emerging Canadian companies will be introduced, along with new technologies with industrial potential, and electronic tools designed to support the marketing process. A panel of Canadian experts in the field will also share its vision of the future and debate with the audience on the "Safety of Food Biotechnology

Bio Agro Contact 2000 Conference and Exhibition

and Consumer Communications Strategies."

At a parallel industrial and institutional exhibition, exhibitors will present the latest equipment, supplies and services, and introduce the most recent developments in vegetable, animal and food products. Venture capital firms, governments, research centres, teaching institutions, sectorial associations and science parks will also be among the approximately 75 blue-ribbon exhibitors.

Extra-curricular activities will include:

- the award ceremony for the "Bioagral Award of Excellence" given to the most innovative emerging company in Canada in the field of agri-food biotechnology;
- an evening visit, reception and food tasting at Agriculture and

Agri-Food Canada's Food Research and Development Centre (FRDC);

- the 3rd International Meeting of Agri-Food Science Parks (for members only).

On October 18, under the umbrella of the National Research Council of Canada (NRCC), Canadian companies will have the

opportunity to meet one-on-one with members of foreign delegations from the United States, France and Brazil.

Sponsors of this international event include Canada Economic Development for Quebec Regions, Agriculture and Agri-Food Canada, Quebec Investment and the Ministère de l'Industrie et du Commerce du Québec.

For more information, contact GroupEXPO & Conférence, tel.: (514) 521-4646, ext. 227, fax: (514) 521-3193, e-mail: jvallieres@groupeexpo.com, Web site: www.bioagral.qc.ca *



La Maison de Bois hangs out its shingle in Angers, France



ANGERS, FRANCE — September 29-October 2, 2000 — Beautiful log houses, welcoming fireplaces, wooden floors... another well-worn Canadian cliché. But maybe others covet our beautiful wooden houses as well.

In France, where concrete dominates as the main construction material — it is used for 85 percent to 90 percent of new construction — wooden houses are starting to be the trend. This is the opportune time to take advantage of the interest in wood as a building material; it is currently estimated to account for 5 per-

cent of new construction and should have between 10 percent and 15 percent of the market within 10 years.

Between 100,000 and 150,000 new homes are built in France every year. The wood industry is in a position to carve out a niche, but it has to be visible to get its share of the market.

Angers, located in the Loire Valley, will host the second Salon de la Maison de Bois as part of the Carrefour international du Bois. A site of more than 350,000 square feet will be available to exhibitors

from all sectors of construction, wood manufacturing and furniture.

More than 50,000 visitors are expected, most of them invited guests. Three other shows will take place at the same time in conjunction with the Carrefour: Immobilier [real estate], Tourisme [tourism] and Habitation [housing].

Target International, the exclusive Canadian promoter of the show, would like to attract 20 to 30 Canadian firms to attend La Maison en Bois in France, which is a hub for the European market in general.

"Just consider this," says Roger Kemp of Stonex, a Target International member firm, "the Loire Valley alone, where the trade show will be held, is home to as many people as the whole

Continued on page 22 - Maison

Distance education in Mexico offers good opportunities for Canada

MEXICO — September 6-8, 2000 — Over the last 10 years, Mexico's distance education sector has taken significant strides toward respectability. Not long ago, distance education in Mexico was synonymous with low quality, poorly structured programs and weak academic results. Today, it is perceived much more positively. Increasingly, in deciding on where to study or work, Mexicans place a growing emphasis on an organization's information technology systems and its access to communications networks. Accordingly, distance education has become more and more attractive.

For their part, universities, technical schools, other educational institutions and private companies have recognized that improved telecommunications allow them to deliver quality programs to distant locations at competitive prices.

The Mexican government clearly recognizes the potential of distance education. With a young, growing population, the country's education system is under constant pressure; traditionally, budgets have fallen short of what is required. Distance education provides an alternative to traditional, classroom-based educational methods, with the advantages of lower cost and greater accessibility. A good example is Telesecundaria, a system of television-assisted middle school education. It was developed in 1968 to fill the need for post-elementary schooling in rural areas where the shortage of teachers and the cost of building schools made traditional education very expensive.

President Zedillo has given the task of modernizing Mexico's education system to the Instituto Latinoamericano de Comunicación Educativa (ILCE). The Institute's main responsibilities are the production, distribution and promotion of edu-

cational and cultural programs. The latest productions are part of Mexico's Educational Television Program and are transmitted through the Mexican Educational Satellite Network (EDUSAT), benefiting teachers in Mexico's remote rural areas.

Experts predict that the next five years will see tremendous growth in distance education in Mexico and, therefore, will be a crucial period for Canadian companies and institutions seeking to offer distance education products and services to Mexico. Opportunities exist in diverse areas such as software for university and technical education, corporate and technical training, telecommunications technologies, multimedia, language training, and consulting in areas like program design and training.

Canada has a reputation in Mexico as a world leader in distance education and telecommunications, which has greatly facilitated efforts by the federal and provincial governments, as well as by individual schools and companies, to promote distance education services and technologies in Mexico. For example, in November 1999, a Mexican mission took part in the Tele-Learning Conference in Montreal, with the participation of such prominent institutions as ILCE, Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM), University of Colima, University of Regiomontana, University of Monterrey, Autonomous University of Guadalajara, University of Guadalajara, Iberoamericana University, and the Asociación Nacional de Universidades e Instituciones de Educación Superior (ANUIES).

To further stimulate Mexico's interest in Canadian distance education, the Department of Foreign Affairs and International Trade (DFAIT)

is organizing a Canadian Distance Education Seminar (September 6-8, 2000) in partnership with the Mexican Association of Continuing Education at the University of Colima. The seminar will promote Canadian capability (products and services), profile Canada as a leading provider of high-quality distance education, and help to develop business opportunities.

Canadian educational institutions, associations and companies offering distance education should take advantage of this excellent opportunity to get in on the ground floor of this rapidly growing sector.

For more information, contact Ted Mackay, Trade Commissioner, Mexico Division, DFAIT, tel.: (613) 995-0460, e-mail: ted.mackay@dfait-maeci.gc.ca ★

Correction!!!

In the June 15, 2000, issue on page 14, the Web site addresses are incorrect for Health 2000. The correct Web site addresses are: www.sante2000.org and www.isft2000.com

Maison de Bois

— Continued from page 21

of Quebec!" Obviously, there is huge potential. And adds Kemp, "It's worth taking the trouble to participate in this kind of show to position your firm better and assess your potential before investing more funds, ordering a market study or looking for a distributor."

For more information, or to participate in this business networking opportunity, contact Nadine Gaillardet, tel.: (514) 683-8108 (Montreal, West Quebec and Ontario region), or Jean-Pierre Lafontaine, tel.: (819) 691-4025 (central Quebec and eastern Canada region). ★

VANCOUVER — October 18-19, 2000 — In the aftermath of the Asian economic crisis, as Asia Pacific countries continue the process of rebuilding, the Asia Pacific Foundation of Canada (APFC) has organized a summit around the theme "Positioning Canada in the New Asia." This unique event will bring together leading thinkers and top corporate and government decision makers to examine future prospects for Asia and the Canada-Asia relationship.

Canada's only national, non-governmental think tank on Asia Pacific issues, the Asia Pacific Foundation has invited a distinguished group of Canadians and Asians to take part in this two-day event to be held at Simon Fraser University's Centre for Dialogue. Key participants from Asia include Eisuke Sakakibara, former Vice-Minister of Finance from Japan; Dr. Kenneth Courtis, Vice-Chairman, Asia, Goldman Sachs; and Richard Li, Chairman, Pacific Century CyberWorks, Hong Kong.

The highlight of the Asia Pacific Summit will be the Asia Dialogue featuring three leading Asian thinkers in a discussion on "Who Will Lead the New Asia?" Eminent Canadian and Asian speakers will also address a number of key challenges in the Canada-Asia relationship: Canada's

Asia Pacific Foundation of Canada to host Summit

brand in Asian markets; the implications of Asia's mega-cities for Canadian development co-operation and business; the outlook for Asian immigration to Canada; and new security issues facing the region.

Of particular interest to Canadian exporters will be four sessions that develop medium-term political and economic scenarios. Four noted facilitators will lead participants in a highly interactive series of risk analysis and scenario-building workshops on China, Japan, Korea and India, giving participants the tools that they can apply to their own strategic planning for Asia.

An on-line source of information, analysis and networks for the business, public policy and academic communities, APFC's Web site offers: *Canada Asia News*, a daily e-mail service with news on Canada-Asia issues culled from over 200 leading global media; *Briefings for Business*, information on doing business in 12 major Asian markets; *Canada Asia Commentary*, a monthly electronic newsletter providing analysis of hot topics in the Asia Pacific and their implications for Canada; and the Research Network (CAPRN) an on-line network of over 350 experts covering all aspects of Canada-Asia issues.

For more information about APFC or the Asia Pacific Summit, visit www.asiapacific.ca *

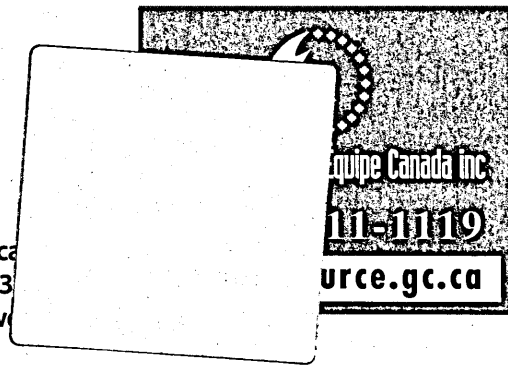
Business Opportunities

— Continued from page 14

e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000601-0213
For details: www.iboc.gc.ca/w/leads.asp?id=363en

ETHIOPIA — Mobile Cellular Radio-Telephone Network Equipment — Djibouti Telecom has issued a tender for the supply, installation and commissioning of equipment for a mobile cellular radio-telephone network (GSM D 900). Tender documents are available for FD100,000 or equivalent in U.S. dollars. Closing date: **September 1, 2000**. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000524-02006.

IBOC trade opportunities — find out more at www.iboc.gc.ca *



MINExpo International 2000

— Continued from page 20

cent of the show's visitors came from outside the United States, making MINExpo a truly international event.

The Canada Pavilion is already almost sold out. Canadian companies interested in participating should contact Francis Bourqui at CAMESE, tel.: (905) 513-0046, ext. 303, fax: (905) 513-1834, e-mail: bourqui@camese.org *

Partnership



— Continued from page 15

employment opportunities and has been a major contributor to the economic growth of London.

"GM is a high profile international company, which we have always been proud to have in our city," says Haskett. "The LAV program makes us particularly proud, due to the tremendous contribution it has made to peacekeeping efforts around the globe." *

canadexport

TODAY'S STORIES

**It's Official
TEAM CANADA 2000
Going to Beijing,
Shanghai and Hong Kong**

The Minister of International Trade and Commerce, Mr. Peter Feenstra, announced today that the Canadian trade mission will be led by Mr. Feenstra and will include Mr. ...

Africa Trade Strategy to help exporters

TRADE NEWS

• **Africa Direct means business**



• **Trade records and Minister Feenstra issues first annual state of trade report**

• **Join the services trade consultation**

• **Aspirin for the future with CCC**

• **Eurasia Environmental Sector Trade Market overview and opportunities**

NEW EXPORTER of the MONTH

• **FLAME CANADA! A New Economic Job-com speeds up on the U.S. information highway**



TRADE FAIRS and MISSIONS

• **China 2000 on track for business**

• **Greenham Island to showcase Canadian technology, products and services**

• **Food and Hotel South China 2000 Show**

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Vol. 18, No. 13 –
July 17, 2000

SUMMER BREAK!
Next issue:
September 1, 2000

Canada

Marketing through word of mouth

Dept. of External Affairs
Min. des Affaires extérieures
OTTAWA

Scéno Plus

JUL 12 2000

RETURN TO DEPARTMENTAL LIBRARY
RETOURNER A LA BIBLIOTHEQUE DU MINISTRE

"It all began locally," says Maurice Rhéaume, Communications Director of Scéno Plus. "We had completed about 40 buildings in Quebec when the Cirque du Soleil, which was then in its growth phase, recruited us to carry out its projects in Las Vegas and Orlando. So, we didn't choose either our export country or our customers; they came to us through our work with the Cirque."

It was a stroke of luck because "our customers," property developers, were some of the biggest names in the small world of U.S. entertainment — Mirage Resorts, Walt Disney Imagineering, David Copperfield, Famous Players and Viacom Entertainment Corporation.

Suddenly, Scéno Plus found that it had a lot of prestigious and influential contacts. "Our U.S. projects are impressive calling cards for potential customers," says Rhéaume. "Our reputation and our credibility are taken for granted."

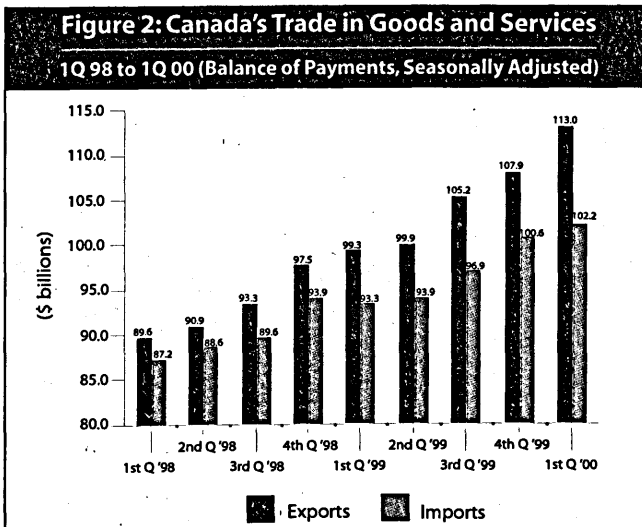
Marketing through word of mouth

Patrick Bergé, President of Scéno Plus, likes to recall how the construction of the Paramount Montréal, a movie complex for Famous Players (itself a subsidiary of Viacom Entertainment) helped Scéno Plus, through this U.S. giant, secure the contract to renovate the Paramount Opéra in Paris. "Everything is done by word of mouth," he says, "because the clients know that

Continued on page 2 – Scéno Plus

Canadian Trade Review *(See supplement inside)*

First Quarter 2000



The first quarter growth in goods and services exports marks the 17th consecutive quarterly expansion dating back to the first quarter of 1996. The surplus jumped from \$7.3 billion in the previous quarter to \$10.8 billion (see figure).

Source: Statistics Canada

—Continued from page 1

we have unique expertise in architecture and project management.”

Relying on the quality of its completed projects and the excellent reputation of the Scéno Plus name, marketing based on networking and

Adds Rhéaume, “we recently set up Scéno Plus Architecture, a separate legal entity. With this architectural firm, we will be able to position ourselves as prime contractor architects rather than the subcontractors or junior partners we were in the past.”

French Sophia Antipolis technocity near Nice. “Taking into account the services included in the mission to organize personal contacts and travel, we can regard this as a genuine subsidy,” says Rhéaume.

For more information about Scéno Plus, which has completed projects in the United States, the United Kingdom, France and New Zealand, contact Maurice Rhéaume, Communications Director, tel.: (514) 529-4364, fax: (514) 529-9164, e-mail: mrheaume@sceno-plus.com or visit www.sceno-plus.com ✱

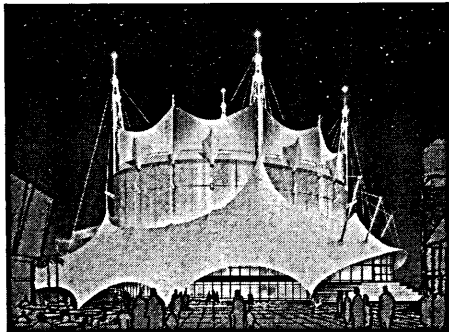
Marketing through word of mouth

Scéno Plus

word of mouth has been enough so far. Now, with the goal of diversifying its markets and increasing the critical mass of its projects, for the first time, Scéno Plus is developing a much more aggressive marketing plan. Opening a new office in Toronto last April is an integral part of this strategy to pene-

He feels that “there is no doubt that this strategy will bring us greater recognition and a higher profile.”

Bergé emphasizes the importance of teamwork. “There was a report that I spent 12,000 hours on a project, but that’s not completely fair. Scéno Plus does not pour the concrete, install the electrical systems and so forth. It’s a team project involving close coordination of everyone involved on the project, from professionals to contractors, from the customer to the artists, while also allowing for the unique features of each project.”



Le Cirque du Soleil Theatre at the Walt Disney World Resort, Orlando, designed by Scéno Plus.

trate the North American market and establish an international profile.

Prime contractor and teamwork

“We had to reconsider our corporate image, define our services and markets and develop our competitive advantage,” comments Rhéaume.

“This is necessary to get government grants and also to diversify our activities toward new sectors that require market segmentation and more specific targeting, such as entertainment centres (sports activities, electronic games, theme restaurants) and shopping complexes.”

Teamwork with the federal government

“We genuinely want to be good players on a team, but it takes time before people really understand what we do.”

However, Bergé agrees that being Canadian is a real asset at the international level. “Our goal in our relations with the trade commissioners abroad is much more for the long term,” explains Rhéaume. We keep them posted on our activities so they will gain a better understanding of our sector, entertainment architecture. As a result, we are gradually receiving business opportunities. We are also registered with WIN Exports and, of course, we read *CanadExport*.”

A few month ago, the team was part of a trade mission with the Canadian International Promotion Centre to meet key individuals in the entertainment sector on the Côte d’Azur, at the

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canadexport

“When the government invited us to join the 1997 Team Canada mission to Southeast Asia, recalls Vianne Timmons, Dean of the Faculty of Education at the University of Prince Edward Island (UPEI),

In the land of Green Gables

UPEI successes

our reaction was very positive but I immediately thought about how expensive such a trip would be, until we found out that it actually was a good deal.”

The 30-year-old UPEI has a student body of 2,400 and offers degrees in the arts, science, business administration and veterinary medicine, among others, and diplomas in engineering, public administration and education.

Tuned in internationally

Before going on the Team Canada missions to Southeast Asia in 1997 and to South America in 1998, UPEI was quite well versed in international networking, having established partnerships with institutions in Brazil, Cuba, Mexico, the United States, Australia, Finland and France.

But nevertheless, says Timmons, the missions brought something new. “They led us to a new awareness of communications with our foreign counterparts. We never get the same kind of feedback as what we would expect from our Canadian colleagues. In Chile, for instance, making contacts requires more formal mechanisms. The information we received was usually very general and not easy to come by. We were often scrambling for details.”

Despite these few cultural barriers, the UPEI delegation was successful. Memorandums of understanding were signed with the Kasetsart Veterinary University of Bangkok — a proposal for the development of a special program of veterinary medicine, currently under review at the Canadian International Development Agency (CIDA), with a potential value of \$750,000 —

and with the Universidad Astral de Chile and the Universidad Católica de Valparaíso. Five Chilean professors came to UPEI to improve their skills in education and exchange views with their Island counterparts. This project

generated approximately \$20,000 for UPEI.

The other “price” to pay

Timmons discovered that on the whole, the trips were well worth the money. However, success on a Team

“After all, they are all internationally oriented institutions with different goals and market niches. Complementary interests could pave the way someday to concrete common action, perhaps on the national or international scene.”

November strategy

“We are going on the Team Canada mission to Beijing, Shanghai and Hong Kong in November,” says the Dean. “Going to China means moving into CIDA territory, and it will also be another good chance to network with our colleagues and to follow up on our initial contacts in China.”

From an academic standpoint, there are no limits. “Canadian studies, Island studies, education, you name it. All we need is to find a good match



Chilean professors on the UPEI campus. From left to right: America Cobo, Jorge Olivares, Ximena Martinez, UPEI President Wade MacLauchlan, Sergio Zepeda, Jorge Catalan. Inset: Dean Vianne Timmons.

Canada mission comes at a price. “The preparation for such missions is huge. You have to determine your itinerary, make your initial contacts, think over the schedule, establish your offer. You have to do all that individually. The officials, the Team, the Prime Minister, the Premiers open doors for you, but then it’s up to you to do the rest.”

Once all the homework is done, making contacts during the trips is rewarding, including those with other Canadian representatives. “Relations with other Canadian educational institutions were very much of a collaborative nature,” explains Timmons. “We exchanged ideas and information in a very informal way. Discussions are still ongoing with some of them.

and from there we will build something with our new partner,” adds the enthusiastic Team Canada member.

And for those who would like to join the Team, she has a word of advice. “Don’t depend on the Team staff to do all your homework. Make your own initial contacts. Check and plan ahead: time, events, media. Don’t expect to sign contracts on the spot; it’s an investment. And take the initiative to follow up with your foreign counterparts — sometimes they don’t!”

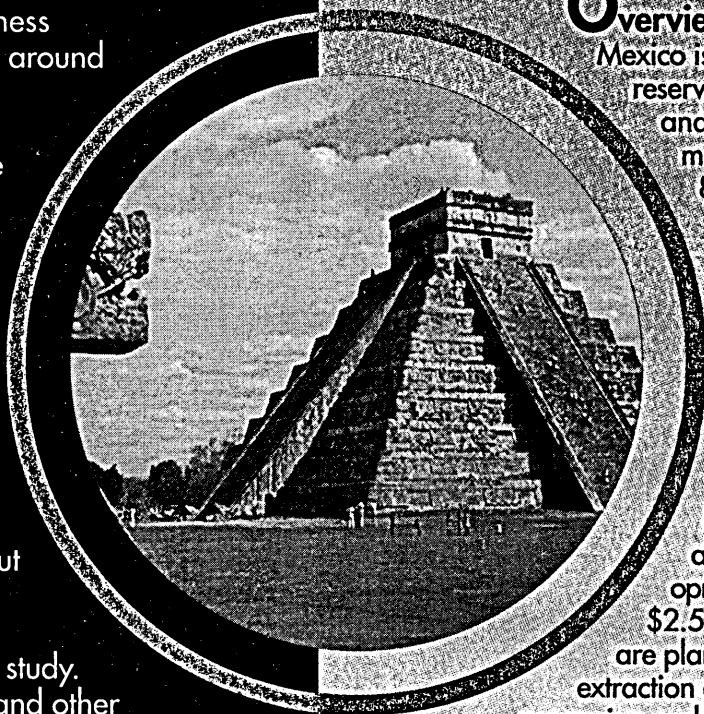
For more information, contact Vianne Timmons, Dean, Faculty of Education, UPEI, tel.: (902) 566-0330, fax: (902) 566-0416, e-mail: vtimmons@upeii.ca or visit www.upei.ca

MEXICO — Mining

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Overview

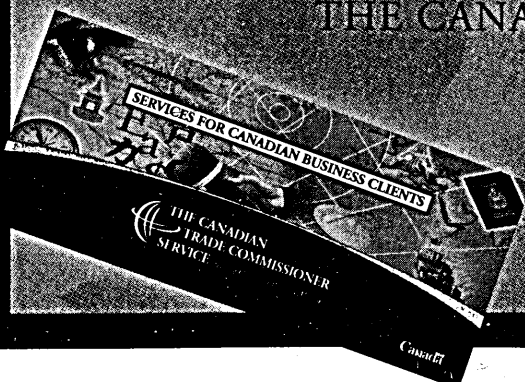
Mexico is blessed with substantial reserves of nearly every mineral and metal sought in world markets, and an estimated 85% of the country's mineral resources have yet to be exploited, despite the high quality mineral ores and comparatively low production costs. Approximately 10 380 mines are being exploited in Mexico. In addition, the Mexican government has millions of hectares of reserves available for private sector development. This year, approximately \$2.5 billion worth of investments are planned for exploration and extraction activities, new projects, plant expansion and new equipment.

Trends

There is a tendency towards greater integration of upstream and downstream mining activities, as large Mexican mining groups become involved in processing activities. Another trend is in contracting out the

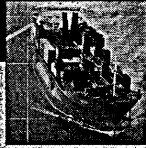
HELPING YOU LEARN FROM EXPERIENCE. OURS.

THE CANADIAN TRADE COMMISSIONER SERVICE



- Market Prospect
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See insert for your Metals, Minerals and Related Equipment, Services and Technology Industry contacts in Latin America and the Caribbean.



g Market

operation of mines, as more and more Mexican mining companies focus on mineral processing and marketing, rather than extraction.

Canadian companies. In 1999, the Mexican market for equipment and machinery reached \$1.2 billion. There is a particular requirement for

Law allows 100% foreign ownership and operation.

By 2008, tariffs on the importation of all industrial products from Canada will be eliminated under NAFTA.



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Mexican Mining and Metallurgical Production

Product	1998	1999
Precious Metals	2 894 081	2 156 969
Non-ferrous Metals	901 165	718 018
Steel Metals and Minerals	16 547 145	16 514 520
Non-Metallic Minerals	17 762 149	15 609 786
Total (kg)	38 104 540	34 999 293

See potential?

To learn more about specific opportunities and the competitive environment, read the full report, *The Mining Market in Mexico*, prepared by the Market Research Centre. It includes market penetration strategies, a list of promotional events, key contacts, support services, and a list of useful Web sites. The report is available online at www.infoexport.gc.ca

More stringent environmental regulations will come into effect in the next few years, especially as a result of Mexico's full participation in the North American Free Trade Agreement (NAFTA). This represents a significant opportunity for Canadian companies that can supply environmentally friendly processes and production techniques.

air compressors, drill bits, hoists, low-profile vehicles, water pumps and spare parts. There is also a need for new and more technologically advanced mining engineering systems, equipment and supplies. However, Canadian companies face strong competition not only from American firms but also, increasingly, from France, Italy, the UK, Germany and Japan.

Opportunities

Some of the most promising opportunities for Canadian companies are in the materials handling, drilling and extraction segments of Mexico's mining industry.



Mexico imports all heavy mining equipment, presenting many opportunities for

Market Access

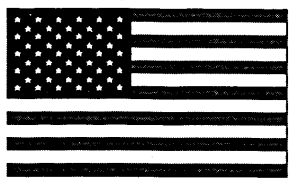
There are many incentives in place to increase foreign involvement in the mining sector, including the elimination of foreign investment restrictions. The *Foreign Investment*

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Mining Market

➔ Access our market studies



The U.S. Connection

The U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division (URT). For information about articles on this page, contact URT by fax at (613) 944-9119 or e-mail at commerce@dfait-maeci.gc.ca. For all other export enquiries, call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

E-vent to draw 200 businesswomen

Noted Canadian best-selling author and co-founder of The Bulldog Group, Ellie Rubin, will kick off the Women In Trade E-vent, October 19, 2000, at the Casino Windsor Hotel, Windsor, Ontario, with her trademark brand of inspirational guidance for ambitious and determined women entrepreneurs.

With communication, collaboration and commerce as the three primary themes, this business-to-business partnering forum will bring together over 200 women executives and business owners from Canada and the United States for the purpose of developing business partnerships and enhancing e-commerce business opportunities.

Participants will be joined at lunch by members and guests of the Women's Economic Club of Detroit. The featured speaker will be Elizabeth Collett, CEO of Chalk.com and former Senior Director of Business Development and Strategic Planning for Yahoo. Chalk.com is an e-commerce content company that provides streaming video information about top-selling products.

Other conference speakers will address topical issues ranging from strategic alliances to on-line customer relations management and commu-

nications, global logistics, international pricing and taxation, and on-line security.

The day will end with a networking reception, dinner and entertainment.



Totally Unrehearsed Theatre promises to entertain with a comical performance incorporating cross-border trade, women in business and e-commerce. Members and guests of the National Association of Women Business Owners will join the conference dinner.

Women In Trade E-vent is coordinated by the Canadian Consulate General, Detroit, in co-operation with The Women's Economic Club (WEC), the National Association of Women Business Owners (NAWBO) — Greater

New Quebec in the U.S.A. Web site

Quebec Government House in New York celebrated St. Jean Baptiste day this year by launching a comprehensive new Web site. Called *Quebec in the U.S.A.*, it presents a broad spectrum of information on Quebec and the province's relationship with the U.S., including substantial sections on trade and investment. Check it out at www.quebecusa.org *

Detroit Chapter — and Ontario Exports Inc.

For more information, visit the Web site at www.WomenInTrade.com or contact Anne Cascadden, International Trade Officer, Canadian Consulate General, Detroit, tel: (313) 567-2208, ext. 3357, fax: (313) 567-2164, e-mail: anne.cascadden@dfait-maeci.gc.ca *

Get smart the virtual way



NEW YORK — November 13-15, 2000 — The Department of Foreign Affairs and International Trade (DFAIT) will participate in a SMARTsourcing Conference and Exposition.

This event will enable business and information technology decision makers to take a comprehensive look at the entire services landscape, from e-business outsourcing to tradi-

tional information technology (IT) outsourcing services.

E-business and IT services providers will demonstrate their products and services to key decision makers from a variety of industries and business disciplines. In addition, the latest e-business trends, ideas and opportunities will be presented and discussed

Continued on page 8 — Get smart

Check the Business Section of the Canada-U.S. Relations Home Page at www.dfait-maeci.gc.ca/geo/usa/business-e.asp ... for valuable information on doing business in and with the United States.

A Quebec software developer is establishing itself in the U.S. market, with a leading-edge product and some assistance from the Canadian Commercial Corporation.

André Rodrigue, Vice-President of Sales and Marketing at Ovalsys International Inc. of Longueuil,

companies dealing with the U.S. Department of Defense under that same agreement," says Rodrigue. "And as we moved through negotiations and completed the contract, the value-added that CCC offers to exporters became more and more apparent."

Ovalsys is a world leader in intelligence analysis software that allows

Law enforcement for export dollars

Quebec, was in the middle of negotiating a groundbreaking sale to a major U.S. law enforcement agency when he got the news. Since the contract fell under the regulations of the Canada-U.S. Defence Production Sharing Agreement (DPSA), his company was required to sell its product through the Canadian Commercial Corporation (CCC) to complete the deal. At first, he treated CCC's involvement as another step in doing business with the U.S. government.

"Then I discovered that CCC's services are free of charge for Canadian

law enforcement agencies to investigate criminal behaviour easily and effectively. The company's Digital Interception and Collection Equipment (DICE) is a sought-after system that records and collates information from court-ordered recorded telephone conversations. The fully-digital system then extrapolates calling patterns to point investigators in the right direction and make the arrest.



Victoria MacKenzie,
Project Manager, U.S.
Business, Canadian
Commercial
Corporation

DICE's features

attracted the attention of the Counter-Drug Technology Assessment Center (CTAC), the U.S. government's central counter-drug enforcement research and development organization. A key factor in Ovalsys' favour was the company's willingness and ability to adapt its system to meet U.S. legal requirements, which are quite different from Canadian standards. Law enforcement officers using the DICE system can instantly locate and playback specific recorded conversations, with one CD storing the equivalent of 18 cassette tapes.

"Technology approved by CTAC is eventually used by law enforcement agencies throughout the U.S.," says Rodrigue, "so it was a very important sale for us. We've worked closely with them on research and development to get exactly the right system for their needs."

CANADIAN COMMERCIAL CORPORATION SHAPING TRADE SOLUTIONS FOR CANADA'S EXPORTERS



A federal Crown corporation, the Canadian Commercial Corporation (CCC) partners with Canadian exporters to negotiate and win sales in difficult markets on favourable terms. It provides special access to U.S. defence and aerospace markets and specializes in trade to foreign governments and international organizations.

Whether bringing buyers and sellers together, acting as a prime contractor or working with small- and medium-sized companies to win sales, CCC's access to specialized markets continues to open doors for thousands of Canadian companies doing business in over 60 countries.

For more information, contact CCC at tel.: (613) 996-0034, fax: (613) 995-2121, e-mail: Info@ccc.ca Web site: www.ccc.ca

Ovalsys is a world leader in this type of software, but negotiating multifaceted international contracts isn't prominent in the company's 10-year history.

"To add to the complexity of the deal, the actual buyer is the U.S. Department of Defense," adds Rodrigue. "And because there are so many agencies involved, it was a very complex contract for us to administer on our own. We soon saw the advantages of CCC's involvement."

CCC served as prime contractor for Ovalsys, and helped the new exporter navigate through the intricacies of international sales. CCC's Victoria MacKenzie says that Ovalsys offers an excellent example of how smaller companies can benefit from CCC's experience.

"We were able to help quite a bit with contract negotiations," explains MacKenzie. "There were a lot of players a lot of bureaucracy involved, and it was Ovalsys' first time in this market, so the company appreciated our help."

Continued on page 8 - Ovalsys

Looking to do business with the U.S. federal government?

Opportunities are just a key stroke away at the Internet site (www.gsa.gov) of the General Services Administration (GSA), which facilitates purchases by the U.S. government — "the world's largest consumer" — and the Electronic Posting System site (www.eps.gov). More GSA opportunities are listed on the site of the Canadian Embassy in Washington, D.C., (www.canadianembassy.org) and periodically in *CanadExport*.

The U.S. economy has enjoyed a spectacular run of growth over the past few years. Fortuitously, this strength has supported the world

rowing more than \$1 billion every single day from the rest of the world to continue its spending binge.

The last time we saw a comparable

ment fiscal deficit — the so-called twin deficits problem. This time, the government is in surplus, and the current account deficit is almost entirely the result of the combination of strong U.S. economic growth and weak growth elsewhere. The deficit will shrink naturally as the U.S. economy moderates, the U.S. dollar eases back, and other economies and their currencies continue to gather strength.

There are increasing signs that this global rebalancing process is underway. Rather than threatening global stability, the U.S. current account deficit has helped to improve stability over the last three years of turmoil. Now that normalcy has returned, look for the U.S. balance of payments to improve steadily in the next year or two. ★

Is America's trade deficit a threat?

Global stability

By Stephen S. Poloz, Chief Economist, Export Development Corporation

economy through some very rough times — the Asian crisis, the Russian crisis, and the Brazilian crisis led to a contraction in demand, and U.S. spending kept global economic growth going.

As a result, the U.S. economy has been buying far more from the rest of the world than it has been selling. The U.S. balance of payments hit a record deficit of \$340 billion in 1999 (3.7 percent of the GDP) and will probably exceed \$400 billion in 2000. This means that the U.S. economy is bor-

rowing more than \$1 billion every single day from the rest of the world to continue its spending binge. The last time we saw a comparable imbalance was in 1986-87, when the U.S. deficit hit \$160 billion (about three percent of the gross domestic product back then), and it proved to be highly destabilizing. Exchange rates were extremely volatile, and many attribute the concomitant international tensions with causing the 1987 global stock market crash.



EDC's Stephen S. Poloz

Should we be on the alert for a repeat? Probably not, because the current situation is fundamentally different. The U.S. payments imbalance in the 1980s was caused by a huge govern-

Ovalsys Inc.



— Continued from page 7

We advised and negotiated a cost-reimbursable clause in the contract, which enabled Ovalsys to claim its costs twice a month, and a clause to ensure Ovalsys retained ownership of its equipment."

Fast payment through CCC was a main benefit for Ovalsys, a small but rapidly growing company. Until the sale to CTAC, the company had sold its software to various Canadian law enforcement agencies.

"CCC pays very quickly, and its contract performance monitoring is also a very useful service," comments Rodrigue. "CCC helped us secure a good contract with our client. Now that we're breaking into the U.S. market, our next target is South America."

As the DICE system sold to CTAC "goes live" in the summer of 2000, Ovalsys has several other proposals in the works for the U.S. government. CCC is also working on behalf of Ovalsys for these potential sales.

"We're working with a lot of smaller companies like Ovalsys to get them involved in these markets," says MacKenzie. "There's a tremendous amount of opportunity there." ★

Get smart the virtual way — Continued from page 6

by industry leaders in a number of seminars, panels and forums.

Launched in 1999, SMARTsourcing is part of the e-Business Strategy and Conference Series produced by the BrainStorm Group. The 2000 schedule will expand on the success of the 1999 series. Further details on the series are available on the Web site: www.brainstorm-group.com

At the event, DFAIT will have a display booth promoting Canada's IT industry expertise, which will be demonstrated in an appropriately high-tech manner via Industry Canada's Virtual Trade Show Web site <http://vts.ic.gc.ca> Use of this site will provide a representative forum for Canadian e-business and IT services firms which cannot physically attend the conference. Participation

in the Virtual Trade Show is free to Canadian companies. If you would like to take advantage of this unique opportunity to showcase your company's "smarts," please send a complete marketing profile of your business by e-mail to Rosalind Patterson at Industry Canada: patterson.rosalind@ic.gc.ca

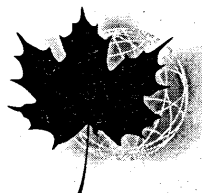
Questions about the SMARTsourcing Conference and Exposition and how your company can get involved should be directed to André Leblanc, Business Development Officer, Canadian Consulate General, New York, tel.: (212) 596-1670, e-mail: andre.leblanc@dfait-maeci.gc.ca or Steve Flamm, Business Development Officer, Canadian Consulate General, Atlanta, tel.: (404) 532-2000, e-mail: steve.flamm@dfait-maeci.gc.ca ★

Canadian Trade Review

A Quarterly Review of Canada's Trade Performance

First Quarter 2000

This trade and investment quarterly reports on Canada's economic growth in the first quarter of 2000 and highlights our trade and investment performance in key sectors and markets.



Canadian Exports Soar 20 Per Cent, Fuelling Growth and Job Creation

With Canada's export sector at the driver's wheel, the domestic economy raced ahead in the first quarter of year 2000. Real gross domestic product (GDP) was up 4.9 per cent led by a 20-per-cent surge in export sales over the previous quarter. Business investment, consumer spending and personal income all posted strong gains. The job market remained vibrant with 110,300 net new jobs created. Meanwhile, the Canadian dollar appreciated against most major currencies, reflecting higher prices for Canada's natural resources.

The first quarter growth in goods and services exports marks the 17th consecutive quarterly expansion dating back to the first quarter of 1996. The merchandise surplus jumped to \$12 billion, its second highest level ever.

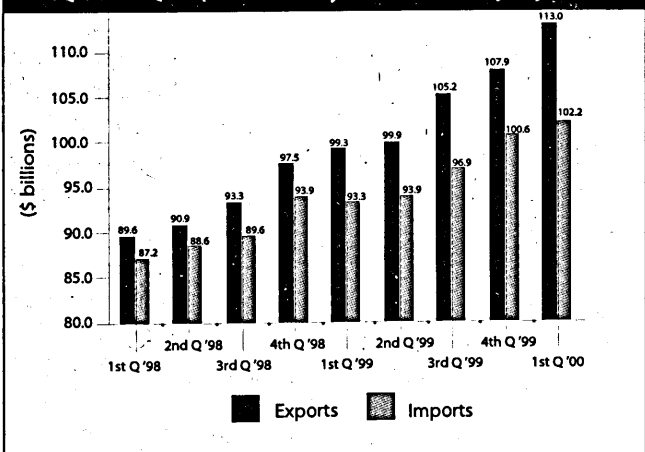
Continued on page 3—Exports Soar

Figure 1: Canada's Economic and Trade Indicators

	Change/Level 1Q '00 over 4Q '99
Real GDP (annual change)	4.9%
Employment (increase)	110,300
CPI (quarter-over-quarter change)	
All Items	2.3%
Core (excludes food and energy)	1.1%
Canadian \$ in US funds (1Q level, average)	0.6905
Exports of Goods and Services (quarter-over-quarter change)	20.0%
Imports of Goods and Services (quarter-over-quarter change)	6.5%

Figure 2: Canada's Trade in Goods and Services

1Q '98 to 1Q '00 (Balance of Payments, Seasonally Adjusted)



Source: Statistics Canada

Trade and Investment Highlights

Soaring merchandise exports substantially outpaced continued steady growth in merchandise imports to raise the quarterly merchandise surplus to \$12 billion. Meanwhile services export growth continued to outpace services import growth, narrowing the chronic services deficit.

Canadian direct investment abroad (CDIA) was the third highest on record, as Canadian companies continued to diversify their operations into global markets. Meanwhile, foreign portfolio investment into Canada surged during this quarter to an unparalleled level, offsetting a slackening in the inflow of foreign direct investment.

Canada achieves more than three years of quarterly export expansion

Merchandise exports reached \$99.1 billion in the first quarter of the year 2000, up 4.7 per cent from the previous quarter. While all sectors generated higher export revenue, more than 50 per cent of the total gain was due to the energy, and machinery and equipment exports.

Energy export growth was largely due to rising prices for crude and refined petroleum (the Bank of Canada's Energy Price Index increased from 95.9 in the fourth quarter of 1999 to 106.3 in the first quarter of 2000). Higher prices also contributed substantially to growth in industrial goods exports.

Continued on page 2 — Highlights

Prepared by the Trade and Economic Analysis Division (EET)



Department of Foreign Affairs and International Trade

Ministère des Affaires étrangères et du Commerce International

Canada

Highlights — Continued from page 1

The rise in exports of machinery and equipment during the first quarter was concentrated in telecommunications, industrial machinery, and aircraft products. Canada's exports of aircraft products went unscathed by the 38-day strike at Boeing that ended in March. Meanwhile, the complete elimination of duties on a wide range of information technology (IT) products as of January 1, 2000, pursuant to the World Trade Organization (WTO) Information Technology Agreement (ITA) signed in December 1996, fuels prospects for an even stronger export performance by Canada's machinery and equipment manufacturers in the coming quarters.

Merchandise imports totalled \$87 billion for the first quarter, up by 1.6 per cent from the preceding quarter. Overall import growth was held back by declines in automotive products and consumer goods.

In terms of destinations, exports to the U.S. rose by almost \$4 billion, a 4.9-per-cent increase from the previous quarter, resulting in a sharp increase in Canada's bilateral surplus. Sales to the European Union (EU) rose by 5.4 per cent,

to Japan by 1.6 per cent, to other Organization for Economic Cooperation and Development (OECD) members by 8.9 per cent and to other countries by 4.7 per cent. Canadian import growth was broadly based in terms of trading partners, with the exception of a 4.8-per-cent drop in imports from Japan.

Services trade balance improved

Canada's services exports reached \$13.8 billion, up 2.8 per cent for the first three months of this year compared to the prior quarter. Increases were reflected in personal travel, and in all modes of transportation. There was a broad-based increase in commercial services, which offset moderate declines

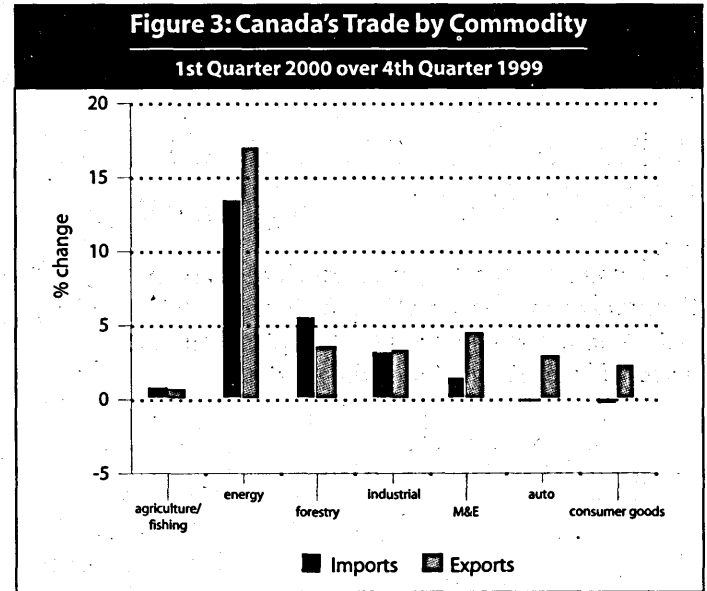
in insurance services, equipment rentals, architectural, engineering and other technical services.

The surge in services exports coupled with the decline in imports reduced Canada's deficit to \$1.3 billion for the quarter, the third quarterly decline in a row. And the travel deficit is at its lowest level since mid-1986.

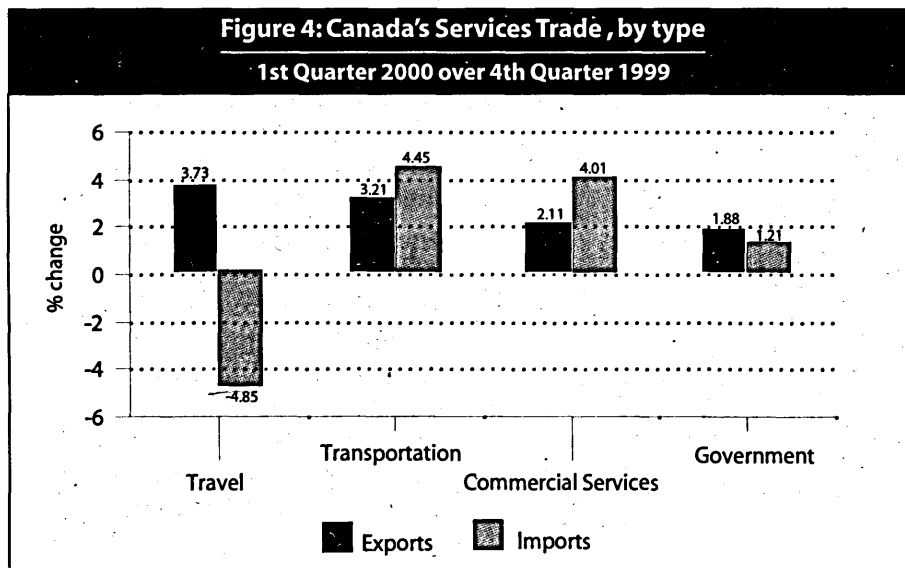
Canadian direct investment abroad surged

Canadian direct investment abroad (CDIA) totalled \$13 billion in the first quarter of 2000, of which \$12.5 billion was directed to the U.S. This reflects the fact that there were several high profile acquisitions by Canadian companies of U.S. firms during the first quarter.

Meanwhile, after three quarters of massive inflows, foreign direct investment (FDI) eased to \$4.4 billion in the first quarter. However, portfolio investment soared on the strength of a record-breaking \$22.8-billion injection of foreign investment into Canadian stocks, mostly of technology companies.

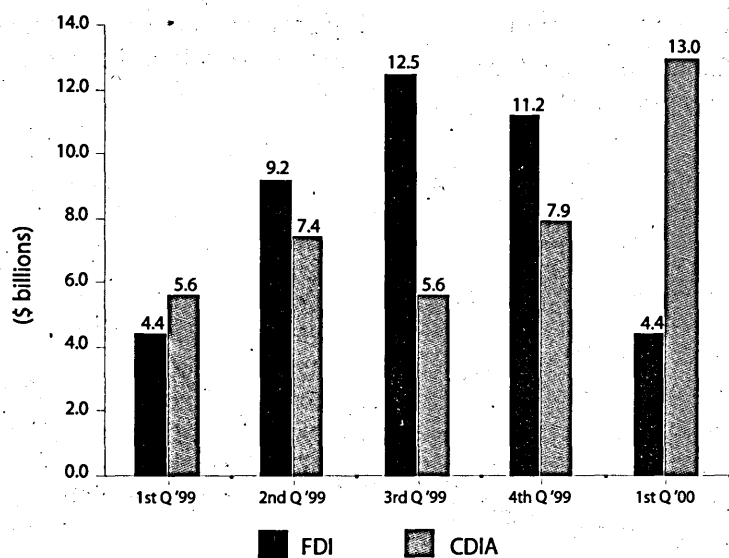


Source: Statistics Canada



Source: Statistics Canada

Figure 5: Foreign Direct Investment in Canada (FDI) and Canadian Direct Investment Abroad (CDIA), 1999-2000



Source: Statistics Canada

Exports Soar — Continued from page 1

Together with a modest reduction in the services trade deficit, Canada's current account balance swung to a \$4.8-billion surplus.

The continued strong growth in the U.S. economy (up 5.5% in the first quarter of 2000) coupled with improvements in the economic climate in Europe and Asia, and rebounding growth in Latin America all contributed to create strong demand for Canadian goods and services. Meanwhile, increased demand for imported goods in Canada was largely fuelled by our own booming economy ... a healthy sign.

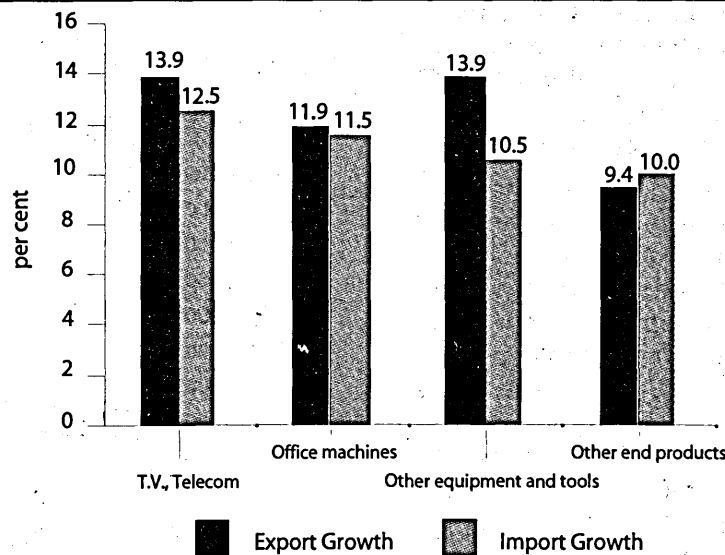
Features Section

Trading in the New Economy: The Canadian Experience

Globalization and technology are the two major forces driving what has been termed the "new economy". Information technology manufacturers as well as digital services providers are at the forefront of the changes that are transforming domestic economic structures — and affecting the pattern of world trade — in terms of what Canada trades, with whom we trade, and how we trade.

Among other factors, the implementation of the Canada-U.S. Free Trade Agreement, the North American Free Trade Agreement, and other bilateral and multilateral trade agreements were all instrumental in making the global environment conducive to trade in new economy products and services. For example, the high level of integration between Canada and the

Figure 6: Trade in "Other Machinery and Equipment," by major subgroup compounded annual growth based on current dollars, 1980-1999



Source: Statistics Canada

U.S., in the telecommunications industry has fostered high levels of both exports and imports of transmission, switching equipment and modems. Production-sharing in the semi-conductor sector has also led to active two-way trade between the countries.

Over the past two decades, Canada's exports and imports of computers, telecommunications and other high-tech products typically increased at an annual average rate of more than 10 per cent. While export growth was typically higher than that of imports (see Figure 6),

the level of imports remained consistently above exports, resulting in a persistent trade deficit for all these categories. By 1999, Canada's trade deficit on other machinery and equipment (a proxy for new economy items consisting of, among other items, office machines and equipment, and telecommunications equipment) reached \$31 billion.

Of the total exports of other machinery and equipment, television and telecommunications and related equipment rose from 23.4 per cent in 1980 to 29.6 per cent in 1999. The share of other equipment and tools¹ accounted for 37.5 per cent in 1999, an increase from 29.4 per cent in 1980.

During the same period, there was a slight drop in the share of office machines and equipment, from 19.3 per cent in 1980 to 17.1 per cent in 1999. However, this decline reflected the steep price reductions for computers and computer-related equipment in the international marketplace, where the price index dropped by 72 per cent for exports and by 64 per cent for imports between 1992 and 1999.

On a constant dollar basis, however, exports of office machines and equipment advanced strongly, attesting to the strong demand of our trading partners and our ability to compete internationally (see Figure 7). In fact, average annual growth between 1992 and 1999 was estimated to be 30.2 per cent compared to about 12.6 per cent volume growth for all the other subgroups in "other machinery and equipment." As a result of the volume gains and price declines, the value of exports of office machines and equipment in Canada has stabilized at about the 1995 level, after reaching its peak of \$2.5 billion in the fourth quarter of 1995 (see Figure 8). Since 1992,

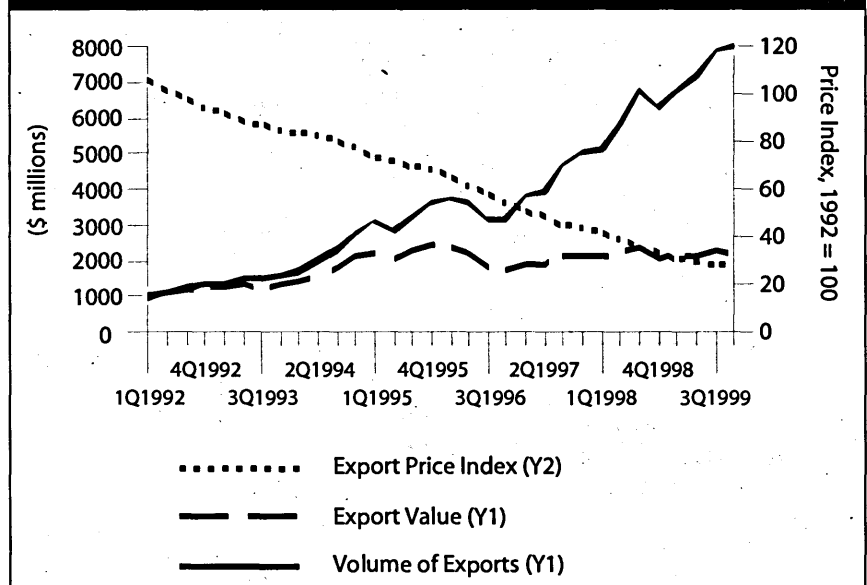
imports of office machines and equipment have also risen, both in value and volume terms, albeit at a slower rate than exports.

In short, Canada has benefited substantially from the two-way

trade in new economy products, and is well positioned to seize emerging opportunities in the burgeoning global market for new economy goods and services.

Figure 7: Exports of Office Machines and Equipment

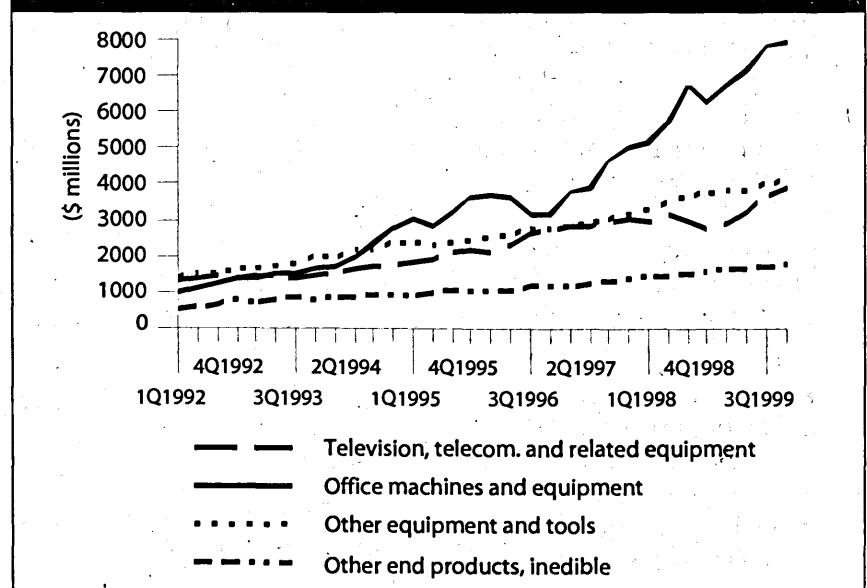
Export Price Index, Value and Volume of Exports, 1992 - 1999



Source: Statistics Canada

Figure 8: Exports of Other Machinery and Equipment

in 1992 constant dollars, 1992 - 1999



Source: Statistics Canada

1 Includes heating and refrigeration equipment, cooking equipment, electric lighting and distribution equipment, other measuring laboratory, optical and medical equipment, and hand and other tools.

The rewards of success in Japan's information technology (IT) market are tremendous.

However, one of the major challenges faced by Canadian exporters of software, hardware, and services is that up until recently, Canada has not been regarded by the Japanese as a source of high technology products and services. The 1999 Team Canada mission to Osaka and Tokyo was a milestone in positioning Canada as a strong source of leading-edge technology for Japan's burgeoning "new economy." To take advantage of this new interest for Canadian technologies, Canada's diplomatic missions have undertaken a series of activities to establish direct contact between Japanese buyers and Canadian suppliers in order to remove some of the major difficulties facing Canadian exporters: the high cost of doing business in Japan, language and cultural barriers, and the distance to the market.

In an effort to follow up on the success of Team Canada and further brand Canada as a high-tech nation, the Canadian Embassy in Tokyo, in conjunction with the Consulate General in Osaka, the Japan Division and the International Trade Centre in Toronto, organized last May the first Annual High-Tech Symposium: Canadian Solutions to Global Commerce.

The three-day symposium — two days in Tokyo and one day in Osaka — was developed to showcase Canada's IT capabilities and provide real business opportunities to both new-to-market

and established small and medium-sized Canadian IT companies. Four guest speakers representing Canada's diverse

The High-Tech Symposium afforded both new-to-market and established Canadian IT companies the opportu-

Japan discovers Canada's IT strengths

High-Tech Symposium



information technology sector and representatives from 26 of Canada's leading IT firms gave informative presentations and participated in networking exhibitions which were attended by over 700 of the key decisions makers in Japan's IT industry.

On the days between the presentations, over 20 company-to-company meetings were organized by the Embassy staff for the new-to-market Canadian companies, and many of the Canadian participants effectively used the off days to follow up with Japanese contacts made during the busy networking sessions. Four Canadian companies used the symposium as an opportunity to announce their intention to open a local subsidiary in Japan, and a number of Canadian companies and speakers took part in media interviews resulting in significant and favourable coverage in the Japanese national press.

nity to gain product awareness and recruit new distribution channels to a new segment of the Japanese IT sec-



Canadian participants at the High-Tech Symposium in Japan.

tor, and advanced Canada as a centre of high-tech excellence in the increasingly global IT market.

"I had no idea that Canada was home to so many leading-edge multimedia technologies," commented symposium attendee Yukio Sakamoto, Senior Manager for NTT Data's Multimedia Group in Osaka. "We had assumed that we needed to go to the United States to find such things."

For further information on opportunities in Japan's IT market and upcoming IT-related events in Japan, contact David Bostwick, Japan Division, DFAIT, e-mail: david.bostwick@dfait-maeci.gc.ca or Andrew Smith, Second Secretary (Commercial), Canadian Embassy, Tokyo, e-mail: andrew.smith@dfait-maeci.gc.ca or Mark Scullion, Trade Commissioner and Consul, Canadian Consulate General, Osaka, e-mail: mark.scullion@dfait-maeci.gc.ca or visit www.dfait-maeci.gc.ca/ni-ka *

Kansai-Canada West Business Forum

KYOTO, JAPAN — October 19-21, 2000 — Initiated by the Vancouver Board of Trade, the Osaka Chamber of Commerce and Industry and the Canadian Consulate General in Osaka in 1995, the Kansai-Canada West Business Forum (KCWBF) brings together businesses and business associations from both Canada and Japan. The Forum

provides business-to-business support needed to foster trade and business linkages between the Kansai and Canada.

The Kansai, encompassing the greater Osaka-Kyoto-Kobe metropolis with a population of some 22 million consumers, is an economic giant

Continued on page 14 - Kansai

In the 21st century, international co-operation is the watchword in space exploration and utilization. No one country can absorb alone the costs of programs for which the benefits know no borders, from earth observation to gaining an understanding of our global

Canada—Europe co-operation

The European Space Agency

environment, to satellite navigation and multimedia communications.

Canada and Europe have been co-operating closely in the space industry for over 20 years. Last month, in the presence of Prime Minister Jean Chrétien, the Government of Canada and the European Space Agency (ESA) signed a new 10-year co-operative agreement enabling Canadian companies to benefit even more from this co-operation.

"With this new agreement, we are building on a proud tradition of partnership in space-based research and development (R&D)," said the Prime Minister. "It is a model of international co-operation, one that will continue to drive innovation, the sharing of knowledge and expertise, and the creation of partnership between countries, agencies and space-based industries to meet the needs of future generations all over the world."

Canada is the only non-European country to have such an agreement, giving Canadian companies the opportunity to participate directly in technological development programs and satellite telecommunications, earth observation and satellite navigation programs.

ESA

With an annual budget of over \$5 billion, ESA is an international organization

with 15 member countries employing 1,700 workers, including Canadians, at its facilities in Paris (France), Noordwijk (Netherlands), Darmstadt (Germany) and Frascati (Italy).

The ESA's chief mandate is to develop space science and technology

for peaceful use and a competitive space industry.

Benefits to Canadian industry

Canadian industry is the direct beneficiary of Canada's participation in ESA programs. Since 1979, nearly 100



After signing the new Canada-ESA 10-year agreement, CSA President W.M. Evans (left) shaking hands with ESA Director General Antonio Rodotà. Applauding: Prime Minister Jean Chrétien (left) and ESA Council Chairman A. Bensoussan.

Canadian high-tech companies have been awarded some 400 contracts worth a total of \$300 million, allowing them to demonstrate their expertise to the key European stakeholders and to enter into strategic alliances with them to develop innovative products for the telecommunications and remote sensing markets.

Prior to launching its own satellite, RADARSAT, in 1995, Canada took part

in the European Remote Sensing (ERS) Satellite program, enabling it to take advantage of a number of technology transfers and ESA's operational experience, especially in the area of data processing. RADARSAT has since become the first commercial radar imaging satellite in the world.

Thanks to the Canada-ESA Agreement, the Canadian industry is actively involved in R&D for major international projects on new generation broadband telecommunications. For instance, as part of ESA's ARTES (Advanced Research in Telecommunications Systems) program, Canadian companies such as EMS Technologies (Ste-Anne, Quebec) and COM-DEV (Cambridge, Ontario) are working with the major European stakeholders, such as Alcatel, Matra Marconi Space and Alenia, on systems that will soon provide consumers with new high-speed telecommunications services for mobile telephony, messaging, video-conferencing and Internet applications.

In the field of space exploration, SED Systems of Saskatoon, which specializes in ground stations, has been awarded a contract for the construction of a giant (35-metre diameter) antenna in Australia for the European Space Agency. The antenna is to be used to command and receive signals from interplanetary probes that are soon to be launched into the far reaches of our solar system.

Benefits for Canada in general

All Canadians benefit from Canada's co-operation with ESA. For example, ERS (and, soon, ENVISAT) satellite images, which complement RADARSAT images, are useful for Arctic Ocean ice monitoring, geological exploration, agriculture and natural disaster management.

In British Columbia, a project financed by ESA and the Canadian Space Agency (CSA) and carried out by MacDonald, Dettwiler and Associates of Richmond, B.C., is using different space technologies to improve field communications in

Continued on page 13 - The European

Coming on the heels of two Canadian trade missions to Greece this year, the visit to Canada of Greek President Constantinos Stephanopoulos, May 27-June 2, marked a major milestone in the development of Canada-Greece relations.

The delegation of 115 accompanying President Stephanopoulos included the Deputy Minister of National Economy, Ioannis Zafeiropoulos, and over 25 business representatives. As a result, bilateral relations between Greece and Canada were greatly strengthened culturally, educationally, commercially and socially.

Promoting trade

During his week-long visit, the President had meetings with Prime Minister Jean Chrétien, Canadian Heritage Minister Sheila Copps (who had just returned from a meeting with her counterpart in Greece), Premiers Lucien Bouchard and Mike Harris, among others, and participated in business forums in Montreal and Toronto, which brought together a broad cross-section of business leaders. He also witnessed the signing of a memorandum of understanding between the Association of Canadian Manufacturers & Exporters and the Canadian-Hellenic Chamber of Commerce.

Major Canadian firms such as TVX Gold, Nortel, Oerlikon, Bombardier,

SNC-Lavalin and others — which had participated two weeks earlier in the 23-company trade mission to Greece led by John Cannis, Parliamentary Secretary for Industry Minister John

Manley — had several opportunities to meet with the President and members of the Greek delegation. Senior-level meetings with government, business, economic, cultural, and education decision makers focused on bilateral issues, and generated a high level of business success for the participating companies and significantly raised Canada's profile in Greece. Quebec Minister for Industry and Trade Guy Julien had previously led a mission of Quebec companies to Greece in February.

Official visit and trade missions



Canada—Greece relations expand

Trade between Canada and Greece increased by 23 percent last year, and over 1 billion dollars in trade opportunities are being actively pursued, in part as a response to the two

infrastructure with projected expenditures of \$US60 billion over the next five years, and select infrastructure for the 2004 Olympics.

Reinforcing cultural and education ties

Culture and education were strong components of President Stephanopoulos' trip to Canada, as demonstrated by the presentation of the final installment cheque for Greece's \$400,000 contribution to the Chair of Hellenic Studies at McGill University and of a \$300,000 cheque to the Royal Ontario Museum. The President's emphasis on the importance of educational links was underlined in discussions on possible academic affiliations with several universities, including York, Ottawa, Montreal, Concordia and McGill.

The next few years will be significant for Greece as it joins the European Monetary Union, assumes the 2003 European Union Presidency, and hosts the 2004 Olympics. The business and cultural connections established between Canada and Greece will ensure that Canada remains a valued partner as Greece takes on a pivotal role in southeast Europe and the eastern Mediterranean.

For more information on trade opportunities in Greece, contact Jean-Louis Robitaille, Trade Commissioner, Southern Europe Division, DFAIT, tel.: (613) 996-4484, fax: (613) 995-8783, e-mail: jean-louis.robitaille@dfait-maeci.gc.ca

NEXOS mission to CPhI Worldwide 2000

MILAN, ITALY — November 7-9, 2000 — A NEXOS (New Exporters Overseas) mission of Canadian manufacturers of contract, bulk and generic pharmaceuticals, intermediates, pharmaceutical fine chemicals and ingredients, and research institutions is being organized by the Canadian Consulate General in Milan, Italy.

CPhI Worldwide, an annual international exhibition of pharmaceutical ingredients and intermediates, is the world's leading event in this sector.

At last year's show in Frankfurt, Germany, there were a total of 951 exhibitors and 15,454 visitors, and this year's CPhI 2000 is expected to be even larger.

The international market for pharmaceutical ingredients totalled US\$ 27 billion in 1999, with over 70 percent of the demand concentrated in North America and Western Europe. CPhI is a unique opportunity for Canadian compa-

Continued on page 14 — NEXOS

Secretary of State (Asia-Pacific) Raymond Chan led a delegation of Canadian business representatives to the interior of China, May 28 to June 3, 2000.

This visit was designed to pursue opportunities related to China's recently announced "Western Development

Strategy" announced by the central government promises to bring economic restructuring and increased investment to all sectors of the economy.

China to invest in 10 regions

The government has pledged to invest heavily in 10 regions: the

Resources announced more liberal regulations for the acquisition of mineral or land-use rights, and pilot projects have been developed to streamline approvals for mining and petroleum sector development in certain regions.

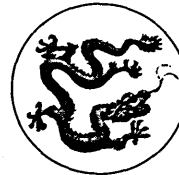
Priority projects are Canadian strength areas

Many of the major priority capital projects already identified involve roads, railways, airports, energy projects (including pipelines), water conservancy and environmental protection — all areas of Canadian strength. For instance, China has announced its intention to build a 4,200 km-long natural gas pipeline, which will pass through eight provinces and municipalities.

Local governments in the western region have expanded their respective economic development plans. Shaanxi Province plans to build 52,000 kilometres of new roads, at a cost of 203 billion RMB (\$40.6 billion). Ningxia regional authorities have committed to double investment in fixed capital construction, to at least 110 billion

RMB (\$22.2 billion) between 2001-05.

Chongqing municipality has announced 240 billion RMB (\$48.5 billion) worth of key infrastructure projects to be undertaken over the next 10 years.



Team Canada mission to China

China's Western Development Strategy will be among the opportunities profiled during the November 2000 Team Canada mission to Beijing, Shanghai and Hong Kong. Canadian firms participating in this mission will be able to learn more directly from Chinese officials and decision makers.

For more information, contact Cynthia Bernier, China and Mongolia Division, DFAIT, tel.: (613) 996-6987, fax: (613) 943-1068, e-mail: cynthia.bernier@dfait-maeci.gc.ca

Opportunities for Canada

China's Western Development Strategy

Development Strategy" and to promote Canadian commercial capability in this vast, emerging area. Some 15 Canadian firms from the mining, petroleum, telecommunications, transportation and professional services sectors visited Beijing, Xinjiang and Sichuan. The mission was co-organized by the Canadian Embassy in Beijing and the Canada-China Business Council. Interest from Chinese companies and officials was high, and the prospects for future export success are significant.

Beginning in the late 1970s, China's program of economic reforms has gradually transformed most of the eastern and southern regions of China, creating vibrant urban centres, raising the standard of living, and helping to foster the development of private sector economic activity.

However, China's interior and western provinces have not seen as dramatic a level of change. Investment has lagged behind, limiting economic growth and affecting the development of management capability, infrastructure, and education. The Western

provinces of Shaanxi, Gansu, Qinghai, Sichuan, Yunnan and Guizhou, the ethnic autonomous regions of Ningxia, Xizang (Tibet) and Xinjiang, and the municipality of Chongqing. These regions cover 5.4 million sq.km., or 57 percent of the national total. Their combined population of 280 million represents 23 percent of the national population. Most noteworthy, this region is home to half of the country's proven energy reserves (coal, petroleum, and natural gas), and boasts important mining, forestry and agricultural resources.

The core elements of the strategy include: a pledge to direct at least 60 percent of the China Development Bank's lending to the interior regions, and to encourage investments by foreign governments and international financial institutions. In order to accelerate the development of China's West, the central government will also adopt preferential policies and tax incentives for those who invest. For example, the Ministry of Land and

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown Corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

ALGERIA — Construction and Operation of Power Plants — SONELGAZ invites foreign and local investors for the new design, finance, building, ownership, operation and maintenance of one or many power plants of 2000 MW total capacity. The bid winner will also be in charge of selling generated power both in the local and foreign markets. SONELGAZ is the sole purchaser on the local market (400MW) and exportation will be

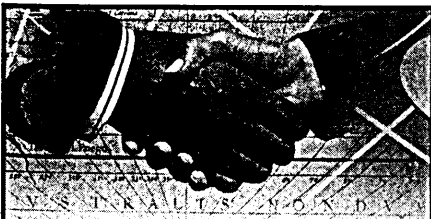
in association with SONELGAZ or with SONELGAZ-associated public companies. Closing date: **October 2, 2000**. Cost of bid documents: \$3,000, mandatory guarantee: \$2,500 per megawatt. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. **000606-02209**. For details: www.iboc.gc.ca/webleads.asp?id=402en

SWEDEN — Ice Wine — The Department of Economics is looking for a Canadian partner to start ice wine (polar wine) production in the north of Sweden. The grapes would be grown in green houses with adjustable ceilings so that freezing of grapes can be regulated. Two thirds of the project will be funded by the European Union and the

municipality of Arvidsjaur will contribute the remaining one third. The Head of the Department of Economics has the business plan and the resources ready. Closing date: **August 15, 2000**. Contact Jaclyn Jerome, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. **000620-02418**. For details: www.iboc.gc.ca/webleads.asp?id=483en

GREECE — Unmanned Aerial Vehicles — The General Directorate for Armaments has issued an international tender for the procurement of two remotely operated middle range Unmanned Aerial Vehicles (UAVs) for battlefield supervision for the Hellenic Army (Land Force). Closing date: **September 11, 2000**. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. **000609-02284**. For details: www.iboc.gc.ca/webleads.asp?id=432en

*IBOC trade opportunities — find out more at www.iboc.gc.ca **



International Business Opportunities Centre

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®).

The European Space Agency — Continued from page 10

fighting forest fires. C-CORE of Newfoundland has been placed by ESA at the head of an international consortium formed to apply technologies developed for space to operations in harsh terrestrial and marine environments such as drilling platforms, mines and Arctic regions. The economic benefits of this project have far exceeded the initial investment made by ESA.

Contacts

For information on developing contracts with the European Space Agency, contact Gilles Leclerc,

Counsellor (Space, Science and Technology), Canadian Embassy in Paris, tel.: (011-33-1) 44 43 28 12; fax: (011-33-1) 44 43 29 98; e-mail: gilles.leclerc@dfait-maeci.gc.ca

ESA (www.esa.int) publishes its tender invitations on the Internet at <http://emits.esa.int/>

Companies can also consult the Canadian Space Agency, which is responsible for managing Canada-ESA relations. Contact Virendra Jha, Director General, Space Technologies, CSA, in St-Hubert, Quebec, tel.: (450) 926-4606, fax: (450) 926-4613, e-mail: virendra.jha@space.gc.ca *

Undergraduate and graduate students all across Canada! If you are studying in business or economics with a focus on international

the aim of this new \$1 million national scholarship initiative launched by EDC. The awards will be granted over the next three

\$1 Million EDC Scholarship!

business, international relations or finance, then this is for you, up to \$3,000! Award winners will also be offered exciting summer and co-op employment opportunities at Export Development Corporation (EDC).

Promoting an export culture and workforce that is global-minded is

years, with graduate scholarships starting in 2001.

Administered by the Association of Universities and Colleges of Canada (AUCC), this initiative is part of EDC's Education and Youth Employment (EYE) Strategy.

Applications will be made by faculty nomination from selected

universities and colleges across the country, and award winners will be selected by an independent committee comprised of university and business community representatives.

For more information, contact Mary Grover-Leblanc, tel.: (613) 597-8689, e-mail: mgrover-leblanc@edc-see.ca or visit www.edc-see.ca ✪

Kansai-Canada West Business Forum

— Continued from page 9

accounting for over three percent of the world's gross national product — more than Korea, Taiwan, Hong Kong and Thailand combined. As an independent country, the Kansai would be the world's seventh largest economy. Japan, itself, is Canada's second largest trading partner, accounting for \$23 billion worth of bilateral trade in 1998.

The Kansai is a hotbed of IT firms. Many of these firms are among the most influential in global commerce, ranking at the top of the Fortune 500 list, with names with household recognition like Sanyo, Nintendo, Omron, and Panasonic (Matsushita Electric). In Kyoto, for example, an estimated 300 high-tech ventures have emerged in recent years and, like Canada, the Kansai economy is largely built on small and medium-sized enterprises.

For the first time, the Kyoto 2000 Forum will offer a completely new

business contact program, assuring the participating Canadian companies the opportunity for serious business connections and increased access. This is in addition to the business introduction and support services offered by the various government and private sector organizations comprising the Forum's partners. As well, Canada's diplomatic missions in Tokyo and Osaka are working on sector-specific seminars and outreach programs for companies involved in the health care products and services and wireless communication sectors, which will cover both the Kansai and Tokyo regions.

For more information on the Kansai-Canada West Business Forum or to register for business matching visit www.kansaicanada.com or contact the Canadian Secretariat, tel.: (604) 921-8196, fax: (604) 921-8192, e-mail: info@kansaicanada.com ✪

NEXOS mission to CPhI Worldwide

— Continued from page 11

nies to identify manufacturing and technological partners among exhibiting companies and visitors from all over the world.

The mission will feature a briefing session at the Canadian Consulate General, two-day participation in CPhI, matchmaking activities organized by ASCHIM-FARMA (the Italian Pharmaceutical Ingredients Manufacturers Association), and on-site assistance for matchmaking and logistics.

For more information on CPhI, visit www.cphi.com

For more information on the NEXOS mission, contact Sandra Marchesi, Canadian Consulate General, Milan, tel.: (011-39-02) 6758 3351, fax: (011-44-20) 6758 3900, e-mail: sandra.marchesi@dfait-maeci.gc.ca

Deadline for registration is September 22. ✪



BRUSSELS, BELGIUM—October 23-24, 2000—A NEXOS (New Exporters Overseas) Environmental Mission is being organized by the Canadian Embassy in Brussels. The mission will feature a half-day seminar at the Canadian Embassy, field visits and a visit to the environmental trade show, IFEST 2000, which is being held in Ghent, October 24-27. This show takes place the week after the French trade show, Pollutec, in Lyon. Companies interested in participating in both the

NEXOS Environmental Mission to Belgium

French and Belgian events could easily combine the two. As well, businesses and research institutes will have the opportunity to participate in the Technology Transfer Meeting Days, October 26-27, being held in conjunction with IFEST 2000.

Located in the heart of Europe, Belgium (and Luxembourg) have envi-

ronmental markets which were estimated at approximately \$2.7 billion and \$0.2 billion, respectively, in 1998.

More information on this sector can be found at www.infoexport.gc.ca

For more information on the mission, or how to participate, contact Fabienne De Kimpe, Commercial Officer, Canadian Embassy in Brussels, tel.: (011-32-2) 741-0621, fax: (011-32-2) 741-0606, e-mail: fabienne.dekimpe@dfait-maeci.gc.ca or visit www.dfait-maeci.gc.ca/brussels ★

Canadian Success in U.K.'s Do-It-Yourself and Home Improvement Market

LONDON, U.K. — January 21-23, 2001 — The Canadian High Commission in London is planning the Canadian participation in the next **United Kingdom DIY and Home Improvement Show** — the U.K.'s premier event for this industry — following a strong Canadian presence at this event last January.

The Trade Division at the High Commission co-ordinated a Canada Group national stand in which 23 Canadian companies participated, including seven SMEs and 16 companies already present at the show through established UK distributors, demonstrating the increasing success that Canadian do-it-yourself and hardware product manufacturers are finding in the U.K.

It also provided a series of value-added services to the Canada Group participants both before and during the show, including a detailed U.K. DIY market report; pre-identified key contacts comprising both selected U.K. distributors and key buyers for the leading six big-box DIY retail chain stores in the U.K.; pre-show press and marketing campaigns targeting key U.K. trade media and buyer/distributor contacts; a market briefing and a series of visits to major U.K. DIY retail stores.

These activities were regarded as

extremely useful by Canadian participants, allowing them to see U.K. DIY retailing firsthand, to research U.K. price-points, packaging and merchandising characteristics, and to identify likely competitor brands.

A Canadian DIY Showcase highlighted the breadth and range of Canadian DIY products already on the U.K. market, and was used to recruit a number of further U.K. distributor/importer contacts. The visit by Canadian High Commissioner Roy MacLaren to the show provided a major endorsement of the Canada Group, and also generated considerable media interest.

The Trade Division's value-added services proved highly successful for all participants: three companies signed with U.K. distributors (and, in one case, other European) at the show, while the other participants either took sizeable direct orders or reported serious interest from buyers from major U.K. big-box retailers.

For more information on the show or how to participate (deadline to register is end of August), contact Simon Smith, Commercial Officer, Canadian High Commission, London, tel.: (011-44-20) 7258-6658, fax: (011-44-20) 7258-6384, e-mail: simon.smith@dfait-maeci.gc.ca ★

STI² Service and Technology show

BRUSSELS, BELGIUM — September 19-22, 2000 — **STI² Service and Technology for Industry and Installation** is the largest industrial show in Belgium, and in conjunction with this year's event, a technology exchange fair, **STI Partner Meeting Event**, is being organized in which Canadian companies are invited to participate.

Finding partners in Belgium is an excellent springboard to the European Union market. **STI²** will showcase the key sectors of industrial production: industrial equipment, hydraulic and pneumatic components, electromechanics, industrial subcontracting, electronics, lighting, electrical engineering, air conditioning and climate control technology. From September 20-21, the **STI Partner Meeting Event** will welcome businesses, research laboratories, and universities which are interested in acquiring technological know-how; expanding their markets; participating in development projects; and finding partners

Continued on page 16 — STI²

International Congress of Nurses and exhibition



MONTREAL — November 19-23, 2000 — Thousands of nurses from 52 French-speaking countries will congregate in Montreal this fall for the first ever **International Congress of Nurses**. The event is a joint initiative of the Quebec Order of Nurses (Ordre des infirmières et infirmiers du Québec) (OIIQ) and the Association nationale française des infirmières et des infirmiers diplômés ou étudiants (ANFI-IDE). The Congress is organized around the theme of cross-cultural sharing of knowledge among members of the nursing profession.

A Congress tailor made for pioneers

The event will be a prime opportunity to keep up with the latest developments, give thought to the future orientation of the nursing profession, and network with colleagues from other countries, thereby setting up a vast international network of francophone nurses.

The Congress will also be the occasion for the launch of the International Francophone Nursing Secretariat (Secrétariat international des infirmières et infirmiers de l'espace francophone) (SIDIIIEF) and its first Summit at which a symposium on HIV and AIDS will be held.

The Congress program includes:

- training sessions and workshops focusing on breakthrough devel-

opments, such as laparoscopy, telehealth, results management and total quality management of nursing care; thematic workshops on general medical and surgical care, emergency services, intensive care, post-operative treatment, home care, care of the elderly, birth-related services, mental health services, and other topics;

- a symposium on international cooperation, drawing on institutional partnerships between Canada and Lebanon and Canada and Morocco;
- international forums;
- sessions with nursing innovators;
- professional visits to leading-edge institutions.

Well-known public figures will be involved in this landmark event, among them Supreme Court Judge

Louise Arbour, writer and social commentator, John Ralston Saul, David Levine, Director of the Ottawa Hospital, and journalist Céline Galipeau.

Don't miss the exhibition!

Parallel to the Congress, the exhibition (November 19 - 22) will be made up of national pavilions of key countries and provinces where French is spoken, including Canada and Quebec. At individual booths, other exhibitors will showcase new products and services: equipment and instruments for institutional or personal use, software and hardware, publications, surveillance systems, health care supplies, drugs, homeopathic products, health foods and health enhancers, and assorted professional services.

For more information or to participate, contact the GroupEXPO & Conférence, tel.: (514) 521-4646, ext. 227, fax: (514) 521-3193, e-mail: groupeexpo@groupeexpo.com or visit congres2000.oiiq.org ✪

STI² Service and Technology — Continued from page 15

in the targeted sectors included in the trade show.

For more information on STI², visit www.sti2.bitf.be

To register for the STI Partner Meeting Event, visit www.birc.technopol.be/sti.htm

For more information on these two events or for market information,

contact Fabienne De Kimpe, Commercial Officer, Canadian Embassy, Brussels, tel.: (011-32-2) 741-0621, fax: (011-32-2) 741-0606, e-mail: fabienne.de-kimpe@dfait-maeci.gc.ca or visit www.dfait-maeci.gc.ca/brussels ✪

Enquiries Service

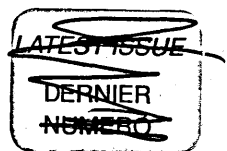
DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling 1-800-267-8376 (Ottawa region: 944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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MINISTERIAL TRADE MISSIONS
See story on page 14



Moving beyond trade

Investing in Canada

Dept. of External Affairs
Min. des Affaires extérieures
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A message from the Minister

Many Canadians are aware of the vital role that trade plays in our economy. Not as many, however, are aware of just how important foreign investment is to Canada.

As Canada's Minister for International Trade, I know well the importance of trade to the Canadian economy. Trade is the lifeblood of our economy. More than one in three jobs in Canada depends on our success in global markets. In 1999, goods and services exports increased 11 percent, reaching \$410 billion — 43 percent of Canada's gross domestic product. To a large extent, our international success has also helped reduce the national unemployment rate to 6.6 percent, the lowest in 25 years.

Benefits of foreign investment

Thirty percent of Canadian jobs stem from foreign direct investment (FDI)



*Minister for International Trade
Pierre Pettigrew*

in Canada and the business activities of foreign subsidiaries. Foreign investment not only brings in capital and creates highly skilled jobs, it also enhances Canada's technological capacity. Investment gives us access to global technology and management

Continued on page 2 – Investing



Finalists announced

Canada Export Awards 2000

Leading up to next month's awards, International Trade Minister Pierre Pettigrew praised the 25 finalists competing for the top honour in Canadian exporting, the prestigious Canada Export Awards. Up to 10 winners, one of which will also be named "Exporter of the Year," will be presented with their awards at a gala ceremony in Halifax, Nova Scotia, on October 2, to be held during the Fifth Annual Convention of the Alliance of

Manufacturers & Exporters Canada, October 1-3.

The sponsors for this year's Canada Export Awards are the Atlantic Canada Opportunities Agency (which will hand out the Smaller Export Achievement Award), Export Development Corporation (EDC), Rogers Media Inc., and the Alliance of Manufacturers & Exporters Canada.

Continued on page 12 – Canada Export

— Continued from page 1

expertise, which increases productivity and makes us more competitive globally.

Investment also works both ways. While investment in Canada creates jobs and provides access to the latest

tax treatment in the G-7, a national health care system that reduces business costs, and easy access to large U.S. markets. Furthermore, investing in Canada provides the benefits of joining one of the world's great trading nations, with full access to the

boardrooms, where these kinds of decisions are made.

I also think that many of *CanadExport's* readers would like a taste of the kind of investment information that IPC can provide. I was therefore delighted to hear that *CanadExport*, starting with this issue, will create space among its valuable trade articles to present more news on the Canadian investment front. I hope that this combination of trade and investment information proves as useful to its readers as it has to the Canadian economy. I invite all Canadian businesspeople to join with us in promoting investment in Canada.

Pierre S. Pettigrew
Minister for International Trade

Investing in Canada

technology, Canadian investment abroad has its benefits as well. When you consider that almost 50 percent of world trade moves within affiliated companies, it is clear that outward investment by Canadian companies is an important contributor to our export success, while at the same time generating dividends, royalties and other types of Canadian revenues. It is worth noting that the stock of Canadian investment abroad actually exceeds the level of FDI in Canada.

Trade and investment go hand in hand, complementing each other and contributing equally to Canada's international competitiveness and domestic prosperity. Exports and foreign investment create wealth and opportunities for communities, large and small, across Canada.

The Canadian advantage

For a foreign firm that decides to either set up or expand existing investments in Canada, it is safe to say that there are numerous advantages. Many outside investors know this, but too many don't. Outdated myths persist — myths that ignore Canada's rapid rise to the leading edge of world technology. Canada's advantages need to be better known, and the myths need to be dispelled.

Canada offers an impressive package: a stable and stimulating economic infrastructure, reasonable wages, a well-educated and loyal labour force, the best research and development

innovative support and expertise of Export Development Corporation and Canadian trade commissioners posted in 130 locations throughout the world. But even this package won't sell if investment decision makers are not aware of the evidence.

I have listened to both Canadian and foreign executives with Canadian-based companies who say that they love the advantages of running their operations from Canada. Many of these people can see clearly that operating out of Canada increases profit margins, particularly in U.S. markets. But when their companies are

deciding where to expand, they need to be able to offer hard facts to make the case for choosing Canada to serve the North American Free Trade Agreement (NAFTA) area.

Help with investing from IPC

Promoting Canada's investment advantages is the job of Investment Partnerships Canada (IPC), a joint venture of the Department of Foreign Affairs and International Trade and Industry Canada. IPC works with the provinces, other federal departments, and senior personnel at Canadian-based companies to present an accurate picture of Canada in the international investment community. IPC is ready, willing and able to help business executives tailor a case for investing in a particular Canadian location — a case that should turn heads in global



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canadexport

The story of *Heartspace Associates* begins with a mission to the United Nations Procurement Agencies in New York, in January 1998, organized by the International Trade Centre in Winnipeg (ITC - Winnipeg) in conjunction with the Canadian Consulate General in New York.

The mission, though not designed specifically for the education industry, accelerated the company's export readiness, says its founder and President, Joanne Klassen. "We became much more effective in searching and pursuing opportunities after attending this UN mission, and it assisted us in understanding what to do and what not to do."

By the time Klassen returned home to Winnipeg, the idea of looking beyond the border was strongly planted in her 25-year old small company's future. "I started setting up a five-year plan," she says, "to have five Canadian colleges and/or universities and five American counterparts to host our Transformative Writing certificate, which helps people transform their lives through writing." While deciding on a realistic region-by-region approach to start, the long-term perspective was to access the entire U.S. market.

Partners in Training

Then came an unexpected opportunity: a letter from Charles Hatzipanayis, Trade Commissioner at ITC - Winnipeg inviting Heartspace to join "Partners in Training," a cross-border partnering conference and New Exporters to Border States (NEBS) mission to Washington, D.C.

Klassen lost no time in preparing for the mission, including organizing product samples and e-mail invitations. But she says she is very grateful for the help she received from government officials.

"[Business Development Officer] Cynthia Stevenson from the Canadian Embassy in Washington [who developed "Partners in Training" in collaboration with Virginia-based training firm Management Concepts] assisted

us and was always there whenever we hit a snag. She told us more about the mission and about the size of the U.S. market. She also helped us in setting up meetings with potential training partners.

"I would also like to thank Charles Hatzipanayis for inviting us to the

in the U.S., attended by 20 participants, ten of whom participated in "Partners in Training." More joint workshops will be held next month, and Heartspace is now pursuing promising opportunities in Maryland, Michigan and Hawaii.

"The Americans were very eager to access the resources that we have in

Testing transformative transaction

Winnipeg firm finds U.S. contract

'right mission'. He made several follow-up calls to his letter, accompanied us on the mission, introduced us to our contacts and made suggestions during and after the mission to

Canada," explains Michigan-born Klassen, who moved to Canada in 1975. "As a plus, we speak the same language, and encounter no cultural barriers."

Why did it work for us?

One reason is of paramount importance to Klassen. "It was the right mission for us," she explains. "It was industry-specific (the education sector), so everyone involved knew and understood the business well."

As for do's and don'ts, she has some words of advice for new exporters.

- Have a clear purpose in mind with clear objectives.
- Allow extra time after the mission to contact people, make follow-up calls and meet more people. Personalize the follow-up, forget the form letters and faxes.
- Stay in touch.
- Thank the people who have been helpful.
- Use the "elevator test": if your sales pitch or your offer cannot be casually inserted into a conversation between two elevator stops, change it.

A product with a future

Heartspace Associates' flagship service, the Transformative Writing

Continued on page 9 - Heartspace



*Heartspace Associates President
Joanne Klassen*

make sure we got the most out of it." "And," she adds, "he helped us get on the WIN Exports data base. [See box on page 9.] The mission was also good in terms of networking with other Canadian participants."

A workshop that opened doors

It is in this context that Heartspace received a subcontracting proposal from the Centre for Organizational Renewal and Effectiveness (CORE) Consulting, a Virginia-based firm specializing in Human Resources consulting and training. In June, Heartspace delivered its first two-day workshop



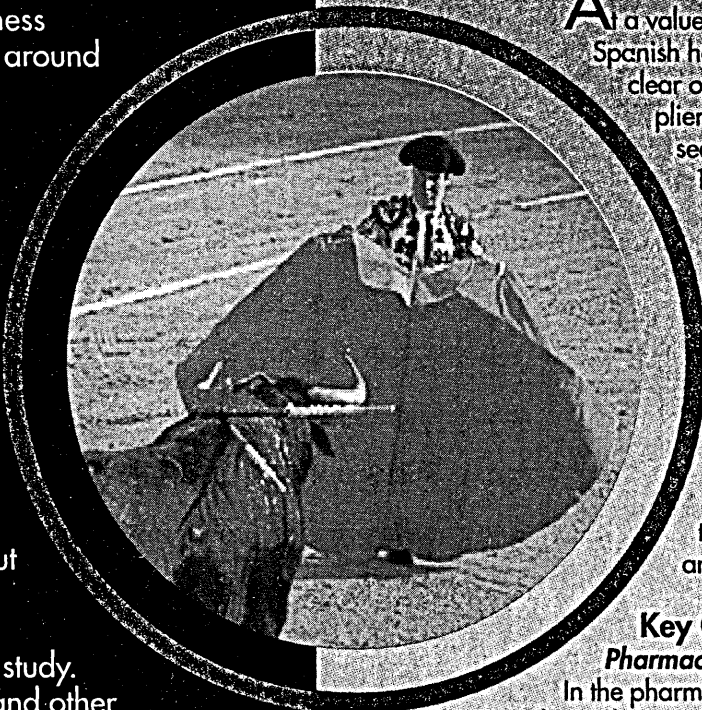
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SPAIN — Health Care Products

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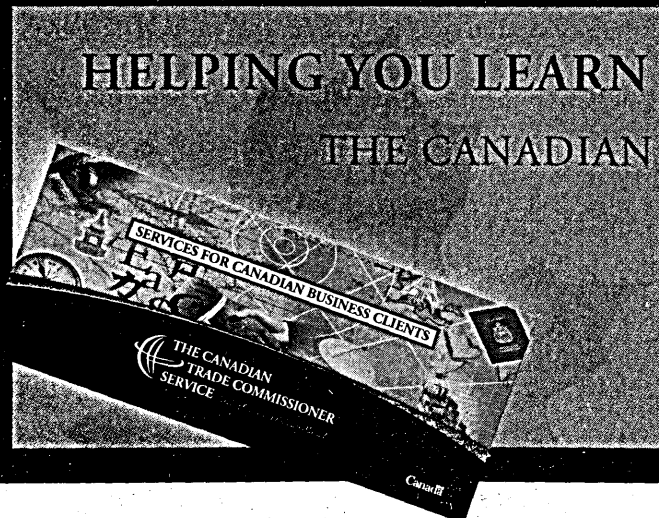
At a value of more than \$70 billion, the Spanish health industries market presents clear opportunities to Canadian suppliers. The Spanish pharmaceuticals sector was worth \$12.2 billion in 1998, an increase of close to 10% over the previous year. A third of the pharmaceuticals market is supplied by imports. The medical devices market, valued at an estimated \$3.3 billion in 1998, depends heavily on imports with only 20% of the market supplied domestically. Leading supplier countries are the United States, the United Kingdom, France, and Germany.

Key Growth Areas

Pharmaceuticals

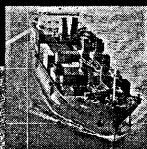
In the pharmaceuticals sector, generic drugs and over-the-counter products are expected to grow in demand in response to pressure from the International Monetary Fund to make generics more widely available. In 1998, the majority of pharmaceutical sales in Spain were of prescription drugs, with over-the-counter products representing \$725 million of the \$12.2 billion total market.

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Products and Services

Significant sub-sectors of the pharmaceutical industry include drugs used in the treatment of cancer and therapies for cardio-

vascular and respiratory illnesses. Imports of antibiotics and human blood plasma are also expected to increase as a result of domestic shortages.

Spanish Health Industries Market – Key Indicators

Total Population (1999)	39.1 million
Total Health-Care Expenditure (1998)	\$65.8 billion
Pharmaceuticals Market (1998) (Including Nutraceuticals)	\$12.2 billion
Medical Devices Market (1998)	\$3.3 billion
Health Services Market (1998)	\$50.3 billion
Number of Hospitals and Primary Care Centres	2,846
Number of Pharmacies	18,619

vascular and respiratory illnesses. Imports of antibiotics and human blood plasma are also expected to increase as a result of domestic shortages.

Nutraceuticals

Strong growth is projected for the nutraceuticals market, currently valued at an estimated \$164.3 million. The value of the herbal extracts segment, in particular, is expected to double in demand by 2002.



Medical devices

Areas of the medical devices market with strong commercial potential include electro-medical equipment, x-ray apparatus, and therapeutic respiration apparatus—all rapidly growing segments of Spain's

import market. Similarly, demand is expected to increase for prosthetics and orthopaedics, a segment currently worth 7% of the total medical equipment market. As cost-saving concerns mount, the markets for home health-care equipment and devices used in minimally invasive surgery are also likely to burgeon.

The Spanish Health-Care System

The Spanish Ministry of Health (*Ministerio de Sanidad y Consumo*) maintains ultimate authority over the country's National Health Service. However, a program of decentralization has been transferring more autonomy for health service provision and administration to the local level. Seven

autonomous communities already have control over their own health services, while health services are provided to the remaining communities by the central government through the National Institute of Health (*Instituto Nacional de la Salud*). Despite the decentralization program, benefits under the National Health Service plan, including free medical care and subsidized prescription drugs, are consistent throughout the country.

See Potential?

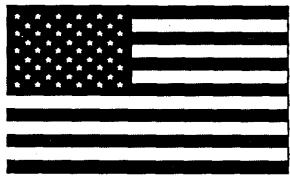
For a more in-depth look at opportunities, local registrations and market entry strategies, read the full report, *The Health-Care Products and Services Market in Spain*. The report, prepared by the Market Research Centre of the Trade Commissioner Service, is available at www.infoexport.gc.ca

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The U.S. Connection

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Summit

California Biotech

SAN DIEGO — October 30-31, 2000 — The 2000 CALBIOSUMMIT invites Canadian biotech executives to join colleagues in the Southern California biotech industry at this international meeting.

A feature of this year's Summit is the integration of the CONNECT Corporate Partnering Forum — a meeting expected to attract over 1500 CEOs and financiers from centres of commercial biotechnology in California, Canada, Germany, Australia and Israel. Panel discussions, venture

capital forums and private sessions offer an unparalleled opportunity to meet individuals who influence the development of biotechnology, potential business partners and financiers from around the world.

Apply on-line to present at the Partnering Forum or to register your executives as delegates at one of the most exciting biotech meetings in North America: www.calbiosummit.org

For further information, contact Brantley Haigh, Business Development

Officer, the Canadian Consulate General in Los Angeles, tel.: (213) 346-2761, e-mail: brantley.haigh@dfait-maeci.gc.ca ✪

New on the Web

Electronics Study 2000

A new market report on the U.S. electronics manufacturing industry is now available on the Department of Foreign Affairs and International Trade Web site. Produced by the Canadian Consulate General in Atlanta, this study provides a detailed list of potential leads and interested U.S. clients in the south-eastern United States.

Over 40 percent of the companies interviewed expressed interest in receiving information from Canadian vendors, reflecting a robust demand in this industry, which is expected to continue over the next few years. The study recommends the use of independent, local agents as the most cost-effective, time-efficient method for Canadian small and medium-sized enterprises wishing to take advantage of these favourable market conditions.

The report can be found at www.infoexport.gc.ca under "Market Reports: Information and Communications Technologies Sector." ✪

San Diego defence mission

SAN DIEGO — January 23-25, 2001 — The Canadian Consulate General in Los Angeles is organizing a defence trade mission which will include a Canada Day at the Space and Naval Warfare Systems Command (SPAWAR), visits to the Armed Forces Communications and Electronics Association Annual Trade Show and Conference (AFCEA West 2001), and a networking reception. Qualified vendors will be able to participate in a one-day exposition at the SPAWAR Systems Center demonstrating products and services to Program Managers and their tech-

nical staff. AFCEA West, the largest military trade show in the western United States, provides the opportunity to meet face to face with Department of Defense personnel and the prime contracting community. The reception offers an informal venue to meet and discuss areas of mutual interest with U.S. counterparts.

For more information and to participate, contact Jeffrey Gray, Business Development Officer, Canadian Consulate General, Los Angeles, tel.: (213) 346-2752, fax: (213) 346-2767, e-mail: jeffrey.gray@dfait-maeci.gc.ca ✪

Check the Business Section of the Canada-U.S. Relations Home Page at www.dfait-maeci.gc.ca/geo/usa/business-e.asp ... for valuable information on doing business in and with the United States.

When it comes to cold-weather gear, Canadian manufacturers definitely have a competitive edge, and a company from Winnipeg perhaps has more know-how than most.

That's clearly the case with Raber Glove Manufacturing Co. Ltd., whose

Handed on by word of mouth

Glove sales

combined craftsmanship and cold-weather expertise have earned the company contracts with the Department of National Defence (DND) for almost 60 years. Business is expanding to other militaries. For the past decade, Raber has also been keeping German military personnel warm with its woolen boot liners. Company President Israel (Sunny) Raber credits word-of-mouth recommendations — and the assistance of the Canadian Commercial Corporation (CCC) — for the increased business.

Raber Gloves was founded in 1941 by Abraham (Harry) Raber, who emigrated from Russia (now Ukraine) in 1925. When he founded Raber Glove Manufacturing Co., Harry Raber was joined by his son Israel, who in 1985 was joined by his son, Howard, currently Vice-President in Charge of Sales. The small, family business



Canadian Commercial Corporation

manufactures a full range of leather gloves and mitts for work, dress, and casual wear, as well as special cold-weather wear. The Arctic double-wool boot liners are made to DND specifications, and are worn in conjunction with mukluks provided by another Canadian company, Quebec-based Acton International Inc.

This spring, the company shipped its latest order — a \$100,000 contract for 3,000 pairs of boot liners — to the German Ministry of Defence through CCC, which acts as prime contractor for the export sale.

CCC Project Manager Suzanne Gougeon points out that the German contract, which is for both mukluks and liners, is a good example of how CCC can bring two Canadian companies together. "Both companies benefit from the business opportunities that come their way through such co-operation," says Gougeon, "and CCC is pleased to be the catalyst."

The Rabers appreciate CCC's role. "CCC has always given us good assistance and advice when we've had questions," says Howard Raber. "And we always receive payment on time. Doing business with them is a smooth process and a good partnership."

While CCC has facilitated sales of Raber's boot liners, word about the company's motorcycle gloves has been spread through quite another route. For 30 years, Royal Canadian Mounted Police (RCMP) officers have been wearing the company's gauntlet gloves in

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For more information, contact CCC at tel.: (613) 996-0034, fax: (613) 995-2121, e-mail: info@ccc.ca Web site: www.ccc.ca

their famous Musical Ride, eliciting requests (and contracts) for motorcycle and other types of gloves from police departments all over the continent.

One of those departments was the Rhode Island State Troopers, which are featured in the new Jim Carrey movie, *Me, Myself and Irene*. With Carrey wearing Raber state trooper gloves in movie theatres across North America this year, there's no telling where the word — and company sales — will spread to next.

For more information on Raber Glove: Howard Raber, tel.: (204) 786-2469, fax: (204) 775-7846, e-mail: raber@raberglove.com Web site: www.raberglove.com

DOING BUSINESS WITH THE U.S. FEDERAL GOVERNMENT?

Find out more from the Canadian Embassy in Washington, D.C., at (www.canadianembassy.org) under "Business Opportunities": "U.S. Government Procurement."

Log onto opportunities via the General Services Administration (GSA) at (www.gsa.gov), which facilitates purchases by the U.S. government — the world's largest consumer — and the Electronic Posting System site (www.eps.gov).

When you're ready to pursue these opportunities, the Canadian Commercial Corporation (www.ccc.ca) can assist you with the interpretation of the U.S. procurement system or ensure that as a Canadian company, you are eligible to participate.

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With a combined public/private expenditure of \$23 billion, the Italian pharmaceutical market is the fifth largest in the world

Market Overview

Biotechnology Sector in Italy

and is currently growing at a rate of approximately 5 percent per year, with imports accounting for approximately 35 percent of all sales.

With only 1.1 percent of gross domestic product invested in 1999 in pharmaceutical research and development (R&D), Italy lags with Spain behind all other EU countries. While the largest pharmaceutical multinationals all have manufacturing facilities in Italy, often as the result of the acquisition of an Italian company, unsupportive national policies and the lack of R&D incentives have not helped the growth of a local manufacturing industry.

Opportunities

Over-the-counter products, which have registered a 5.1 percent increase in sales over 1998 and account at the moment for approximately 4 percent of the entire market value, are a good export opportunity for Canadian companies. With the increasing interest in alternative medicine in Italy, the demand for nutraceuticals and natural remedies is growing, in particular herbal and homeopathic remedies and weight control products. Generic products still represent a very small quota of the market, and the outlook for the next couple of years is not positive. Turnover in the health-care-related biotechnology sector amounted to \$1.4 billion in 1998, mostly from imports, as the Italian industry's capabilities are mainly confined to diagnostics and vaccines.

Trends

The largest Italian manufacturers are Menarini, Recordati, Bracco, Sigma-Tau, Chiesi, Alfa Wasserman, and Dompé.

All of these medium-sized companies are committed to globalization and, after consolidating their EU position, are beginning to formulate a strategy for the profitable North American market. As a result, small and medium-sized Italian-owned pharmaceutical manufacturers may be interested in identifying new opportunities in partnering and licensing ventures, and in contracting out R&D and clinical trials to Canadian companies of similar size.

Constraints and challenges

Pharmaceuticals must be registered with the Italian Ministry of Health. The mutual recognition procedure is the easiest way to obtain registration in the EU and involves relatively short waiting periods, averaging 150 days. Based on its provisions, drugs registered in a member state can be registered anywhere in the EU. The implementation of the Mutual Recognition Agreement for the Drugs Industry between Canada and the EU, which is currently in a transition period, may greatly facilitate registration of Canadian drugs in Italy.

More information on this subject is available on Health Canada's Web site at www.hc-sc.gc.ca/hpb-dgps/therapeut/htmleng/intagree.html and on the Web site of the Canadian Consulate General in Milan at www.canada.it/en/tra_com_ser/life_sciences/pharm-reg.html

Assobiotech, the biotechnology branch of the Italian Pharmaceutical Manufacturers Association, is interested in joint

events with the Consulate General in Milan to promote trade and investment partnering opportunities. Web pages on Assobiotech can be found at <http://italytech.com/htc/Directories/>

Farmindustria, Italy's powerful Pharmaceutical Manufacturers Association, is an excellent source of information on the Italian pharmaceutical industry. Their Web site, for the moment available only in Italian, is located at www.servizi.farmindustria.it

For more information: Canadian Consulate General, Milan, tel.: (011-39-02) 67581, fax: (011-39-02) 6758 3900, e-mail: milan-td@dfait-maeci.gc.ca Web site: www.canada.it ★

NEXOS MISSION TO CPhI WORLDWIDE 2000

MILAN, ITALY — November 7-9, 2000 — A NEXOS (New Exporters Overseas) mission of Canadian manufacturers of contract, bulk and generic pharmaceuticals, intermediates, pharmaceutical fine chemicals and ingredients, and research institutions is being organized by the Canadian Consulate General in Milan, Italy.

CPhI Worldwide, an annual international exhibition of pharmaceutical ingredients and intermediates, is the world's leading event in this sector. At last year's show in Frankfurt, Germany, there were a total of 951 exhibitors and 15,454 visitors, and this year's CPhI 2000 is expected to be even larger.

The international market for pharmaceutical ingredients totalled US\$ 27 billion in 1999, with over 70 percent of the demand concentrated in North America and Western Europe. CPhI is a unique opportunity for Canadian companies to identify manufacturing and technological partners among exhibiting companies and visitors from all over the world.

Continued on page 13 - CPhI

DIRECTION → EUROPE

Medicon Valley, the cross-border region comprised of southern Sweden and Copenhagen in Denmark, is home to over 60 percent of Scandinavia's pharmaceutical and biotechnology companies. Over the past three years, over a billion dollars has been invested in biotechnology activities, and the area now boasts more than 100 life sciences companies and the further establishment of eight to ten major new firms each year.

Medicon Valley has become a biotech mecca and comparable to Silicon Valley in terms of expertise and the dynamic R&D environment. A recent scientific output survey ranked Medicon Valley third in Europe for research and biomedicine, surpassed only by London and Paris.

More than 40,000 people in Medicon Valley work in the medical industry, generating over \$7 billion in annual exports.

More than a dozen venture capital and institutional investors in Medicon Valley focus primarily on the biotech sector, with three of these companies, HealthCap, BankInvest and Medicon Valley Capital, devoted solely to biotechnology.

Opportunities

There are opportunities for Canadian companies looking for knowledge and technology transfer, biotechnology joint ventures, research and

clinical trials, and project financing, particularly in the following areas: cancer research; genetics; allergology; molecular endocrinology and metabolism; neuro-degenerative diseases and cell signalling; physiology; and

Mission to Denmark and Sweden

Biotech opportunities

biomethods. Opportunities are also available for sales, distribution and licensing of other innovative Canadian biomedical products.

Mission to Explore New Exporting Opportunities in Medicon Valley

DENMARK AND SWEDEN — November 13-17, 2000 — Canadian biotechnology companies are invited to participate in a New Exporters Overseas (NEXOS) mission to Medicon Valley.

Through programs specially tailored for each participant, the five-day mission will promote Canadian technologies and products to Scandinavia, and will include briefing sessions, one-on-one company meetings, and a complementary BIO Scandinavia partnering forum in Copenhagen, November 15-17.

For more information about this premier partnering event, visit www.ebdgroup.com/bio2000/bio2000_2bioscandinavia.htm

[ebdgroup.com/bio2000/bio2000_2bioscandinavia.htm](http://www.ebdgroup.com/bio2000/bio2000_2bioscandinavia.htm)

For more specific information about opportunities for your company, contact Stephanie Oscarsson, Business Development Officer,

Canadian Embassy, Stockholm, tel.: (011-46-8) 453 3017, e-mail: stephanie.oscarsson@dfait-maeci.gc.ca or David Horup, Business Development Officer, Canadian Embassy, Copenhagen, tel.: (011-45-33) 48 32 58, e-mail: david.horup@dfait-maeci.gc.ca

For more information about the Swedish life sciences market: www.canadaemb.se/eng/life.htm

To register for the mission (deadline September 30), contact Emmanuel Skoulas, Trade Commissioner, European Business Development, DFAIT, tel.: (613) 995-6565, e-mail: emmanuel.skoulas@dfait-maeci.gc.ca ✪

Heartspace Associates — *Continued from page 3*

Certificate, is recognized at the University of Winnipeg and other educational institutions.

"People learn to write with confidence and clarity," says Klassen. "They develop their writing skills and other talents along the road, in areas such as personal relations and stress management."

Specialties involve all areas of corporate and personal performance, including strategic planning, leadership development, staff manage-

ment, conflict resolution, decision making and team building.

A "Cyber-School" is in the near-future agenda for Heartspace, while "Greece is on our dream list," says Klassen. But let's bet that with help from Trade Commissioners such as Hatzipanayis, Greece won't remain on the dream list for very long.

For more information: Joanne Klassen, e-mail: jklassen@pangea.ca
Web site: frontpage.pangea.ca/heartspace ✪



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 WIN
EXPORTS

Japan, with an estimated 126.6 million people and a gross domestic product of \$4.59 trillion, offers vast commercial opportunities for Canadian exporters in virtually every sector.

value that is rising at a rate higher than the general import average. The most promising subsectors are diagnostic imaging apparatus, orthopedic products, cardiovascular devices and

comprise the fastest growing segment of this market. Demand is also expected to grow rapidly for products in the less invasive arthroplasty and revision segments.

The Japanese health market



The health industry in Japan, valued at \$390 billion in 1998, offers good commercial opportunities for Canadian suppliers of medical technologies. Japan is the world's second largest market for imported medical devices, valued at \$26 billion in 1998, and is one of the most progressive nations with respect to health care services.

Medical devices

Approximately one-third of the Japanese market for medical instruments and equipment is imported, a

implantable devices.

Imports of magnetic resonance imaging (MRI) apparatus showed impressive growth, recording \$98.4 million by the end of March 1999. Imports of electro-diagnostic apparatus and parts reached \$95 million in the first quarter of 1999, already 36 percent of 1998's total.

The Japanese orthopedics market is projected to grow at an average annual rate of 30 percent over the next two years, attaining a value of \$1.6 billion by 2002. Hip implants

Telehealth/telemedicine

Japan's telehealth/telemedicine market is evolving as a result of the Ministry of Health and Welfare's (MHW) efforts to ensure that individuals from all regions have equal access to quality medical treatment. While the industry is still in its infancy, opportunities exist for Canadian companies to contribute to the development of this potentially lucrative market.

Of particular interest in Japan are applications for teleradiology, telepathology and telehomecare, and patient monitoring systems, and the market for these applications is expected to increase substantially once regulatory and reimbursement issues are resolved. Demand for associated products and services, including non-medical supporting technology, such as software for patient data management and health care service delivery is also expected to grow considerably as the aging population places additional requests for service. For more information, refer to the contacts in the story below. ❖

Canadian health care mission

TOKYO, KYOTO/OSAKA, JAPAN — October 14-22, 2000 — The Canadian Embassy in Tokyo, in collaboration with the Canadian Consulate General in Osaka, the Japan Division of the Department of Foreign Affairs and International Trade (DFAIT) and Industry Canada, is organizing a **Canadian Health care Technologies Mission to Japan**. This will be a unique opportunity to promote medical products and services to the Japanese health industries market. Participation in the mission is targeted at Canadian firms involved in telemedicine, teleradiology, health informatics, medical imaging, and institution and facilities management.

The week-long program in Japan will include: the **Canadian Health care Technologies Seminar** in Tokyo and Kyoto, where Canadian companies will have the opportunity to present their products and services; the

Kansai/Canada West Business Forum (www.KansaiCanada.com) on **October 19 and 20** (coinciding with the Kyoto seminar), which will provide increased opportunities for networking with key Japanese contacts; site visits to Matsushita Electric Industrial Co., Ltd. (Panasonic) and Shimadzu Corporation in Kyoto; and company-specific programs including networking business meetings upon request.

For more information, contact David Bostwick, Japan Division, DFAIT, tel.: (613) 996-2460, fax: (613) 944-2397, e-mail: david.bostwick@dfait-maeci.gc.ca or Yasujiro Yabe, Commercial Officer, Canadian Embassy, Tokyo, tel.: (011-81-3) 5412-6260, fax: (011-81-3) 5412-6247, e-mail: yasujiro.yabe@dfait-maeci.gc.ca

Visit www.dfait-maeci.gc.ca/ni-ka for information on the Japanese health care market. ❖

Japanese IT mission

VANCOUVER, OTTAWA, TORONTO — October 1-7, 2000 — To promote business activity between Canada and Japan, the Japan External Trade Organization (JETRO) is organizing a **Japanese information technology (IT) mission to Canada**. Between 30 and 40 Japanese IT companies will be meeting with Canadian firms, attending seminars and visiting company and research facility sites.

The mission kicks off in Vancouver (October 2) before heading east to Ottawa (October 4) and Toronto (October 5).

For more information, contact Tyson Garbe, tel.: (416) 861-0000, ext. 227, e-mail: garbet@jetro.go.jp ❖

Information and communications technology (ICT) has been designated as a key sector in the upcoming November Team Canada trade mission to China, and will be the subject of trade seminars in the Chinese and Hong Kong markets.

The Canadian government and the international business community intend to focus on further penetrating this massive market, expanding existing ventures and intensifying investment in the ICT sector in China.

Opportunities abound

- China is one of the most important and fastest growing ICT markets in the world — currently worth US\$48 billion and growing at a compound rate of 30 percent annually over the last seven years. At this rate, it will reach US\$174 billion by 2004. In the last seven years, China's share of the world ICT market has increased more than any other in the world except for Brazil.
- With over 40 million mobile phone subscribers and an estimated 17 percent growth rate, China will soon become the second largest cellular phone market in the world.
- There are currently over 10 million Internet users in China, and this number is expected to quadruple annually. By 2005, it is estimated that there will be more Internet users in China than in any other country in the world.

With China's prospective entry into the World Trade Organization (WTO), and as the burgeoning ICT market (especially telecommunications) finally opens to foreign players, the opportunities available to Canadian ICT companies are tremendous in virtually all areas of this sector.

However, it is important for Canadian ICT companies to establish a strong presence and gain a competitive advantage in this highly competitive ICT market. The upcoming Team Canada trade mission to China will provide opportunities for Canadian companies to do just that.

Team Canada

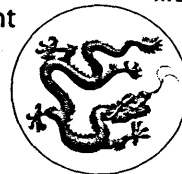
Seminars will be held in the three cities visited by Team Canada: Beijing, Shanghai and Hong Kong. The seminars will concentrate on the various priority sectors for the Chinese market.

Information and communications technology

China: Huge market

Examples include the following program on the ICT sector in Hong Kong:

- "Hong Kong: The Information Technology Capital of Asia" will focus on the opportunities for partnering with Hong Kong information technology (IT) companies, particularly investment partners;
- "Hong Kong Telecommunications Market", primarily in the mobile sector, is for advanced Canadian technology and services; and
- "Education Products and Services" will focus on IT in learning and training.



Regional focus

All our diplomatic missions in China are extremely active in promoting the information and communications sectors. Here are some recent updates on the various regions.

BEIJING

In June, Canada was promoted as a world leader in e-commerce solutions at the Canada-China E-Commerce Symposium during the China Internet Conference and Exhibition (Chinalnet) 2000. On this occasion, Secretary of State (Asia-Pacific) Raymond Chan, met with Minister of Information and Industry (MI) Wu Jichuan, to discuss bilateral co-operation in the area of e-commerce.

The accompanying officials and 17 companies from Canada participated in a series of high-level activi-

ties, including a policy roundtable opened by MII Vice-Minister Zhang Chunjiang, and a technical seminar. Canadian companies also exhibited their leading-edge solutions at the Canadian Pavilion.

SHANGHAI

The Yangzi Delta, with 200 million people and the highest spending power in China, is an IT market all on its own. It is a vibrant commercially driven market that has seen many firsts in China, including the first credit card verification system for e-commerce, the first international telephony service system, the first wireless application protocol (WAP)-ready global system mobile communications (GSM) system (China's largest GSM system) and China's first Cable Internet services provider (ISP).

Realizing the burgeoning potential, Canada was recently represented at EXPO COMM 2000 (a leading IT trade fair) and CIAPR 2000 (a high level forum on City Informatization in the Asia-Pacific Region). More than 25 Canadian ICT companies and city delegates participated in the forum and in the Canadian Pavilion.

HONG KONG

Canada is a well respected and established participant in the Hong Kong ICT market. Hong Kong imported about \$250 million worth of hi-tech products from Canada last year, mainly telecommunications switches, network equipment, and software products. Over 25 Canadian hi-tech firms have regional offices in Hong Kong.

As a result of the March 16-19 HKII2000 trade mission of 25 Canadian companies, led by Industry Canada Deputy Minister Kevin Lynch, many Hong Kong firms expressed interest in

Continued on page 12 - China

partnering with Canadian companies. They are interested in e-commerce enabling technologies (B2B and B2C), broadband Internet access (asynchronous digital subscriber line (ADSL) and cable modems), wireless (WAP, third generation mobile and local multipoint distribution system (LMDS)), and satellite communications equipment and services.

Hong Kong bodes well for information technology firms because it offers an excellent source of capital, as well as being a perfect entry point to Asian markets including mainland China. Canada has a well-educated and IT-talented work force, many with close personal links to Hong Kong. Hong Kong needs talented solutions. Canada needs capital and markets for its talents. The fit seems natural. So natural, in fact, that four investment deals worth \$25 million were signed during the week of HKII2000.

GUANZHOU

In 1999, the ICT sector maintained an annual growth rate of 30 percent with a total output of RMB 170 billion, becoming the largest sector and prominent driving force to sustain-

China offers one of the fastest growing markets in the world — *Continued from page 11*

able economic development in Guangdong Province.

The number of fixed-line telephone subscribers surpassed 10 million (11 percent of the national figure). The number of cellular subscribers in Guangdong exceeds 5 million (about 17 percent of the total in China). Meanwhile, more than 8 million people (10 percent of the nation), are using cable TVs in the province. Guangdong ranked second in terms of Internet subscriber population (1.15 million).

CHONGQING

Western China Development is a recent Chinese government initiative, which is designed to address the regional development disparities between fast-growing coastal cities and underdeveloped inland provinces in China. Growing attention is being paid to the critical role IT plays in driving economic expansion.

As a result, Information Technology Departments were recently created

within the Sichuan provincial government and Chongqing municipal government, each with a full mandate to promote IT development in their respective jurisdictions. Although primary IT responsibilities have been transferred from the Science and Technology Commissions to the newly created Information Technology Commissions, the former will continue to play an important role in Sichuan's and Chongqing's IT decision-making process.

For more information on Team Canada and the various focus sectors and seminars, contact the Team Canada Division, DFAIT, tel.: (613) 995-2194, fax: (613) 996-3406, Web site: www.tcm-mec.gc.ca

For information on the ICT sector in China: Marcel Belec, China and Mongolia Division, DFAIT, tel.: (613) 995-6962, e-mail: marcel.belec@dfait-maeci.gc.ca Web site: www.dfait-maeci.gc.ca/china ★

Canada Export Awards 2000 — *Continued from page 1*

"With exports playing an increasingly significant role in the Canadian economy, it is important to recognize the businesses that are leading the way in international trade," said the Minister. "These companies, and others like them, are bringing their success in the global market back home to regions and communities across Canada, and strengthening local economies with new jobs and business opportunities."

Since 1983, the Canada Export Awards have recognized more than 200 companies for successfully expanding their businesses beyond Canada's borders. Today, more than 43 percent of Canada's gross domestic product can be attributed to trade, with technology and knowledge-based companies playing a key role. "The finalists represent the new face

of trade in Canada," said Minister Pettigrew. "They are part of the new economy, offering products and services that reflect true innovation."

Together, the finalist companies generated more than \$903 million in exports and sustained 6,149 jobs in 1999. Fifty-two percent of the finalist companies are succeeding in knowledge-based industries — from telecommunications and software, to education and health care. Manufacturers, including defence, construction, furniture and clothing companies, make up 32 percent of the finalists. Sixteen percent of them are resource-based companies, specializing in everything from hardwood products and processing, to aquaculture products for fine dining establishments.

With \$412 billion in exports of goods and services in 1999, Canada is one of the world's leading trading nations and the most export-oriented of the G-7 industrialized economies. In fact, one in three jobs in Canada can be tied to trade. This remarkable achievement is due, in part, to the more than 3,500 businesses that have competed for a Canada Export Award. Finalists are judged according to several criteria, including their ability to compete globally, their spirit of innovation, their appetite for risk and their commitment to excellence.

The finalists for the 2000 Canada Export Awards

NOVA SCOTIA

• Survival Systems Limited, Dartmouth

NEW BRUNSWICK

• Groupe Savoie Inc., Saint-Quentin

• Spielo Gaming International, Dieppe

Continued on page 16 — Canada Export

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown Corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

MOROCCO — 60 KV Electrical Equipment for a Power Plant — Notice received from the Canadian Embassy in Morocco: Office National de l'Électricité bidding process No. SP 40 068 supply and installation of electrical equipment and of the 60 KV station at the Ait Messaoud hydroelectric plant (linked to the dam bearing the same name) in the province of Béni Mellal. The plant will have two turbines-alternators (total power 6.4MW), using a tap speed of 40 m³ under a nominal 18 m fall. The project is financed by the Arab Fund for Economic and Social Development (AFESD) and the Kuwait Fund For Arab Economic Development (KFAED). Closing date: **October 24, 2000**. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000714-02796. For details: www.iboc.gc.ca/webleads.asp?id=721en

GREECE — Motor Vehicles — Notice received from the Canadian Consulate

International Business Opportunities Centre

in Nicosia, Cyprus: Tender for the supply of new motor vehicles for the Cyprus Telecommunications Authority's fleet. Categories requested: medium Saloon Estate, medium Saloon Sedan/Hatchback, small van, medium van, Bonnet type combi van, Bonnet type panel van, Special Bonnet type fiber optic W/P, diesel 4WD station wagon, gas 4WD station wagon, 4WD double cabin pick up truck, single cabin pick up truck, short W/B single cabin cargo truck (tipper and crane). Specifications: right hand drive; four stroke gas or diesel engine; power steering; servo assisted, split type brakes; manual synchromesh gearbox; driver side airbag; impact bars on front doors; air conditioning. Closing date: **October 6, 2000**. Cost of documents: \$2,434 - 29,215. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000713-02763. For details: www.cytanet.com.cy/cyta/tenders and

www.iboc.gc.ca/webleads.asp?id=666en

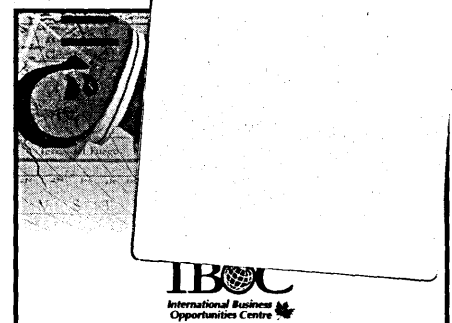
INDIA — Rail/Road Vehicle/Trailer — Notice received from the Office of the High Commission in Chandigarh, India: Tender for the supply of a rail-road vehicle for the rail coach factory (Chandigarh). It should be capable of trailing 600 ton loads on rails. Closing date: **October 31, 2000**. Cost of documents: US\$2000. Contact Carol Ann Guzzo, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000724-02946. For details: www.iboc.gc.ca/webleads.asp?id=771en

IBOC trade opportunities — find out more at www.iboc.gc.ca *

CPhI Worldwide 2000 — Continued from page 8

The mission will feature a briefing session at the Canadian Consulate General, two-day participation in CPhI, matchmaking activities organized by the Italian Pharmaceutical Ingredients Manufacturers Association (ASCHIMFARMA), and on-site assistance for matchmaking and logistics. For more information on CPhI,

visit the Web site at: www.cphi.com
For more information on the NEXOS mission, contact Canadian Consulate General, Milan, tel.: (011-39-02) 67581, fax: (011-39-02) 6758 3900, e-mail: milan-td@dfait-maeci.gc.ca
Deadline for registration is **September 22.** *



International Business Opportunities Centre

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®).

Last call for ministerial trade missions!

As announced in the July 4, 2000, issue of *CanadExport*, International Trade Minister Pierre Pettigrew will lead later this month a trade mission to Hungary, Slovakia, Czech Republic, and Slovenia, September 11-15. Canadian companies, in particular, small and medium-sized enterprises, interested in expanding their business in Central Europe or in exploring the possibilities of this promising market, are invited to participate in this mission.

For more information, contact the Team Canada Division, DFAIT, tel.: (613) 995- 2194, fax: (613) 996-3406, or visit www.tcm-mec.gc.ca

As announced in the same issue of *CanadExport*, Minister Pettigrew will also lead a multisectoral trade mission to Morocco, Algeria and Spain, October 10-21. Portugal is now included in the list of countries to be visited.

The two missions are sponsored by the Bank of Montreal, Canada Post and Export Development Corporation.

Both Algeria — Canada's main trading partner in Africa — and Morocco are undergoing unprecedented political and economic

changes. Firmly committed to a market economy and globalization of trade, both countries offer attractive prospects for Canadian companies in sectors as diverse as agri-food, oil and gas, mining, telecommunications, the environment, training and health care.

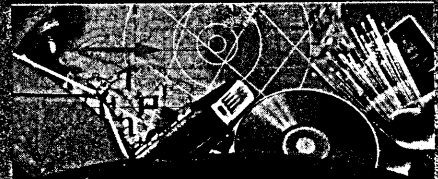
Anchored within the European Union, yet part of the Mediterranean, with a thriving economy, Spain as well offers excellent opportunities for Canadian companies, particularly in the information technology, environment, transportation and construction sectors. Portugal is also a very promising market with new opportunities, particularly in the environment, telecommunications, construction, natural gas and defence sectors.

Trade flows, excluding services between Canada and the four countries, totalled nearly \$3.25 billion in 1999.

For more information, contact the Team Canada Division, DFAIT, tel.: (613) 995- 2194, fax: (613) 996-3406, or visit www.tcm-mec.gc.ca

DFAIT will, when contacted, send an invitation package with more information and all the registration forms. Act quickly because space is limited. ★

Softworld 2000



THE CANADIAN
TRADE COMMISSIONER
SERVICE

HALIFAX — October 15 to 18 — Officers of the Canadian Trade Commissioner Service abroad will attend **Softworld 2000**, Canada's business development forum for high-tech companies. These officers can help participating Canadian companies discover business opportunities in many markets abroad.

To set up a meeting, contact us at softworld@dfait-maeci.gc.ca

www.infoexport.gc.ca

IT opportunities in the heart of Mexico

MONTERREY, MEXICO — October 24-26, 2000 — Canadian companies should consider participating in **Expo Comm Mexico NORTE/ine-B Mexico 2000**, the largest and most dynamic regional telecommunications and information technology (IT) exhibition and conference in northern Mexico.

These two combined events provide an ideal venue to augment sales, increase brand awareness and locate local representatives and distributors for telecommunications, networking and e-business solutions. Participants will have the opportunity to meet with more than 8,000 decision makers from the information and communi-

cations technology (ICT) sector in this fast-growing and prosperous region.

ine-B, one of the world's fastest growing e-commerce solutions exhibition and conference, has been added to the NORTE 2000 program. In this special feature area of the event, different Web technologies will be showcased and leading e-commerce companies will be presenting conferences and educational workshops.

Monterrey is the headquarters of approximately 50 percent of Mexico's industry and banking assets and mega-corporations (or Grupos), such as Alfa, AXA, Cemex, Cydsa, FEMSA, IMSA, Maseca, Proeza and Vitro. These

Grupos, along with the more than 20,000 other companies within the city of Monterrey and thousands of corporations and maquiladora plants throughout the state of Nuevo Leon, are investing heavily in ICT systems in order to maintain competitiveness with neighbouring U.S. companies and with companies around the world.

The Canadian Consulate General in Monterrey will host an information booth to assist Canadian companies with exhibiting or setting up appointments.

For more information or how to participate, contact David A. Valle, Commercial Officer, Canadian Consulate, Monterrey, tel: (011-52-8) 344-3200, fax: (011-52-8) 344-3048, e-mail: valled@canada.org.mx ★

Expo Canada 2000 in the Dominican Republic: opening new business horizons

SANTO DOMINGO, DOMINICAN REPUBLIC — November 8-11, 2000 — Organized by the Dominican-Canadian Chamber of Commerce of the Dominican Republic, **Expo Canada 2000** is a unique opportunity to develop and consolidate Canadian business relations with Dominican customers and to showcase Canadian capabilities. The Commercial Section of the Canadian Embassy is actively supporting this solo Canadian trade show. Organizers will also invite key government and private-sector decision makers and buyers.

The Dominican economy is one of the fastest growing in the world. Gross domestic product increased by 36 percent over the last four years (8.3 percent in 1999 and 11.5 percent in the first quarter of 2000). The country possesses a highly diversified economy based on communications, tourism, construction, light industry and agribusiness. Annual imports reached US\$8.5 billion in 1999, making the Dominican Republic one of the largest import markets in the Caribbean.

Canada is the third largest foreign investor in the Dominican Republic, with \$750 million invested, mainly in telecommunications, mining and banking, as well as in the food and beverage, pharmaceutical and industrial sectors. The Dominican Republic is the third largest destination for Canadian tourists, with 200,000 Canadians expected to visit this year.

Opportunities abound in telecommunications and information technology, energy, transportation, machinery and equipment, construction materials, food and consumer goods.

For more information and to register for **Expo Canada 2000**, contact Porfirio Valdez at Peña Valdez & Asociados, tel.: (809) 567-1565, fax: (809) 549-5883, e-mail: pvaldez@codetel.net.do

For information on business opportunities in the Dominican Republic, contact the Commercial Section of the Canadian Embassy, tel.: (809) 685-1136, fax: (809) 682-2691, e-mail: sdmgo@dfait-maeci.gc.ca ✪

Get Wired to EIME 2000!

BUENOS AIRES, ARGENTINA — November 27-30, 2000 — **EIME 2000**, Argentina's International Electricity Trade Show and Conference is dedicated to the electrical power market and is sponsored by the national associations of electricity generation and transportation, as well as by distribution companies.

Argentina's electricity sector is mostly operated by private consortiums under long-term concession contracts. Important development programs are being implemented to improve the service and expand supply in the domestic market and to neighbouring countries. These programs offer attractive business

opportunities to Canadian companies.

The Canadian Embassy has booked space for a Canadian Pavilion at **EIME 2000**. Companies interested in participating or in providing information material for distribution at the show, should contact Stuart Fee, Acting Secretary to Trade Team Canada, Electric Power Equipment and Services, tel.: (613) 954-5446, fax: (613) 941-2463, e-mail: fee.stuart@ic.gc.ca or Bill Perkins, Commercial Officer, Canadian Embassy, Buenos Aires, tel.: (011-54-11) 4805-3032 ext. 3359, fax: (011-54-11) 4806-1209, e-mail: bairs-commerce@dfait-maeci.gc.ca ✪

SUMMIT FOR CANADIAN EDUCATION INDUSTRY

TORONTO — October 11, 2000 — This fourth **Canadian Education Industry Summit (CEIS 2000)** puts emphasis on the continued rapid growth of the education industry, in which revenues reached US\$98.5 billion in 1999 according to Eduventures, a U.S. education market research company.

Investors and operators at the one-day event will examine the trends in the education industry and provide specific market niches and opportunities for the year 2000 and beyond.

"Canada has a unique opportunity to be a global exporter in the e-education field," explains Charles Ivey, CEIS Chairman. "Our country benefits from its international reputation in providing quality education, a world-class telecommunications infrastructure and access to a wide supply of web-enabled content and pedagogy from its many educational institutions."

Technology-driven business innovations have prompted John Chambers, CEO, Cisco Systems, to proclaim that the "next big killer application for the Internet is going to be education. Education over the Internet is going to be so big it is going to make e-mail look like a rounding error."

Sponsored by the National Post, Air Canada, HSBC Securities, KPMG, Yorkton Securities and Canaccord Capital, **CEIS 2000** is expected to be another sold-out event attracting over 300 delegates from across Canada and the United States.

For more information, contact Sarah Blair, National Post Event Manager, tel.: (416) 386-2659, fax: (416) 386-2697. ✪

Canada Export Awards 2000 — Continued from page 12

QUEBEC

- DUO VAC INC., Laval
- Éditions L'artichaut, Rimouski
- GEBO Industries (Canada) Inc., Laval
- Gildan Activewear Inc., Ville Saint-Laurent
- GROUPE ADF INC., Terrebonne
- Les Entreprises David Lauzon Ltée, Papineauville
- Thorburn Équipement Inc., Pointe-Claire

- TMH Aircraft Maintenance Tools & Equipment Inc., Boisbriand
- TRans Herbe Inc., Longueuil

ONTARIO

- ADWEL International Ltd., Scarborough
- Innova Technologies Corporation, Toronto
- International Datacasting, Ottawa
- Kindred Industries, Midland
- Med-Eng Systems Inc., Ottawa
- MINE Radio Systems Inc., Stouffville

• Nienkamper Furniture & Accessories Inc., Scarborough

• Wescam Inc., Flamborough

ALBERTA

- BW Technologies Ltd., Calgary
- Neles Automation, Calgary
- SMART Technologies Inc., Calgary

BRITISH COLUMBIA

- Pearl Seaproducts Inc., Sechelt
- Silent Witness Enterprises, Surrey

For more information on the Canada Export Awards, visit www.infoexport.gc.ca/awards ✪

Women in trade

The Groupe Conseil Femmes-Expertise and the Chambre des femmes d'affaires et professionnelles au développement are organizing an international forum on Women, Business Opportunities and Trade in Developing Countries, September 21-23, 2000, in Hull and at the Ottawa Congress Centre.

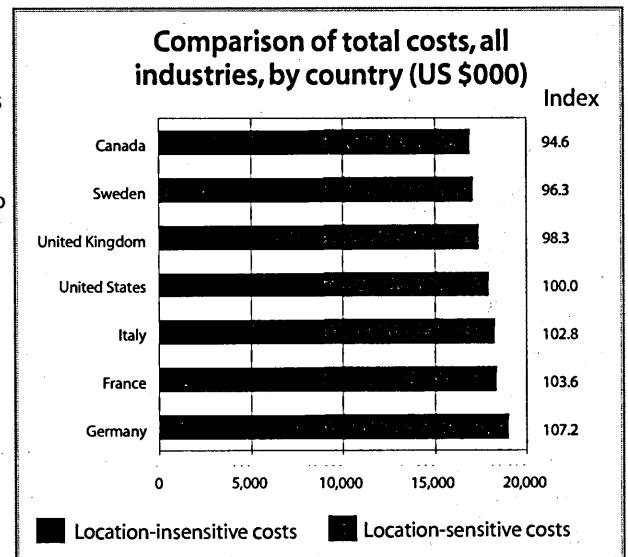
Organized as part of the Millennium Awards program, this forum represents a unique opportunity to meet women entrepreneurs from Africa, Southeast Asia, Latin America, the Caribbean and Canada.

For further information or to register, tel.: (613) 590-7422 (toll free: 1-877-650-5191), fax: (613) 590-7423, e-mail: femmes-expertise@sympatico.ca

For more details see the June 15, 2000 issue of *CanadExport*, page 11. ✪

CANADIAN AFTER TAX BUSINESS COSTS LOWER THAN THE U.S.?

- Surprising results
- World's largest after-tax study of G7 business costs by KPMG confirms that all Canadian cities are cheaper than small-town Alabama to run a 100-person business.
- 64 cities and 18 industries were compared
- 10,000 data points collected
- Average Canadian costs 7.8 percent lower than U.S. sites, after tax
- Read the full report or summary:



— <http://www.kpmg.ca/english/services/consulting/competitivealternatives/>

— (full report) <http://www.finances.gouv.qc.ca/anglais/documents/autres-doc/pdf/12%20Manufacturing%20Ang.pdf>

For assistance in winning a World Product mandate, call Investment Partnerships Canada, Ottawa, tel.: (613) 941-0354, fax: (613) 941-3796 or visit <http://www.investincanada.ic.gc.ca/> ✪

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling **1-800-267-8376** (Ottawa region:

944-4000) or by fax at **(613) 996-9709**; by calling the Enquiries Service FaxLink (from a fax machine) at **(613) 944-4500**; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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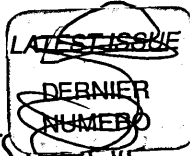
WHAT'S HOT IN THE
CARIBBEAN?
(See supplement inside.)

Canada



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Dept. of External Affairs
Min. des Affaires extérieures
OTTAWA

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More than meets the eye

Portugal shines

Often forgotten behind its larger, glamorous neighbours of the European Union, Portugal is an exciting market offering excellent opportunities for companies that are willing to look deeper into the European market. Portugal is a modest, open economy and a full member of the European Union. The country enjoys economic and exchange rate stability, as well as growing credibility in international markets.

Statistics Canada reports that in 1999 Canada's exports to Portugal were about \$115 million and imports were about \$201 million. However, statistics belie the true value of the trade in goods and services between Canada and Portugal because many products are transhipped through other countries, and their values are therefore not counted in official trade statistics; furthermore, the trade in services is not recorded at all.



Canada
Trade
Mission

Mission
commerciale
du Canada

Canada's main exports to Portugal are seeds, grains, machinery, mechanical instruments, boilers, charcoal, lumber, mineral ore and ash, and pulp and paper. Trade and investment between the two countries is, however, increasingly focused on the value-added, high-tech sectors. Traditional Canadian exports have given way to the leading-edge technology found in the telecommunications equipment and service areas, and information technology (IT) consulting services.

With the recently deregulated Portuguese telecom industry estimated to be worth \$6.4 billion annually, with estimates of \$8.3 billion by 2005, it is no wonder Canadian companies are taking greater notice. In IT, the hardware market is estimated to be worth about \$1.5 billion and software \$2.8 billion. The investment in both directions is taking on new

Continued on page 2 — Portugal

Algeria and Morocco opportunities

The oil and gas sector in the Maghreb

More than ever, the oil and gas sector in the Maghreb is showing signs of a very promising future.

While the signature in June 2000 of a major contract by First Calgary Petroleum confirmed the vast potential of the Algerian market, the King of Morocco announced on August 20 the discovery of major oil and gas deposits in the eastern part of the Kingdom, an area believed until now to have few reserves.

Opportunities in Algeria

Following negotiations that lasted three years and meetings during Algerian President Bouteflika's visit to Canada in May and the World Petroleum Congress in Calgary in June, Algeria's national oil and gas corporation, SONATRACH, and First Calgary Petroleum signed a contract on June 25 in Algiers to explore and develop Block 406a of the Rhourde Yacoub site in the Berkine basin.

Continued on page 2 — Maghreb

Portugal — *Continued from page 1*

dimensions as factories producing fairly basic products, such as particle-board or plastics, are using the most modern technology to maximize efficiency. Increasingly, Canada and Portugal are undertaking joint ventures in third markets.

Business opportunities

There are excellent business prospects in other sectors that could be of interest to Canadian companies. In natural gas, for example, the level of investment to expand the infrastructure throughout the country and make conversions is some \$180 million per year over four or five years. In the environmental sector, significant opportunities exist for the treat-

ment of waste water and urban and industrial solid waste. \$11 billion will be spent on water sanitation and waste treatment by 2006; by 2002, Portugal expects to have spent \$8 billion of this amount for basic sanitation to meet European standards.

There are numerous transportation projects at various stages of development worth about \$2.9 billion. In the booming construction sector, there is a growing interest in wood frame construction, but this requires more education as it is a new concept in a country where concrete has been king for years.

Upcoming trade mission

Companies interested in doing business in Portugal or in exploring the

opportunities of the growing Portuguese market may be interested in participating in next month's trade mission to Portugal. The mission, led by International Trade Minister Pierre Pettigrew, will stop in Lisbon on October 20 (other countries to be visited are Morocco, Algeria and Spain).

For more information on the trade mission, contact the Team Canada Division, DFAIT, tel.: (613) 995-2194, fax: (613) 996-3406 or check the Team Canada Web site at www.tcm-mec.gc.ca. For information on the Portuguese market, contact Andrée Bazinet, tel.: (613) 996-4427, fax: (613) 995-5772. ★

Maghreb — *Continued from page 1*

The contract, involving a joint venture, covers an area 970 km² in size. Some 3 billion barrels of oil have already been discovered within a 25 km radius around Block 406a. The agreement will extend over five years, including an initial three-year period during which 2D and 3D seismic data will be gathered and two exploration wells drilled. The total investment is estimated at US\$31 million, including \$18 million for the first three years.

Open to foreign operators for more than 10 years now, the Algerian market, with its largely underdeveloped potential and vast known reserves, presents excellent opportunities for Canadian firms whose quality products and expertise are recognized and in great demand.

Opportunities in Morocco

With largely unexplored territory and few known reserves, Morocco remains very dependent on the outside world to meet its energy needs. In an effort to decrease this dependence and strengthen the sector nationally, the Moroccan government adopted, just a few months ago, a new legislative

framework that is particularly favourable to foreign operators. This framework provides for generous tax breaks and a limitation on the government's role, among other things.

The announcement of the discovery of new deposits, along with the renewed interest in the sector, foreshadows major upheavals on the energy market in Morocco in the months and years to come. Canadian firms, some of which are already present in Morocco, are urged to position themselves quickly in order to take full advantage of the changes that are under way.

Information

Firms interested in discovering the rich Algerian and Moroccan markets or in strengthening their position are invited to join the multi-sectoral trade mission to the Maghreb and the Iberian peninsula from October 10

to 21, 2000. For further information on this mission, which is to be led by Minister for International Trade Pierre Pettigrew, contact the Department of Foreign Affairs and International Trade at (613) 944-2512 (for Quebec and the Atlantic provinces) or (613) 995-2194 (for the other provinces). ★

The deadline for registering for Minister Pettigrew's mission, which will travel to Morocco, Algeria, Spain and Portugal, has been extended to October 1, 2000.

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canadexport

Ezeflow (Granby, Quebec) is a seasoned and veteran exporter. Founded in 1972, it has been exporting its products to the very demanding American market since 1982, and is now conquering Europe and South America. Exports today account for nearly 70 percent of its annual sales of \$15 million.

so on. The 'publicity' also extends to Canada via the media and the Canadian participants. So we got a lot of visibility, not to mention the opportunities for networking with foreigners and other Canadians." Latendresse is currently considering joining the Team Canada mission to China slated for November.

quent visit. However, this country too has gone through a politically difficult period, so we are being cautious there as well. Still, the mission saved us many months in terms of the time we would have needed to make contacts and understand the local situation using our own resources."

Following the mission, Ezeflow went to Indonesia, Australia and Singapore in 1999. Its sales in Australia one year later stand at US\$1 million.

Mission: Latin America 1998

Argentina, Brazil, Chile, Venezuela: countries already well known to Ezeflow. But not Mexico.

"I was very attracted to Mexico," says Latendresse. "Since the signing and coming into force of the free trade agreement, there has been great vitality and enthusiasm in Mexico for bilateral and trilateral business. Since the mission was in the area at the time I was planning to be in Mexico, I decided to join it down there. I mainly wanted to attend the meetings and presentations organized on the Team's itinerary, because these are very valuable events. You can learn a whole range of information that would otherwise be very difficult to access on your own.

"The Team Canada missions lend us a lot of prestige, a certain standing with potential clients. They allow you to find out about the market and meet with economic stakeholders. But you have to arrive well prepared on the country and the market, know why you are going there, and above all know your objectives. You can also inquire into financing possibilities. CIDA, for example, has helped us to prospect joint venture candidates in Venezuela.

"Canadian Embassy officers and trade commissioners can also offer invaluable assistance," he adds. "They are an excellent source of advice and information on consumer habits, market standards and characteristics, the local culture and consumer behaviour."

For further information, contact Jean-Maurice Latendresse, President, tel.: (450) 375-3575, fax: (450) 375-3772, Internet: www.ezeflow.com

Team Canada Missions

A fine fit for Ezeflow

Ezeflow is a manufacturer of large-diameter pipe fittings (elbows, tee and Y fittings, 180° return bends and others). Every CANDU nuclear reactor in the world contains Ezeflow parts, as do all the principal gas pipelines, petrochemical plants and pulp and paper plants in North America.

There are 10 quality-assurance employees at this ISO-9002 and CSA N285.0 (nuclear certification) company. It makes highly specialized top-of-the-line products that can withstand very high pressures for the transportation of hazardous materials.

So what was Jean-Maurice Latendresse, President of Ezeflow, doing on the Team Canada "Asia 1997" and "Latin America 1998" missions? Why would an experienced company with a worldwide reputation join a Team Canada mission?

Mission: Asia 1997

"We received a letter of invitation," recalls Latendresse. "We realized right away that it came at just the right time, because there's huge potential in Asia."

In addition, says Latendresse, the missions are great advertising vehicles. "Abroad, the profile of the participating companies circulates among associations, chambers of commerce, people at the Canadian Embassy, and



Ezeflow President Jean-Maurice Latendresse at the North-South Korea border.

Owning a very respectable share of the Canadian market, Latendresse explains what prompted him to prospect overseas: "It costs less to expand your operations into a bigger market. Asia with its demographics represents huge potential for us. And certain sectors, such as petrochemicals in Indonesia, are booming."

Ezeflow usually concentrates on specific niches in order to prevail against international competition. "Our reputation for flexibility, consistency and quality is solid for

all projects that have very short time frames and specialized requirements."

Latendresse says that making the trip with Team Canada also helps to demystify the region. "Once you get there, you realize that they are like us, intelligent and skilled. It's a pleasure to meet them and you come away totally convinced that you can do business together. You're less afraid.

"In Thailand, our participation in the Team Canada mission ended on a very positive note with the conclusion of an agreement with a local distributor. Unfortunately, as we all know, the Thai economy has deteriorated a good deal. We have therefore decided to wait for business opportunities to pick up before we move ahead.

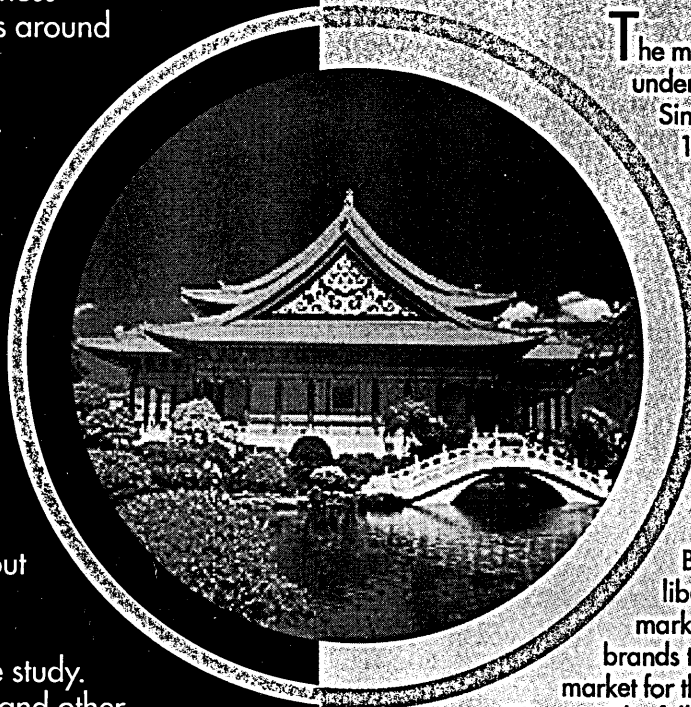
"In Indonesia, we are in major talks with the partners we met on a subse-

TAIWAN — The Bee

With a team of 500 business professionals in 134 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 one study. For the full version of this and 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.

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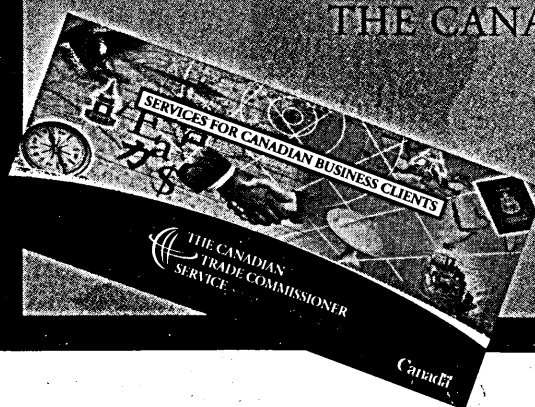


The market for beer in Taiwan is undergoing dramatic change. Since it was established in 1946 and up to 1994, the government-owned Taiwan Tobacco & Wine Monopoly Board (TTWMB) prohibited imports of alcohol. During that time, the TTWMB controlled 95% of the total beer market by volume, and all types of beer manufactured on the island during that time were sold under the Taiwan Beer label. However, partial liberalization of the alcohol market in 1994 allowed foreign brands to be sold on the Taiwan market for the first time in nearly 50 years. The following year, involvement of foreign breweries increased to 182 brands of beer from 24 countries, accounting for 14% of the market. International and domestic food and beverage manufacturers continue to become involved in the beer

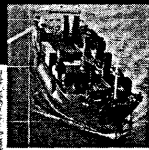
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See insert for your Agriculture, Food and Beverage Industries contacts in Asia-Pacific



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Market

import market, which promises opportunities as full liberalization of the market is completed. In 1998, imported brands accounted for 20% of the \$988.6 million beer market.

Access and Taxation Changes

The passage of the *Alcoholic Drinks & Tobacco Administration Law (ADTA Law)* on June 7, 1999 is expected to dramatically alter the composition of market share in Taiwan. The law, for the first time, allows private companies in Taiwan to engage in the production, import, and sale of tobacco and alcoholic products, and allows for a challenge to the market dominance of the TTWMB. The law will take effect when Taiwan joins the WTO, which is expected to occur by 2003. It will be implemented in stages, and private domestic enterprises will be legalized three years after WTO membership is attained.

Concurrent to the full liberalization of the market will be a change in the tariffs and taxes applied to both imported and domestic varieties of beer. A change in the tariff schedule will improve the competitive prospects for imports in response to one of the most common complaints against



imported goods, that they are too expensive. Under the ADTA Law, beer will no longer be assessed the "monopoly benefit" fee that is currently levied against imports. Instead, standard taxes such as import tariffs, business tax, and excise tax will be applied. In addition, alcoholic beverages will be taxed according to volume instead of value, allowing imported beverages to compete more fairly with domestically produced varieties on the basis of price.

Trends

A bar culture similar to Canada's is developing in Taiwan. Catering mainly to foreigner populations centred in cities, bars are becoming more popular with young Taiwanese consumers. Consumption of alcoholic beverages, including beer, is expected to increase moderately until 2003, due to increased imports, improved distribution, and innovative marketing campaigns.

Non-alcohol, low-alcohol, and light-tasting beer markets are relatively underdeveloped, but could

appeal to the more conservative Taiwanese culture of alcohol consumption. Several domestic food and beverage companies may be interested in creating joint venture projects to improve the position of imported beverages in the market, while also allowing them to gain experience in manufacturing or distribution of beer before the market is fully opened to domestic production.

See Potential?

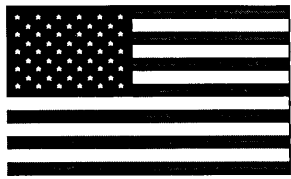
To learn more about these market opportunities, please refer to *The Beer Market in Taiwan*, which is a full report prepared by the Market Research Centre of the Trade Commissioner Service, and the Canadian Trade Office in Taiwan. The report is available on-line at www.infoexport.gc.ca

www.infoexport.gc.ca

Could this be your market?
Complete report at
www.infoexport.gc.ca

The Beer Market

➔ Access our market studies



The U.S. Connection

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Program opportunities

Joint Strike Fighter

The Joint Strike Fighter (JSF) is a \$300 billion multinational program, led by the United States and the United Kingdom, to build the next-generation fighter aircraft. The JSF is designed to replace existing fleets of F-16s, F-18s, A-10s and Harrier aircraft worldwide. Sales are predicted to top 3,000 aircraft in the U.S. and U.K. alone, with an additional export market of some 2,000 aircraft expected. The next phase of the JSF program, the US\$25.2 billion Engineering and Manufacturing

Development (E&MD) phase, is scheduled to run for 11 years starting in 2001. Two main contractors are bidding for the JSF contract: Boeing and Lockheed-Martin. Each company has assembled a team of subcontractors.

The Department of National Defence (DND) and JSF Canada are negotiating a Memorandum of Understanding (MOU) with the U.S. JSF Program Office for Canada's participation in the E&MD phase of the program.

Continued on page 14 - JSF

San Francisco Bay Area hi-tech and biotech mission to Canada

A group of senior executives from a number of leading San Francisco information technology and biotech companies will visit Ottawa and Toronto from **October 24 to 26**. The mission will be led by Forum President Sean Randolph, and is being organized in response to an invitation issued by former International Trade Minister Sergio Marchi during the highly successful Young Entrepreneurs Trade Mission to Northern California in April 1999.

Reciprocating the Canadian visit, this special business development and partnering mission is designed to identify strategic alliance and other commercial opportunities, adding to the existing links between the Bay Area and Canada. It is hoped that it will lead to a greater understanding by Bay Area companies of the leading-edge research and development being conducted in Canada, and further encourage the exciting synergies which exist between our high-tech clusters.

For more information, contact Lucy Latka, Commercial Specialist at the U.S. Embassy in Ottawa, tel.: (613) 688-5219, e-mail: lucy.latka@mail.doc.gov ✪

COMDEX 2000

Sharpen your competitive edge

LAS VEGAS — November 13-17, 2000 — The Canadian Consulate General Trade Office in Silicon Valley has arranged a special education and training program for Canadian information technology (IT) companies visiting COMDEX for the first time. This hands-on Exporters to Border States (EXTUS) program (November 16-17) is designed for companies that are already familiar with the U.S. market, but have yet to implement a full-scale U.S. marketing program.

The largest show of its kind, COMDEX is the global marketplace where

IT buyers, sellers and industry analysts go to do business and make technology decisions, and is an excellent venue for conducting market research, keeping tabs on competitors, finding distributors, and putting your finger on the pulse of the U.S. IT market.

For more information or to register, visit the Canadian Consulate General Trade Office Web site at <http://www.cdntrade.com/> and click on "What's New" or contact Jeane Weaver, Business Development Officer, tel.: (408) 289-1157, ext. 23, e-mail: jweaver@cdntrade.com ✪



Weathering the cash-flow crunch

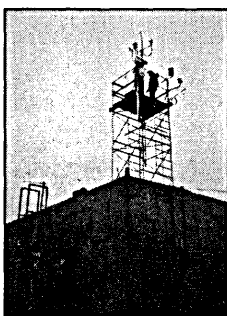


Canadian Commercial Corporation

a tough period. We were very impressed."

FTS drew on the loc three times in the early months of 2000. The financing also saw the company through the almost month-long delay in receiving payment after the last weather station reached the Mexican border in

When the Mexican Water Commission purchased 40 meteorological monitoring stations from Victoria-based Forest Technology Systems (FTS) in December 1999, the nearly \$2 million contract was a big coup for the small company. But with the first payment not being received until deliveries were made in the spring, FTS needed working capital to pay its suppliers. The company turned to the Canadian Commercial Corporation (CCC) and its Progress Payment Program (PPP).



FTS's meteorological monitoring station

This was not the company's first sale to the Mexican Water Commission (which oversees the Mexican Weather Service). In 1998, FTS provided 20 weather stations on a sub-contract to General Electric ITS Mexico (GE ITS). Both sales are part of a World Bank-financed project being undertaken by the Mexican government to improve its environmental monitoring system.

Since GE ITS was not bidding on the second requirement, put out to tender in fall 1999, FTS bid on its own.

In business since 1980, FTS is a world leader in the design, manufacture and supply of complete environmental monitoring solutions, including fire weather systems, watershed monitoring systems, weather stations, and precipitation sensors. The 32-employee company exports 65 percent of its equipment, mostly to the United States.

Under the first contract, FTS had received a 50 percent payment up front from GE. "We assumed the arrangement had been part of the contract with the Mexican government," explains CEO Kevin Bradley. "When the next bid came out, we were surprised that there was no up-front payment. It left us with a major financing issue."

Final bidding closed in November 1999. The company approached CCC in October to see if it qualified for a project line of credit under the PPP. While CCC was optimistic about the company's qualifications, project financing could not be finalized until FTS had an actual contract signed.

That happened in mid-December. Suddenly all arrangements had to be made before the end of the year. "Time was tight and CCC pushed," says Bradley. "With the help of Project Manager Emmanuel Florakas, I had CCC's commitment and a PPP line of credit [loc] for \$700,000 set up with the Royal Bank within a two-week period that included Christmas. It all came together very swiftly and over

February — something the company had anticipated. The loc was paid down upon receipt of the first instalment in mid-March.

"Everything went exactly as FTS forecast," says Florakas. "They are the perfect type of client — co-operative, easygoing. We worked well as a team, each recognizing the others' constraints. They are a company I could see CCC doing business with again."

Now that FTS's weather stations are up and running in Mexico and its reputation continues to grow, CCC may well be helping the company to weather another temporary drought.

For more information on FTS, contact CEO Kevin Bradley, tel.: (250) 478-5561; fax: (250) 478-8579; e-mail: kbradley@ftsinc.com Internet: www.ftsinc.com

DOING BUSINESS WITH THE U.S. FEDERAL GOVERNMENT?

Find out more from the Canadian Embassy in Washington, D.C. (www.canadianembassy.org) under "Business Opportunities: U.S. Government Procurement."

Log onto opportunities via the General Services Administration (www.gsa.gov), which facilitates purchases by the U.S. government — the world's largest consumer — and the Electronic Posting System site (www.eps.gov).

When you're ready to pursue these opportunities, the Canadian Commercial Corporation (www.ccc.ca) can assist you with the interpretation of the U.S. procurement system or ensure that as a Canadian company, you are eligible to participate.

CANADIAN COMMERCIAL CORPORATION SHAPING TRADE SOLUTIONS FOR CANADA'S EXPORTERS



A federal Crown corporation, the Canadian Commercial Corporation (CCC) partners with Canadian exporters to negotiate and win sales in difficult markets on favourable terms. It provides special access to U.S. defence and aerospace markets, and specializes in trade to foreign governments and international organizations.

Whether bringing buyers and sellers together, acting as a prime contractor or working with small and medium-sized companies to win sales, CCC's access to specialized markets continues to open doors for thousands of Canadian companies doing business in over 60 countries.

For more information, contact CCC at tel.: (613) 996-0034, fax: (613) 995-2121, e-mail: info@ccc.ca Web site: www.ccc.ca

The upcoming Team Canada mission to China provides businesses with the means to foster a closer and more effective working relationship with China's business community. It is a challenge that we at Northstar strongly believe needs to be met.

Banking on Team Canada

Fostering exports to China

Northstar's mission is to help Canadian exporters expand their business in the world's fastest-growing markets by providing their customers with term financing to buy Canadian products. In China, fulfilling that mission means providing term loans of \$500,000 to \$5 million to strong companies buying Canadian capital goods.

Those Canadian companies that take the time needed to enter the Chinese market are the ones that Northstar can help. These companies know that to successfully do business in China you must develop strong relationships of trust and co-operation that will produce success and profits for both parties.

So a strong and unified Team Canada, a group closely linked with politicians and business people, can build on the strengths some mem-

bers can provide all by virtue of having spent the time and effort needed to develop a solid reputation in that country.

Northstar Trade Finance Inc. has invested what is needed to make a mark on the Chinese market, and we



Scott Shepherd,
President and CEO,
Northstar

are in the business of helping other Canadian companies do the same. And with major shareholders such as the Bank of Montreal, the Royal Bank of Canada, HSBC Bank Canada, and the National Bank of Canada, and the co-operation and support

of Export Development Corporation (EDC) as its strategic partner, Northstar has the resources needed to help Canadian exporters.

It has always been a challenge to provide direct commercial export finance to end users in China. Historically EDC lines of credit have been set up with the various banks as well as through the Government of China to support small- and mid-sized transactions through allocations. However, recent economic development in China has seen an increase in the commercial strength of many of its companies, as well as a willingness by

many of Canada's trade competitors to provide direct commercial funds to Chinese borrowers from time to time. While these funds have been used strategically and are very sector-specific, the result has been that Canadian exporters have been asked for direct commercial loans in the Chinese market by their end users.

Trade Finance on a direct commercial basis is more complex in China than in most export markets. Recent banking laws introduced in China allowing for securing of assets, as well as confirmation and registration of the loans through the People's Bank of China, have allowed for some direct commercial loans in support of Canadian exports. Banking laws continue to change for the better. The Chinese have made immense inroads in providing a framework for a Uniform Commercial Code (UCC) type security system in China, which allows foreign banking institutions to operate with more certainty on pledged assets. These changes have allowed Northstar Trade Finance Inc. to enter the market and begin supporting the sales efforts of Canadian exporters of capital goods with a term financing package for the Chinese customer.

There are many excellent, well-run companies in China, which, due to their sector focus, growth and cash flow, provide interesting opportunities for Canadian exporters.

For those Canadian exporters that are prepared, Northstar can help capitalize on opportunities to build long-lasting and profitable relationships in China.

And we strongly believe Team Canada can help us do the job. ★

Looking for sponsors

Group of Seven art exhibit to tour China

For the first time, an exhibition of 75 paintings by the renowned Canadian landscape painters, the Group of Seven, will be displayed in China.

Following the highly successful presentation over the last two years

of a similar Group of Seven exhibit in Mexico, Sweden, Denmark and Norway, the National Gallery of Canada is extending the tour to four Chinese cities: Beijing, Shanghai, Guangzhou and Shenzhen, from April to September 2001.

This important exhibition, titled *Terre Sauvage: Canadian Landscape Painting and the Group of Seven*, will include major works by Tom Thomson, Lawren S. Harris, J.E.H. MacDonald, Arthur Lismer, A.Y. Jackson, Fred Varley, Frank Johnston and Franklin Carmichael.

The members of the Group of Seven remain among Canada's best

Continued on page 11 - Group of Seven

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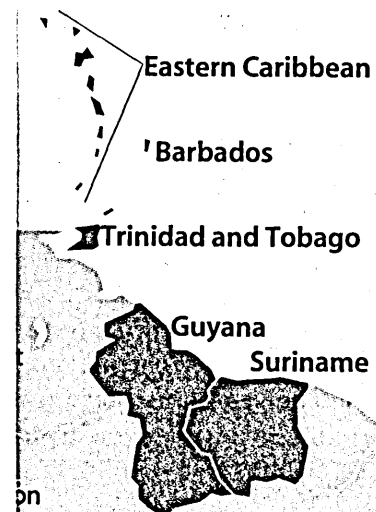
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All countries have a strong
link consultations, with Canada-
ings taking place regularly. The
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aders is scheduled to take
00 in Jamaica.

3

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Dang-anh Thu

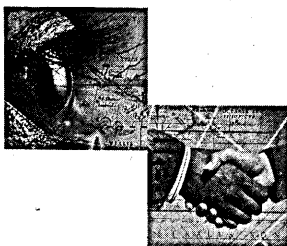
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F: (011-84-4) 823-5351

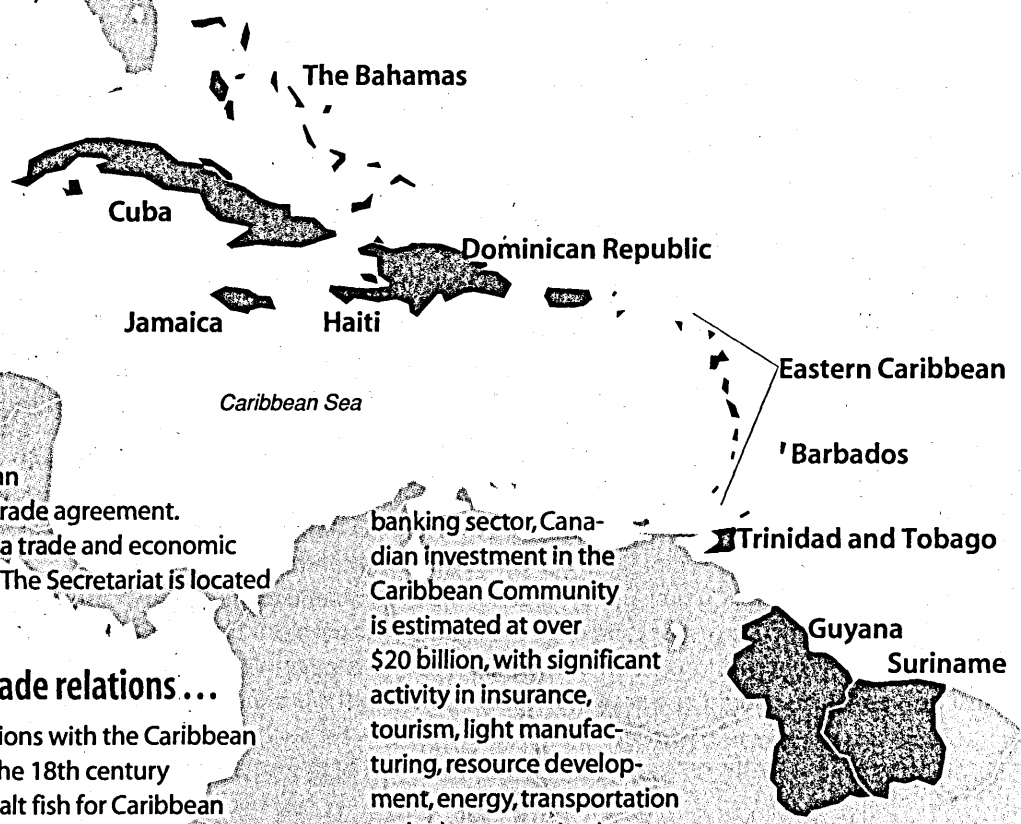


The Trade Commissioner Service helps new and experienced companies which have researched and selected their target markets.

What's Hot in the Caribbean?

The Caribbean Community/Common Market

The Caribbean Community (CARICOM) members are Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, and Suriname. These countries co-ordinate their trade and economic policies, and all but The Bahamas have adopted the Common External Tariff. Haiti is in the process of joining, and the Dominican Republic is an observer, with a free-trade agreement. CARICOM countries recently signed a trade and economic co-operation agreement with Cuba. The Secretariat is located in Georgetown, Guyana.



A history of long-standing trade relations ...

Canada's trade and investment relations with the Caribbean Community have gone far beyond the 18th century exchange of Canadian lumber and salt fish for Caribbean sugar and rum. Bilateral merchandise trade reached a record \$1.1 billion in 1999. Taken as a unit, CARICOM is now Canada's fifth largest trading partner in the hemisphere, after the USA, Mexico, Brazil and Venezuela. With English a common language, legal codes and business practices similar to Canada's and Canadian banks well-established in the region, the CARICOM market is a welcoming one for Canadians, and can be a good starting point for new exporters.

Indeed, the \$1 billion figure under-estimates the relationship, as it does not include the important and growing Canadian services exports or the significant amount of Canadian merchandise trans-shipped through Miami. Excluding the

banking sector, Canadian investment in the Caribbean Community is estimated at over \$20 billion, with significant activity in insurance, tourism, light manufacturing, resource development, energy, transportation and telecommunications.

CARICOM — continued on page 8

Canada and the CARICOM countries have a strong tradition of open and frank consultations, with Canada-CARICOM Summit meetings taking place regularly. The next such **Summit between Prime Minister Jean Chrétien and CARICOM leaders** is scheduled to take place **September 29, 2000** in Jamaica.

prepared by the Caribbean and Central America Division (LCR)

Expo Canada 2000 in Dominican Republic Opens New Business Horizons

The Dominican-Canadian Chamber of Commerce is organizing **Expo Canada 2000, Santo Domingo, November 8-11, 2000**, to develop Canadian business ties with the Dominican Republic and showcase Canadian capabilities. The Embassy's Commercial Section is actively involved and key decision makers and buyers will be invited.

The Dominican Republic's economy is expanding rapidly. **Opportunities abound** in a variety of sectors. **For further information** and to register for **Expo Canada 2000**, contact Señor Porfirio Valdez, Peña Valdez & Asociados, tel: **(1-809) 567-1565**, fax: **(1-809) 549-5883**, e-mail: **pvaldez@codetel.net.do**

Canadian Company Wins Contract

Canadian Bank Note Company Limited (CBN) of Ottawa has won a \$3-million contract to supply Jamaica with its first machine-readable passport, border control and port-of-entry inspection systems. The Jamaican Government considers this a key step in curbing passport fraud, and in line with the international trend towards universal standards.

The contract was a major breakthrough for CBN, as Jamaica had previously sole-sourced from a British supplier. Competing with American, British and German firms, CBN was selected for its competitive price and outstanding competence and efficiency.

Jamaica's Minister of National Security and Justice, the Hon. K.D. Knight, and Michael Southwell, CBN's Senior Vice President, signed the contract on August 4. Canadian High Commissioner John Robinson commended Canadian technology and expertise, and cited the contract as another example of the excellent relationship enjoyed by Canada and Jamaica. The first new passports should be issued in January 2001.

General information on **Caribbean markets** can be found on the Department of Foreign Affairs and International Trade's (DFAIT) Web site for exporters: **www.infoexport.gc.ca** under **"Latin America & Caribbean"**.

Exporters can now more easily access **Export Development Corporation's (EDC)** and **Scotiabank's** financing services. They have signed an agreement whereby buyers in Jamaica and Trinidad and Tobago can obtain financing. With the loan, the bank will provide a confirmed ILC to the exporter. Contact: **David Goldfield**, Regional Manager, Andean and Caribbean Regions, EDC, Ottawa. Tel. **(613) 598-2951**; Fax **(613) 598-2503**; E-mail: **dgoldfield@edc-see.ca**; EDC Web site: **www.edc-see.ca**

The Canadian International Development Agency's Industrial Cooperation Program can provide funds to support Canadian companies' bids to win project contracts if there is a training component, and to support their efforts to develop joint ventures or partnerships with developing country firms. For more information on this program, please check the Program Web site: **www.acdi-cida.gc.ca/inc** or contact the Industrial Cooperation Division, Canadian International Development Agency (CIDA), Tel: **(819) 953-5444**; Fax: **(819) 953-5024**; E-mail: **info@acdi-cida.gc.ca**

The Inter-American Development Bank finances many development projects in the region. Information on business opportunities can be found on its Web site: **www.iadb.org**

Caribbean Development Bank

The Caribbean Development Bank (CDB) supports its borrowing members' economic and social development, and promotes regional economic cooperation and integration. Based in Barbados, its 17 borrowing-country members are all from the English-speaking Caribbean. The contributing members are Canada, the U.K., Italy, Germany, Venezuela, Colombia, Mexico, the People's Republic of China and France. In recent years CDB projects have focussed on human resource development, environment and poverty reduction.

Canadian firms have won many CDB contracts ranging from engineering consulting to the supply of school furniture. Bidding on CDB contracts can give small and medium-sized Canadian firms useful experience which can be applied to other international development banks. As the U.S. is not a member, Canadian firms can bid on CDB projects whereas U.S. firms cannot.

The **Canadian Technical Cooperation Fund** with the Bank is also intended to provide contracts for Canadian companies. **More information** is available on the Bank's Web site: **www.cdb.org**

For more information on CDB projects and the Canadian Technical Cooperation Fund, interested companies can contact: **Ms. Charlotte Hutson**, Technical Advisor on Procurement to the Canadian Director of the Caribbean Development Bank, Canadian High Commission, Barbados. Tel: **(1-246) 429-3550**; Fax: **(1-246) 437-8474**; E-mail: **bdgtn-td@dfait-maeci.gc.ca**



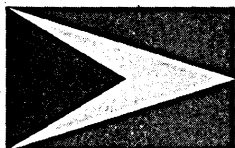
Trinidad and Tobago

Trinidad and Tobago has the most industrialized economy in the English-speaking Caribbean. In recent years, it has enjoyed steady economic growth and considerable success in attracting foreign investment. In 1999, Trinidad and Tobago's economy grew by 5.5%, up from 4.1% in 1998. The economy includes light manufacturing, agriculture, tourism and services, but the petrochemical sector predominates, accounting for 55% of exports and 30% of government revenue. This year Trinidad and Tobago may become the world's largest exporter of methanol and ammonia.

Canada's exports to Trinidad and Tobago have grown by 25% annually, from \$102 million in 1997 to \$162 million in 1999, making it Canada's second largest Caribbean market (after Cuba). At about \$1.5 billion, Canada is the second largest investor in Trinidad and Tobago after the U.S. **Potash Corporation of Saskatchewan** owns three ammonia plants and is developing a fourth. **Methanex** of Vancouver has invested in methanol production, and other Canadian companies are considering energy sector investments. **Scotiabank** is a major Canadian presence, and Canadian companies have

joint ventures with local partners for oil and gas exploration, cable television, and call centres.

Canadian companies have found a growing market for information and communications technology (ICT), and demand remains strong for more traditional Canadian exports such as food and consumer products. Prospects for growth are also promising in agri-food products and services, oil and gas equipment, education and health, and environmental products and services related to water and sewerage, forestry, and tourism.



Guyana

Guyana is one of CARICOM's most open economies and its government is committed to further economic liberalization and reform. Following strong growth of 6.2% in 1997, Guyana's economy slipped by 1.5% in 1998, but recovered in 1999 with a growth rate of 3%. Growth depends on aid and investment levels, and world prices for its exports, especially gold. Other important exports are bauxite, rice, sugar and forestry products.

gas, construction and building materials, ICT, agriculture and aquaculture, including fish-processing equipment, forestry, furniture-making machinery, food processing equipment, environmental products and services, and electricity and other utilities. Canada's leading exports to Guyana (\$14.7 million in 1999) included telecommunications equipment and agri-food products, while imports (\$192.2 million) were dominated by gold (sent to Canada to be refined by the **Royal Canadian Mint**), and also included aluminum ore, rum and clothing.

Guyana's resource base of minerals, forests and fish is not unlike Canada's, providing a solid basis for direct investment, joint ventures and technology transfers. Like Canada, it also has a small population relative to the size of its territory, and needs to provide services over large distances. Not surprisingly, Canada is the leading foreign investor in Guyana. The \$500 million Omai mine, a major investment by **Cambior** of Montreal, is the largest gold mine in South America. Other promising sectors include oil and

Major infrastructure initiatives in roads, bridges, water and sewerage, coastal management and power generation and distribution are planned. There is good investment potential, as the government continues to privatize state-owned companies. Electricity and telecommunications have been recently

privatized, and more state-owned companies are to follow. Canadian companies should also look at development bank projects in Guyana.

Contacts Trinidad and Tobago

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Territory: Trinidad and Tobago, Guyana, Suriname

Guyana

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Contact Suriname

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Suriname

Bilateral relations have increased recently and Canadian business interest is growing. Two-way trade reached \$88 million in 1999, dominated by Suriname's exports to Canada of gold (for refining by the **Royal Canadian Mint**), seafood, tea and coffee.

Canadian exports of \$5.4 million included meat products, telephone apparatus, pharmaceuticals, and other consumer goods. Promising sectors include mining, petroleum, forest products, fisheries, banking and financial services, ICT, and tourism.



Jamaica

Jamaica is one of the larger, more diversified CARICOM economies. Its leading sectors include tourism, bauxite/alumina, agriculture and light export manufacturing. While economic growth has been uneven, tourism, the leading foreign exchange earner, generally continues to perform well, with arrivals up 6% in 1999. Foreign direct investment was also up in 1999 by 75% over 1998, at about US\$350 million. Although Jamaica's economy shrank by 0.4% in 1999, there is strong growth in building and construction and in the automotive sector, with 130,000 automobile imports in the past three years.

Two-way trade between Canada and Jamaica exceeded \$297 million in 1999, dominated by Jamaica's alumina exports. Canadian exports of \$97 million in 1999 were led by telecommunications equipment, newsprint, fish and processed food. Canada has a significant business presence in Jamaica: Canadian investment is estimated at \$800 million. **Alcan**, **Scotiabank** and **CIBC** all have major operations in Jamaica.

Promising sectors for Canadian exporters include ICT, agriculture and food, transportation, utilities (especially electrical power generation/transmission), environmental products and

services, housing and construction, education products and services, and health products, including pharmaceuticals and medical equipment.

New Era Homes (Jamaica) Inc. of Toronto and **Magil Construction International** of Montreal are currently building low-income housing in Jamaica, with local partners. Other Canadian companies active in Jamaica include **Royale Homes Limited**, **Suncurrent Industries Inc.** of Calgary, **ACE/Clear Defense International** of Ottawa and **Canadian Bank Note Company, Limited** of Ottawa.

Canada and Jamaica recently signed a Memorandum of Understanding on Transportation Cooperation. Canadian firms have won a number of contracts in this sector and are involved in the project to refurbish the country's main airports.

Revived in October 1999, the **Canada Jamaica Business Council (CJBC)** is still in the "generation of interest" phase and serves an important role in bringing together Jamaicans who share an interest in doing business with Canada. The Commercial Section of the Canadian High Commission (CHC) in Kingston currently acts as its secretariat, organizing luncheons, seminars and other events

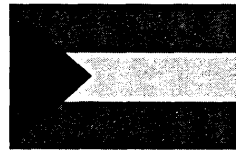
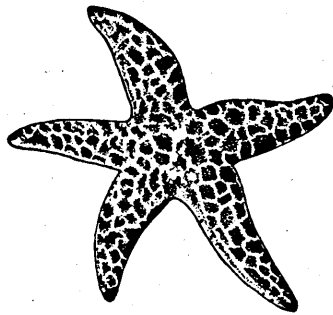


under the banner of the CJBC. In due course, the local economic climate will permit a transfer of the secretariat function out of the CHC and the organization will take on a more customary structure.

To date there have been two major events held under the auspices of the CJBC with approximately 100 participants and local ministerial presentations in each instance. Future events will include the "E-Can@da" high technology showcase in Kingston this fall and a CJBC luncheon planned for early in 2001.

Contact Jamaica

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First Secretary (Commercial)
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Territory: Jamaica, Bahamas, Belize (also
Cayman Islands, Turks & Caicos Islands)



The Bahamas

With per capita income over US\$14,000, The Bahamas is one of the wealthier Caribbean countries. Tourism accounts for nearly 70% of GDP, financial services 11% and agriculture and fisheries 10%. The economy grew by 3% in 1998 and major investments in the tourism sector have increased employment, including through a construction boom.

ture, office equipment, dairy products and wheat flour. Promising sectors include health products, especially pharmaceuticals, food products, transportation equipment and services, and goods and services related to the tourism industry. Canada and The Bahamas recently signed a Memorandum of Understanding to promote transportation cooperation which should lead to further opportunities in this sector.

The Bahamas represents a prosperous and sophisticated market for Canadian goods and services. In 1999, two-way merchandise trade totalled \$52.3 million, with Canadian exports of \$26.3 million. Canada's exports were led by machinery and household appliances, and also included telephone equipment, furni-

Canada has a solid commercial presence in The Bahamas including the major Canadian banks, **Imperial Life, Cable Bahamas, Atlantic Power and Equipment** and **Canadian Pacific Hotels**.



Belize

With a population of only 237,000, Belize has one of the region's smaller economies. Situated on the Caribbean coast of Central America, Belize is a player in both spheres. Belize is a full member of the Caribbean Community, participates in Central American institutions, and is establishing formal links with the Central American economic integration process.

In 1999, Belize enjoyed 6.2% economic growth. Canadian exports last year of \$3.3 million included dairy products, optic fibre, malt, electrical apparatus and pharmaceuticals. Imports of \$14 million included sugar, seafood, fresh fruit, chemical wood pulp and footwear. **Scotiabank** is active in Belize.

Opportunities for Canadian exporters are strongest in the agriculture, environment, and energy/power sectors. With Mayan ruins and unspoiled tropical forests, Belize is developing its considerable tourism potential, with clear business opportunities in this sector. The government is also encouraging occupancy of Belize's free trade zones and industrial parks with industrial/investment incentives. These zones and parks offer access to business opportunities in Central America. Companies should also look at development bank projects, as Canadian firms are winning contracts for consulting services and supplier arrangements, particularly for water and sewerage, energy, and telecommunications.



Barbados

Barbados boasts a stable, vibrant economy. While tourism is the leading sector, sugar also earns important foreign exchange. Canada and Barbados have well-developed trade, investment, and tourism linkages. But it is the offshore financial sector, led by Canadian banks and insurance companies, which has provided impetus for Barbados' recent economic boom.

Canada's exports to Barbados rose 13% in 1999, to \$41 million, led by computer and telecommunications equipment. Other Canadian exports included computer software, furniture, and food and paper products. Canadian engineering and construction firms continue to win contracts in Barbados' expanding construction sector, boosted by public sector projects and private sector investment in tourist facilities, commer-

cial buildings, and up-market housing. Canadian direct investment in Barbados is estimated at \$14.3 billion, mainly in global trading and re-insurance.

The **Canada Barbados Business Association (CBBA)** commenced operations in January 1991 with the Canadian High Commissioner as its Patron. The CBBA's aim is to promote two-way trade and commercial relations between Barbados and Canada. Activities include "doing business with..." seminars on exporting and importing with local and Canadian resource persons, hosting luncheons with guest speakers and participation in special events in conjunction with the Canadian High Commission's Commercial Division. There are 101 members.

Of special note is the "**Barbados Works 2000**" promotion the CBBA

is organising in Canada to provide information and networking opportunities. Events take place in Ottawa (Oct. 16th), Montreal (Oct. 18) and Toronto (Oct. 20). At least 30 professionals from Barbados are expected to participate and the keynote speaker will be Barbados Minister for International Business, Mr. Reginald Farley. Participation for Canadians is free.

For more information, contact Mr. Philip Nicholls, President, tel: (1-246) 426-3298.

Contact Barbados

Commercial Counsellor, Commercial Section, Canadian High Commission, Barbados
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E-mail: bdgtn-td@dfait-maeci.gc.ca
Web site: www.dfait-maeci.gc.ca/bridgetown/
Territory: Barbados, OECS countries, liaison with Caribbean Development Bank (also Anguilla, British Virgin Islands, Guadeloupe, Martinique, and St. Maarten/St. Martin)

Eastern Caribbean

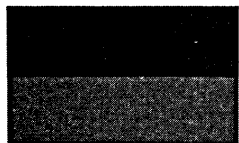
Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines are all micro-economies (average population 81,000). While they have shown varying levels of growth, they are all extremely open to trade.

Their economic base has been agricultural exports and light industry, but the tourism sector and data processing and information-based services are growing in importance. This trend is expected to continue, in view of the islands' proximity to the U.S. market and its relatively well-educated labour force. All are members of the Eastern Caribbean Central Bank, which manages their common currency, the Eastern Caribbean dollar.

In 1999, Canada's exports to the Eastern Caribbean totalled

\$49.7 million (up 31% from 1998), and included meats, dairy products, furniture, lumber, paper products, telephone equipment, and prefabricated buildings. Promising sectors include telecommunications, computer hardware and software, electronic services such as call centres and data processing, tourism, infrastructure and transportation projects, and housing.

British, French and Dutch overseas territories in the Caribbean also offer interesting markets. Canadian exports exceeded \$70 million in 1999, mainly to the British Virgin Islands and Netherlands Antilles.



Haiti

Although still the region's poorest country, Haiti's economy has grown, on average, 2% annually in recent years. Canadian exports in 1999 were \$46.2 million, mainly paper products, fish, tools, vehicle parts, vegetables, and machinery.

The Inter-American Development Bank and World Bank administer most of Haiti's aid projects, and interested Canadian firms should maintain an active relationship with these organizations. Companies can also win development contracts with the Canadian International Development Agency, and benefit from its Industrial Cooperation Program.

International donors are focussing on the following four priority areas, where

Canadian suppliers should look for projects:

- private sector involvement in, or purchase of, publicly-owned companies to inject capital, provide managerial expertise, and increase productivity; joint ventures, concessions and management contracts are also being discussed;
- the government's economic stabilization and reform program, which is focussed on public finances, civil service reform, trade liberalization and modernization of the regulatory framework.

Contact Haiti

Ms. Nathalie Gissel, Commercial Officer, Commercial Section, Canadian Embassy, Port-au-Prince, Haiti
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Web site: www.infoexport.gc.ca
See "Haiti" under "Latin America & Caribbean"
Territory: Haiti

- major improvements in infrastructure, including the Power V Project for electricity production and distribution, the Water Supply Project, and the Road Rehabilitation and Maintenance Project;
- projects to preserve key ecosystems and watersheds and increase rural employment.

The Spanish Caribbean Markets

Cuba and the Dominican Republic offer two of Canada's biggest export markets in the region. At the same time, these Spanish-speaking neighbours are very different. The Dominican Republic is strongly capitalist, extremely open to trade and investment and, currently, enjoys an economic boom, while Cuba's centrally-based economy is different from others in the West, and not an easy market for Canadian exporters.



Dominican Republic

With a population of 8.5 million, the Dominican Republic is the Caribbean region's second largest economy (after Cuba) and largest democracy. Since 1995, its GDP has grown by 36%, and this year is expected to reach 8.4%. Inflation is under control at 5.1%. Its diversified economy is based on manufacturing, construction, agro-industry, commerce, tourism, transport and telecommunications. With imports totalling US\$9.6 billion in 1999, the Dominican Republic offers one of the Caribbean's largest and fastest growing markets and duty-free manufacturing zones.

The agri-business sector is expected to expand rapidly in the coming years as the country puts in place measures to stimulate and diversify agricultural production and food processing. Similarly, the manufacturing sector will continue to expand as the country's economic boom stimulates domestic demand. Double-digit growth in the ICT sector should continue; Canadian firms are doing well in this area. The tourism sector is growing rapidly, with Canadians being the third most important clientele, at 170,000 visitors annually. Canadian investment in hotels is already estimated at \$250 million. Finally, the construction industry will benefit from growth in the tourism and residential housing sectors.

Government privatization projects include the main Dominican Republic airports (with major Canadian involvement). Investment in the recently priva-

tized electricity sector is expected to reach US\$2 billion.

Canada is the third largest foreign direct investor, with approximately \$750 million invested, including in Codetel (largest telecom company), and by **Falconbridge** (largest mining company) and **Scotiabank** (largest foreign bank). Canadian companies are also involved in the food and beverage, pharmaceutical, and industrial sectors.

Founded in 1990, the **Dominican-Canadian Chamber of Commerce** offers Canadian companies a wide range of services, including hotel reservations, arrangement of appointments and meetings with Dominican commercial prospects, logistical and business support services, help with participation in events such as trade fairs, missions and seminars, provision of temporary office or display space, and translation services. Membership stands at 147.

One key event is **Expo Canada 2000**, to be held **November 8 - 11** in Santo Domingo. The Chamber will also be a partner in the Dominican Cultural Week in Canada and welcomes enquiries regarding upcoming events.

For more information on the Chamber, contact **Mr. Enrique De Marchena Kaluche**, President, or **Ms. Gladys Valdez**, Executive Director, tel: (1-809) 687-6696, fax: (1-809) 686-3246, e-mail: cd.canadiense@codetel.net.do

Contact

Dominican Republic

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 Web site: www.infoexport.gc.ca
 See Dominican Republic under "Latin America & Caribbean"
 Territory: Dominican Republic

Miami

Miami is a leading North American transport hub serving the Caribbean. Its International Airport handles most air cargo destined for the region, and the ports in Miami, Fort Lauderdale, Palm Beach and Tampa all serve Caribbean markets. Not surprisingly, an important part of Canada's trade with the Caribbean goes through Miami. The Canadian Consulate in Miami looks for business opportunities for Canadian firms in Florida and throughout the Caribbean.

Contact

Mr. Normand Villeneuve, Consul and Trade Commissioner, Canadian Consulate, Miami, USA
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 E-mail: normand.villeneuve@dfait-maeci.gc.ca



Cuba

Cuba is Canada's largest market in the Caribbean, and Canada is Cuba's biggest foreign investor. Canadian exports to Cuba totalled \$398 million in 1999 and include food commodities (e.g., bulk chicken, pork, corn, potatoes, dairy products), metal structures and hardware, industrial machinery and parts, motor vehicles and parts, electrical equipment, and fertilizers. Canadian business is active in Cuba's tourism, mining and agriculture sectors. Over 200,000 Canadian tourists visited the island last year.

In spite of Canadian successes in Cuba, business dealings in a centrally controlled economy can be difficult, especially for the inexperienced exporter. Interested companies should consult the "Cuba: A Guide for Canadian Businesses" on the DFAIT's Infoexport Web site, under "Canadian Embassy, Cuba: Market Access". (Printed copies are available upon request.)

Contacts

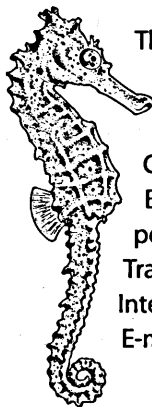
Cuba

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CARICOM — continued from page 1



The telecom sector offers significant opportunities for Canadian companies, as steps are now being taken to end the monopoly held by the U.K. giant Cable and Wireless.

Canada's diplomatic missions in Trinidad and Tobago, Guyana, Jamaica, Barbados and Haiti have commercial staff to help Canadian businesses penetrate CARICOM markets. In Canada, contact **Ms. Susan Howell**, Trade Commissioner (CARICOM), Department of Foreign Affairs and International Trade, Ottawa; Tel: (613) 943-8807; Fax: (613) 944-0760; E-mail: susan.howell@dfait-maeci.gc.ca

Upcoming Trade Promotion Events:

2000

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|-------------------------|---|
| August 29 – 30 | Solo Canadian Food & Beverage Expo, Miami |
| October 5 – 6 | Canadian Technology, Products and Services Showcase, Port of Spain, Trinidad and Tobago |
| October 30 – November 4 | Canadian National Pavilion at FIHAV – Havana International Trade Fair, Cuba (N.B., Space is in demand; please book early) |
| Dates TBC | E-Can@da 2000 Showcase: Canadian Information Technology & Telecommunications (IT&T), Jamaica |
| November 3 – 4 & 7 | International Education Fair, St. Lucia (Nov. 3 – 4), Barbados (Nov. 7) |
| November 6 – 7 & 9 – 10 | Canadian Construction and Building Products Showcase, Barbados (Nov. 6 – 7), Antigua & Barbuda (Nov. 9 – 10) |
| November 8 – 11 | "Expo Canada 2000", Dominican Republic |

2001

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|------------------------|--|
| February 1 – 2 & 5 – 6 | 4th Canadian Food and Beverage Showcase, St. Maarten (Feb. 1 – 2) and Trinidad and Tobago (Feb. 5 – 6) |
| April 30 – May 2 | Marine Hotel Association (MHA) Conference & Trade Show 2001 (Sea Cruise Industry-Caribbean Seas), Naples Florida |
| Dates TBC | "Taste of Canada" food show, Jamaica |
| Dates TBC | Canadian Consulting Services Showcase, Jamaica |

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in agri-foods. Industrial activities focus on diagnostics, fine chemicals, antibiotics and plant breeding.

The biotechnology sector is centred mainly around Madrid and Barcelona, where there is the largest concentration of universities as well as the new National Biotechnology Centre. Public research centres, institutes and universities are all very active in biotech research and development (R&D) and play an important role within the sector.

Market opportunities

(For a complete list, see article on *CanadExport's* Internet site.)

- Forest and forest products, genetic improvement, soil remediation, genetically modified crops.
- Wastewater treatment, toxic waste, bioremediation, biodegradable plas-

- tics, biopolymers and biopesticides.
- Food technology transfer, biotechnology transformation process, conservation and storage of food.
- Animal health vaccines, genetic and molecular biology to improve animal production.
- Biopharmaceuticals and diagnostic kits (distributed or manufactured under licence in Spain).
- Training for R&D professionals and highly qualified technical personnel.
- Access to R&D European Research Funds (there is an agreement on scientific and R&D collaboration between Canada and the European Union).
- Canada-Spain ventures in third countries, especially the Latin American market.

The National Biotechnology Centre [Centro nacional de biotecnología (CNB)] in Madrid focuses on research in five main areas: molecular and cell biology; microbial biotechnology; molecular genetics of plants; macromolecular structure; and immunology and oncology.

Continued on page 10 - Spain

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Trends

Seventy percent of Italy's consumption of medical devices originates from imports, mostly of products and devices manufactured by multinational companies. As the use of a direct sales force has become particularly common in northern Italy, a large number of independent distributors have lost products, which are now directly sold by multinationals' local subsidiaries, and are very keen to secure new and alternative product lines.

Major competition

The local industry comprises approximately 700 manufacturers, mainly located in northern Italy, with expertise in X-ray equipment, ultrasound and MRI, cardiology, dialysis and implantables, anaesthesia and respi-

ratory equipment, and dental products. All major multinational manufacturers are present in Italy, and most have established local subsidiaries.

Constraints and challenges

Most medical devices sold in the European Union must comply with the EC 93-42 directive and obtain the CE mark. Recently, a similar directive, EC 98-79, came into effect for in vitro diagnostics. Once obtained, the CE mark is valid throughout the EU. Canadian manufacturers intending to export to Italy, and who have not yet obtained a CE mark elsewhere in the European Union, should file an application with a notified body in any of the EU member states.

For public tenders issued by hospitals, companies wishing to bid must be registered and qualify as a supplier or service provider for the public health care system. Prices are also an

Continued on page 11 - Italy



Cuba

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Contacts

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CARICOM — continued from page 1



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E-mail: susan.howell@dfait-maeci.gc.ca

Upcoming Trade Promotions

2000

August 29 – 30 Solo Canadian

October 5 – 6 Canadian Tech Showcase, Port of Spain

October 30 – November 4 Canadian National Trade Show, Havana International Convention Centre (N.B., Space is limited)

Dates TBC E-Can@da 2000, International Trade Commission, Jamaica

November 3 – 4 & 7 International Business Show, St. Lucia (Nov. 3-4)

November 6 – 7 & 9 – 10 Canadian Consulate Showcase, Barbados, Antigua & Barbuda

November 8 – 11 "Expo Canada" (Nov. 8-11)

2001

February 1 – 2 & 5 – 6 4th Canadian Trade Show, St. Maarten (Feb. 1-2) and Trinidad and Tobago (Feb. 5-6)

April 30 – May 2 Marine Hotel & Trade Show, St. John's, Caribbean Sea

Dates TBC "Taste of Canada" (Apr. 30-May 2)

Dates TBC Canadian Consulate Showcase, Jamaica

Market Overview

Biotech in Spain

In 1986, a more vigorous and co-ordinated development of science and technology in general, and of biotechnology in particular, came into effect in Spain, which traditionally had been more active in the biological sciences.

The Spanish National Biotechnology Program (2000-2003), under the newly established Spanish Ministry of Science and Technology, identifies the following areas of activity: genome and proteomic projects; agri-food industries; health care — human and animal; biotechnology engineering processes; and the environment.

There are some 250 companies active in the biotechnology sector in Spain — a sector worth \$3.8 billion last year — with 40 percent of new companies to the industry working

in agri-foods. Industrial activities focus on diagnostics, fine chemicals, antibiotics and plant breeding.

The biotechnology sector is centred mainly around Madrid and Barcelona, where there is the largest concentration of universities as well as the new National Biotechnology Centre. Public research centres, institutes and universities are all very active in biotech research and development (R&D) and play an important role within the sector.

Market opportunities

(For a complete list, see article on *CanadExport's* Internet site.)

- Forest and forest products, genetic improvement, soil remediation, genetically modified crops.
- Wastewater treatment, toxic waste, bioremediation, biodegradable plas-

tics, biopolymers and biopesticides.

- Food technology transfer, biotechnology transformation process, conservation and storage of food.
- Animal health vaccines, genetic and molecular biology to improve animal production.
- Biopharmaceuticals and diagnostic kits (distributed or manufactured under licence in Spain).
- Training for R&D professionals and highly qualified technical personnel.
- Access to R&D European Research Funds (there is an agreement on scientific and R&D collaboration between Canada and the European Union).
- Canada-Spain ventures in third countries, especially the Latin American market.

The National Biotechnology Centre [Centro nacional de biotecnología (CNB)] in Madrid focuses on research in five main areas: molecular and cell biology; microbial biotechnology; molecular genetics of plants; macromolecular structure; and immunology and oncology.

Continued on page 10 — Spain

Market Overview

The medical devices sector in Italy

Italy's total market in 1999 for medical devices, including aids and assistive devices, was approximately \$8 billion, and is the third largest in Europe after Germany and France, and the fifth largest in the world.

Major spenders on medical devices are public hospitals, accounting for 70 percent of the market, while 26 percent of the total expenditure is private.

Export opportunities exist for any medical device, provided that they meet EU standards and competition in terms of quality and price. There is a high demand in particular for diagnostic equipment, cardiovascular, orthopedic, rehabilitation, intensive care, respiratory, dialysis devices and aids for the disabled.

Trends

Seventy percent of Italy's consumption of medical devices originates from imports, mostly of products and devices manufactured by multinational companies. As the use of a direct sales force has become particularly common in northern Italy, a large number of independent distributors have lost products, which are now directly sold by multinationals' local subsidiaries, and are very keen to secure new and alternative product lines.

Major competition

The local industry comprises approximately 700 manufacturers, mainly located in northern Italy, with expertise in X-ray equipment, ultrasound and MRI, cardiology, dialysis and implantables, anesthesia and respi-

ratory equipment, and dental products. All major multinational manufacturers are present in Italy, and most have established local subsidiaries.

Constraints and challenges

Most medical devices sold in the European Union must comply with the EC 93-42 directive and obtain the CE mark. Recently, a similar directive, EC 98-79, came into effect for in vitro diagnostics. Once obtained, the CE mark is valid throughout the EU. Canadian manufacturers intending to export to Italy, and who have not yet obtained a CE mark elsewhere in the European Union, should file an application with a notified body in any of the EU member states.

For public tenders issued by hospitals, companies wishing to bid must be registered and qualify as a supplier or service provider for the public health care system. Prices are also an

Continued on page 11 — Italy

B iotechnology is one of the most promising hi-tech industries in Finland, encompassing more than 90 companies with a total turnover of about ECU 450 million.

Large companies concentrate on the production of industrial enzymes, on

at the forefront of genetic engineering and DNA/RNA research.

Pharmaceuticals

New research and development companies have been established in Finland to explore innovations that can lead to commercial biopharmaceuti-

Several companies and research institutes are working toward a combination of modern food technology and biomedical research. Valio Ltd., the leading dairy company in Finland, has a long tradition in research on lactic acid bacteria.

Xylitol is a natural sweetener with positive effects in dental care and has been incorporated in chewing gum and pastilles. Cultor Ltd. owns a company in Thompson, U.S., which produces xylitol and other sweeteners.

Biomaterials, packaging

The food packaging industry has close links with the food industry, and recently biodegradable plastics have shown promise in food packaging. A national biopolymer technology program was begun in 1992, and today Finland is internationally recognized as a leader in the field.

Other innovative companies include: Abmin Technologies Ltd. (novel biomaterials for oral, cranio-maxillofacial and orthopedic applications), Bionx Implants Ltd. (bioabsorbable implants for surgical use), and Cellomeda Ltd. (devices for biochemical and histological analysis and subcutaneous cellular activity measurement).

For more information, contact Seppo Vihersaari, Business Development Officer, Helsinki, tel: (011-358-9) 17 11 41, fax: (011-358-9) 60 10 60, e-mail: hsnki-td@dfait-maeci.gc.ca Web site: <http://www.canada.fi/> *

Market overview

Biotech in Finland

the application of biotechnology in food processing and pharmaceutical manufacturing, and on diagnostic test systems. Most of the new biotechnology companies are operating in the medical and diagnostic sectors, as well as biomaterials, and some of these offer services in clinical research, patenting and marketing analysis.

Industrial enzymes

Finland has a large industrial enzyme production and a long research tradition. Cultor Ltd. has been very active in enzyme technology and is the major shareholder of Finnfeeds International, the largest feed enzyme producer in the world. Genencor International, a joint venture of Eastman Chemical Co. and Cultor, is a world leader in enzyme technology.

Finnzymes Ltd. is an example of a rapidly growing company operating

at the forefront of genetic engineering and DNA/RNA research.

cals. The first venture capital-based biotechnology company in Finland, BioTie Therapies Ltd., was launched in November 1996, and its first products include a potential drug for heart attack patients. Another commercially viable bioactive molecule is syndecan, which has potential in cancer therapy.

Other examples of the new pharmaceutical biotechnology companies: Fibrogen Europe, a subsidiary of U.S. FibroGen Inc., produces human collagens by applying recombinant DNA technologies. Hormos Medical Ltd. is a new biopharmaceutical company engaged in the discovery and development of compounds used in hormonal therapies.

Biotechnology in the food industry

Functional foods with health-promoting effects are studied extensively in the food industry in Finland today.

Spain Biotech — Continued from page 9

An important organization for developing projects and contacts is the Centre for Industrial Technology Development [Centro para el Desarrollo Tecnológico Industrial (CDTI)]. Established to stimulate industrial research and innovation, it deals mostly with small and medium-sized enterprises.

Regulatory developments

In 1994, Spain adopted a law regulating the contained use, deliberate release and placing on the market of activities with genetically modified organisms (GMOs), in order to prevent risks to human health and the environment. The authorities responsible for all approvals, including putting

on the market, are the Ministry of Environment and the Ministry of Health.

For more information, the Commercial Division of the Canadian Embassy in Madrid can assist Canadian firms to participate actively in this expanding market. Contact Isidro García, Commercial Officer, tel.: (011-34-91) 423 3227, fax: (011-34-91) 423 3252, e-mail: isidro.garcia@dfait-maeci.gc.ca

Other useful contacts and Web sites: <http://www.cnb.uam.es> or <http://www.cdti.es> and e-mail: elisa.barahona@sgri.nma.es *

The International Wine and Spirits Exhibition for Asia-Pacific, held June 6-8 at Tokyo Big Sight, under the auspices of Vinexpo, Bordeaux, included about 1,000 companies from 30 countries and attracted nearly 12,000 trade visitors representing all the distribution channels in the Asia-Pacific region, including a large number of wine and food journalists.

Colio Estate Wines, Inniskillin Wines, Pelee Island Winery, Southbrook Winery, Strewn Estate Winery, Vincor International, Hillebrand Estate Winery, Jackson-Triggs, Sawmill Creek, La Salle Icewine, Peller Estate and Rodrigues Markland Cottage Winery.

At the show site, a Canadian Icewine tasting was held, attended

red, white, fruit, champagne, late harvest and Icewine — of the 11 participating Canadian wineries were featured.

This event generated much positive feedback with some importers and chefs expressing keen interest in importing Canadian Icewines and table wines as soon as possible, and demonstrated the need to make Canadian wine better known through increased marketing. Sweet Canadian Icewine, in particular, would appear to be successful in the Japanese market.

The 11-winery mission carried on to Osaka, Nagoya and Fukuoka where the delegates participated in a series

Canadian wine

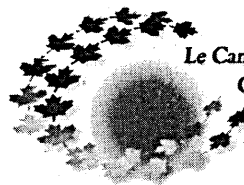
Toast of Japan

Presentations by some of the best-known world experts in the industry provided valuable information on the wine business and its trends. A special display area featured the wines of those wineries awarded prizes in the 1999 Vinexpo Wine competition, among which were Canadian Inniskillin Wines and Jackson-Triggs.

Wineries participating in the Canadian booth included Mission Hill Winery, Quail's Gate Estate Winery, Andres Wines, Château des Charmes,

by more than 140 guests, including importers, wholesalers/distributors, retailers, chefs and hotel restaurant operators, and media.

As well, the Canadian Ambassador hosted a gala wine tasting at the official residence for key importers, wholesalers, sommeliers, chefs, restaurant operators and wine journalists at which the various wines —



Le Canada au Japon
Canada in Japan

of wine seminars which attracted over 500 people and generated considerable local interest in Canadian wine products.

For more information on opportunities in Japan, contact Jo-Anne Roy-Foster, Japan Trade Division, DFAIT, tel.: (613) 992-6185, fax: (613) 944-2397, e-mail: jo-anne.roy-foster@dfait-maeci.gc.ca ✪

Italy — Continued from page 9.

important factor. Pharmaceuticals as well can only be sold at prices established by the Ministry of Health.

Canadian companies wishing to enter the marketplace are therefore strongly advised to appoint an agent or distributor well connected and active in the entire Italian territory.

Assobiomedica [the Italian Association of Medical Devices and Diagnostics Manufacturers] has an informative Web site at <http://www.assobiomedica.it> and is keen on organizing matchmaking events with Canadian companies in co-operation with the Canadian Consulate General in Milan.

For more information and a list of useful Web sites and notified bodies in Europe, 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 Web site: www.canada.it ✪

Group of Seven — Continued from page 8

known and loved artists, and their paintings have gained great importance as ambassadors of Canadian culture.

The National Gallery has a long tradition of mounting exhibits with international partners to raise awareness of Canada and its cultural heritage. The Gallery is now inviting corporations with interests in China to take part in this historical tour.

Several partners have already joined forces to make this unique project a reality: Canadian Heritage, Department of Foreign Affairs and International Trade, Canadian Embassy in China, Embassy of the People's Republic of China in Canada and Chinese International Exhibition Agency in China, McCain Foods Limited and the Canadian Pacific Charitable Foundation.

As part of the tour, there will also be special openings in Chinese galleries, and receptions and media conferences with key Chinese and Canadian officials and business executives.

For more information on how your company can become a partner in the Group of Seven China tour, contact Marie-Claire Morin, Director of Development, National Gallery of Canada, tel: (613) 991-5965, e-mail: mcmorin@gallery.ca ✪

The Canada Mortgage and Housing Corporation (CMHC) Pavilion at the China International Exhibition on the Housing Industry last July attracted an unprecedented number of senior-level decision makers from the public and private sectors.

sing Industry since 1995, sponsored by the Housing Industrialization Office of the Ministry of Construction. More than 300 domestic companies participated in the show, and Canada, the United States, Denmark and Australia were represented by

square metres of new residential houses every year during the first 20 years of the 21st century. This means a 7 percent annual growth rate in investment in housing for this period. Investment in China's real estate development last year was reported at US\$48.4 billion, up 10 percent from 1998, and 410 million square metres of residential housing were completed in 1999, an increase of 19 percent from the previous year.

Prime Minister Jean Chrétien will lead the sixth Team Canada trade mission to Beijing, Shanghai and Hong Kong November 18-26. The building products sector has been chosen, in consultation with the provinces and territories, as one of the mission's priority sectors.

For more information on the building products market in China, contact Murray Rasmusson, Manager, Information Transfer, Export and International Centre, CMHC; tel.: (403) 515-2955; e-mail: mras muss@cmhc-schl.gc.ca or Terry Brophy, Counsellor (Commercial), Canadian Embassy, Beijing; tel.: (011-86-10) 6532-3536; e-mail: terry.brophy@dfait-maeci.gc.ca ✪

Door opening in Chinese market

Building products

Twelve Canadian companies and institutions, representing a broad range of products and services, participated in the CMHC stand. In addition, B.C. Wood Specialities and Douglas Homes participated in the exhibition. Canadian exhibitors were unanimously impressed by the number of quality visitors and serious inquiries that they received during the show.

Doug Smith, President of Mariner Marketing Ltd., a Calgary-based company that displayed its conematic water heating system, said he was overwhelmed by the interest shown in his product. Based on information gathered during the show, the company will undertake some technical work in order to tailor its system for the Chinese market. A second trip to China is planned for the fall.

"I was so impressed by the effort put into the show," said Smith. "The support that I received from CMHC and the Canadian Embassy was outstanding."

The July 2000 show was the third International Exhibition on the Hou-



national stands.

Over the past several years, the Chinese government — eager to spur consumption, generate jobs and free up government

resources — has launched a flurry of initiatives to make it easier for citizens to buy homes.

The government has scrapped the decades-old housing subsidy system and ordered employers to establish mandatory housing savings plans for workers. In big cities such as Beijing and Shanghai, municipal authorities are selling off publicly owned apartments and requiring new workers to pay market rents. Financial regulators, meanwhile, are prodding banks to increase mortgage lending, and permitting them to lend longer-term and with less collateral. These new policies have set in motion a housing boom that is transforming the way families live and think.

The Ministry of Construction recently announced that China will build 486 million to 549 million

Live Webcast

This year, for the first time ever, the 5th Annual Convention of the Alliance of Manufacturers and Exporters and the Canada Export Awards will be webcast live from Halifax. As part of the virtual audience, you will be able to view the awards ceremony, keynote addresses, workshops and a special segment on e-business.

The convention will be online at e-ventsplus.com from October 1-3. The Canada Export Awards ceremony will be webcast on the evening of October 2nd. The awards are sponsored by the Atlantic Canada Opportunities Agency, the Alliance of Manufacturers & Exporters Canada, Export Development Corporation, and Rogers Media Inc. The webcast is sponsored by Industry Canada. ✪

Canada at CERE 2000

BEIJING — November 28-December 1, 2000 — The China Environment, Renewables and Energy Efficiency Exhibition and Conference (CERE 2000) is an international trade fair sponsored by the Chinese State Economic and Trade Commission (SETC), the Chinese Ministry of Science and Technologies (MOST), the Chinese State Environmental Protection Administration (SEPA), the Chinese State Power Corporation (SPCC) and China Aviation Industry Corporation (CAIC).

Continued on page 15 — CERE 2000

As part of a World Bank initiative — the Energy Sector Management Assistance Program (ESMAP), which received project funding from the Canadian International Development Agency (CIDA) — E2 Environmental Alliance Inc. created and delivered a training and capacity development program to 35 Indigenous representatives from various regions of Bolivia.

Training Bolivian Indigenous People

Calgary firm shines

E2, a two-year old firm with a mission to provide quality Canadian consulting and training services to the worldwide marketplace, helped participants understand the basic concepts of possible environmental and social impacts from the rapid development of hydrocarbon resources and of the potential for rural electrification in their communities.

From an initial group of 20 attendees in the first phase, the Calgary-based company selected five Indigenous representatives, mostly from the eastern Bolivian jungle area, to become trainers themselves. These trainers-to-be were sent to Calgary to accelerate their learning, as part of the overall project valued at \$500,000. After they returned to Bolivia, the Indigenous trainers delivered their own training courses under the supervision of E2 specialists. The project's final report was tabled in June.

The curriculum

"Our training program addresses several core interests in Bolivia," explains E2 Managing Director Leo Bouckhout. "The World Bank had consulted with the Bolivian Vice-Ministry of Energy and Hydrocarbons, the Confederación

de Pueblos Indígenas de Bolivia (CIDOB) and industry to organize the project, while the E2 team designed the program in co-operation with Indigenous representatives."

The growth in the Bolivian energy sector is creating pressure on Indigenous communities whose traditional lands contain many natural resources.

"The challenge facing Indigenous peoples in Bolivia," he adds, "is how to

become effective partners and participants in developing the country's resources, while ensuring that those bountiful resources and their own culture remain adequately protected."

Many of the Indigenous communities are located far from basic services such as electricity, and some



E2 trainers and trainees in Bolivia.

500,000 people are not connected to the power grid. Helping them understand and access the benefits of electricity through affordable means such as photovoltaic systems was another objective of this project.

E2 Environmental Alliance partnered with the Indian Resource Council of Canada to share the experiences of Canadian First Nations with natural resource development in Canada. This might encourage the establishment of long-term relationships between Canadian and Bolivian Indigenous communities.

A challenge for all participants

"It was a very interesting challenge," says Rob Stuart, E2 Project Co-ordinator. "We had to be very visual, involve local experts from government and industry, and explain relatively complex concepts and materials like laws and regulations in a way that could be understood by the audience."

Though most of the work was done in the modern facilities of Santa Cruz, part was done in the smaller jungle community of Chapare, where overhead projectors and computers were not an option. In this case, presentation materials were all hard copy and laminated to protect them from the extreme heat and humidity. "Logistics was one of our top challenges," concludes Stuart. "Training is a service that takes considerable time to deliver effectively."

Looking back on the project, Stuart says he was very impressed by the Indigenous participants' determination and hard work — all worked 7-day weeks, 10-hour days. "They were determined to learn so that they could help their communities in the challenges that lay ahead," observes Stuart.

With CIDA backing and some help from the Canadian Consulate General in La Paz to locate appropriate offices and organizations — as well as a partnership with the Indian Resource Council of, Canada, not to mention hard-working Bolivian attendees and their own dedication beyond the call of duty — E2 succeeded in preparing the Bolivian Indigenous people for change so that they could welcome and benefit from the growth of their country's energy sector.

For more information, contact Leo W. Bouckhout, Managing Director, tel.: (403) 212-4065, fax: (403) 212-4013, e-mail: lbouckhout@e2canada.com, Web site: www.e2canada.com ✪

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/leads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown Corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

ALGERIA — Software for the insurance industry — The Société nationale d'assurances would like to acquire an insurance software and is now looking for a supplier (competition No.002/00/). The supplier should be knowledgeable in the design and production of insurance software, as well as in the marketing of insurance software. Closing date: **October 31, 2000**. Cost of bid documents: DA 5 000. Contact Daniel Lemieux,

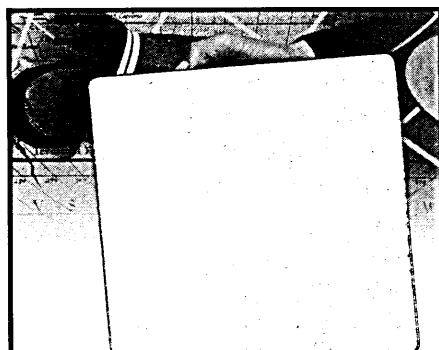
International Business Opportunities Centre

IBOC, fax: (613) 996-2635, e-mail: ibocdfait-maeci.gc.ca quoting case no. 000809-03208. Internet: www.iboc.gc.ca/webleads.asp?id=862en

ARGENTINA — Sanitary landfills, transfer stations and urban solid waste transportation — Coordinacion Ecologica Area Metropolitana Sociedad del Estado is looking for companies with capabilities to design, build, and operate sanitary landfills, transfer stations and urban solid waste transportation for Metropolitan Buenos Aires. Closing date: **October 31, 2000**. Cost of bid documents: US\$10,000. Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail:

iboc@dfait-maeci.gc.ca quoting case no. 000804-03155. Internet: www.iboc.gc.ca/webleads.asp?id=834en

BURKINA FASO — Generic drugs, pharmaceuticals, laboratory supplies and dental products — La Centrale d'achats des médicaments génériques essentiels et des consommables médicaux (Central purchasing agency) seeks suppliers of essential DCI generic drugs, medical-pharmaceutical consumables, medical equipment, reactive products, lab equipment, dental products. The deal (file no. 044/2000) will be for a three-year period and will allow selected suppliers to apply for other calls for tenders during that period. Closing date: **October 31, 2000**. Cost of bid documents: FCFA100,000 (plus FCFA 50,000 for courier costs). Contact Daniel Lemieux, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000809-03209. Internet: www.iboc.gc.ca/webleads.asp?id=861en *



International Business Opportunities Centre

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®).

JSF — Continued from page 6

JSF Canada is also actively briefing key U.S. JSF contractors and subcontractors regarding the capabilities of the Canadian aerospace sector. The size and scope of the JSF Program has the potential to give Canadian industry access to leading-edge technologies and enhance companies' long-term viability.

Industrial missions are planned to several U.S. companies over the next few months. As information is received on the technical requirements of various contractors in the U.S., DND will announce details of the missions and solicit the participation of interested Canadian companies with capabilities in those technology areas.

For further information on the JSF, check the Web site at <http://www.jast.mil/> For further information on missions, check the Aerospace Industries Association of Canada Web site at <http://www.aiac.ca> *



International Oil and Gas Exhibition

ALMATY, KAZAKHSTAN — 3-6 October 2000 — The 8th Kazakhstan International Oil and Gas Exhibition (KIOGE) will be held in conjunction with the 8th Kazakhstan International Oil & Gas Project Conference.

The event, which usually attracts major petroleum companies from 30 countries, is once again fully supported by the Kazakhstan government and its Ministry of Energy, Industry and Trade and the national company KazakhOil. The Kazakh government is sending out a clear message to potential investors by removing obstacles and creating a favourable investment climate.

France, Great Britain, Germany, Italy, Romania and Poland have so far confirmed national group participation; many stands have already been

booked by leading companies such as ABB, Baker Hughes, British Gas, BPAMOCO, Chevron, COT, ENI, Exxon, FIOC, Geotex, Hurricane, Honeywell, JNOC, KazakhOil, Kaztransoil, Nimir Petroleum, OKIOC, Mobil, Schlumberger, Shell, Texaco, Tengizchevron, Total, and Tractebel.

To ensure the best possible location for your company, contact the KIOGE '00 Kazakhstan sales office directly, tel.: (011-7-3272) 509390 / 449763 / 505746.

For more information, visit the KIOGE home page: www.ite-exhibitions.com/og/kioge or contact Arthur Iralin, Commercial Officer, Canadian Embassy in Almaty, tel.: (011-7-3272) 501-151/52/53, fax: (011-7-3272) 582-493, e-mail: almat@dfait-maeci.gc.ca ✪

Agri-food: a growing business in the Middle East

BEIRUT, LEBANON — October 30-November 11, 2000 — In co-operation with the Quebec Agri-food Export Club and the Canadian Embassy in Beirut, CLIC Import Export, a Canadian agri-food company, is organizing two events in the agri-food sector in Beirut.

From October 30 to November 6, Canada Week will showcase Canadian products at a major supermarket in Beirut. From November 7 to 11, the products may be exhibited at an information booth at Food and Beverage Middle East 2000, part of Agritech, the largest exhibition in the agri-food sector, which will be held in Beirut but targets the entire Middle East market.

Canadian firms wishing to exhibit their products at either of these events may contact Alain Gauthier, V.P., Marketing, CLIC Import Export Inc., tel.: (450) 669-2663, fax: (450) 667-6799, e-mail: clic@microtec.net ✪

CERE 2000 — Continued from page 12

The main sectors to be promoted at CERE 2000 include:

- environmental science and technologies — air water and solid waste;
- climate change-related technologies;
- garbage disposal systems;
- solar photovoltaic power systems, wind-photovoltaic hybrid systems and solar water heating;
- wind power generation, hydro, geothermal and hybrid systems;
- biomass conversion (gasification, co-generation);
- fuel cell innovations, energy-efficient lighting equipment;
- energy-efficient boilers, energy-efficient electrical appliances; and
- low-energy architecture products.

The Canada Pavilion at CERE 2000
Natural Resources Canada and Industry Canada will have a Canada Booth at CERE 2000 at which companies can either co-exhibit or rent their own space under the umbrella of the Canada Pavilion.



Masonry is being heralded as the building technology of the millennium. Murray Rasmusson, Export Manager, CMHC, demonstrates the structural features of a Canadian masonry wall system to visitors at the China International Exhibition on Housing Industry held in Beijing in July.

The services offered to Canadian manufacturers and suppliers of renewable and environmental products, services and technologies, who are interested in the China market, will include:

- partnering assistance: arranging one-on-one meetings for Canadian companies
- a technical seminar: presentations by Canadian experts on environ-

mental technologies
(to be confirmed).

- a reception at the Canadian Embassy in Beijing
(to be confirmed).

For further information, contact Derek Yue, Industry Canada, tel.: (416) 973-5159, fax: (416) 973-5131, e-mail: yue.derek@ic.gc.ca; Kenneth Ko, CANMET, Energy Technology Centre, Natural Resources Canada, tel.: (613) 947 5190, fax: (613) 995 9728, e-mail: kko@nrcan.gc.ca; David Hamilton, Second Secretary (Commercial), Canadian Embassy, Beijing, tel.: (011-86-10) 6532-3536, fax: (011-86-10) 6532-4072, e-mail: david.hamilton@dfait-maeci.gc.ca; or Marcel Belec, China and Mongolia Division, DFAIT, tel.: (613) 995-6962, e-mail: marcel.belec@dfait-maeci.gc.ca Web site: www.ciscexpo.orgcn.net ✪

POLEKO 2000

POZNAN, POLAND — November 21-24, 2000 — POLEKO International Ecological Fair is the largest event in Central Europe focusing on environmental protection. Last year's show attracted over 650 exhibitors from 18 countries, including Canada.

The fair attracts a broad spectrum of companies offering technologies and equipment for water, soil and air protection; control and measurement instruments for gauging pollution, noise and vibration; industrial (including hazardous) and municipal waste management; energy generation and efficiency; and alternative/renewable sources of energy.

INVESTCITY — Polish Cities Investment Fair — is organized in conjunction with POLEKO. The representatives from over 100 cities, communes, and communes' unions will present their regional investment plans for municipal transportation, water supply, wastewater treatment, solid waste management, heating systems, and energy programs.

For more information on POLEKO 2000, visit the Web site at www.mtp.com.pl or contact Ewa Gawron-Dobroczyńska, Commercial Officer, Canadian Embassy, Warsaw, tel.: (011-48-22) 584 3353, e-mail: wsaw-td@dfait-maeci.gc.ca

For more information on INVEST-CITY, contact the Association of Polish Cities, tel.: (011-48-61) 853 0813, e-mail: zmp@priv.onet.pl *

Petroleum opportunities in Venezuela

CARACAS — October 25-27, 2000 — The Government of Venezuela and Petroleos de Venezuela S.A. (PDVSA) are organizing a Forum on Petroleum Opportunities in Venezuela. The event is designed to attract foreign and local investments in the oil, gas and petrochemical sectors, with special emphasis on strategic alliances, critical to this new government, between foreign and local entrepreneurs. Generally speaking, the investment climate is not necessarily easy, but interesting opportunities do exist for companies with a

strong financial position and long-term perspective, mainly in the gas and petrochemical sectors where most of the next openings will occur.

For more information on the Forum or to confirm your participation, contact Eneida Sanchez, Commercial Assistant, Canadian Embassy in Venezuela, tel.: (011-582) 263-4666, ext. 3353, fax: (011-582) 263-5349, e-mail: eneida.sanchez@dfait-maeci.gc.ca or Jacques H. Desjardins, Commercial Counsellor, tel.: (011-582) 263-4666, ext. 3350, e-mail: jacques.desjardins@dfait-maeci.gc.ca *

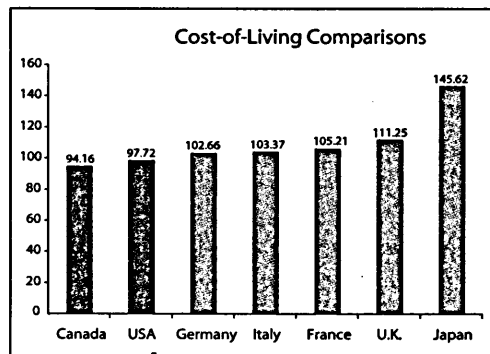
Living in Canada a bargain compared to the U.S.

Executives and CEOs know that Canada is the best place to do business. Just in case you need a little persuasion, here are some excellent reasons why companies invest in Canada.

- **Lowest cost of living:** Canada enjoys the lowest cost of living of all G-7 countries, including the U.S.
- **Lower costs:** Canada beats the U.S. with lower costs in housing and goods and services.
- **Superior services:** Researchers benefit from Canada's less expensive and stronger education and health care systems, compared to those of the U.S.
- **Competitive advantages:**
 - A company based in Sarnia, Ontario allows employees to save 10.7% in cost of living expenses compared to working and living in Newark, NJ.*
 - Establishing an international product development team in Chicago is 11.1% more expensive than basing the team in Edmonton and 4.8% more expensive than the housing and cost of living in Montreal.*

For more information on investing and doing business in Canada, click on www.investin-canada.ic.gc.ca or call (613) 941-0354, fax: (613) 941-3796, e-mail: lanoy.louise@ic.gc.ca

* Based on a salary of \$100,000 a year. Private study by a leading relocation firm, March 2000.



Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling 1-800-267-8376 (Ottawa region: 944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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Canadaexp

Vol. 18, No. 16—
October 2, 2000

CANADIAN TRADE REVIEW
(See supplement inside.)

Canada



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Awards of Excellence 2000

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International Trade Minister Pierre Pettigrew presented today the Canada Export Awards to this year's 10 winners.

Representing the cream of the Canadian export community, these companies were rewarded for a corporate vision stretching beyond our borders. Canada's products and services enjoy an excellent reputation throughout the world with trade now constituting 43 percent of our gross domestic product.



A tribute to some of our most successful exporters, the awards were presented in Halifax during a gala at the fifth annual convention of the Alliance of Manufacturers & Exporters Canada.

Several sponsors, such as the Atlantic Canada Opportunities Agency (ACOA), Rogers Media Inc., the Alliance of Manufacturers & Exporters Canada, and Export Development Corporation contributed to the event's success and highlighted the achievements of Canadian exporters.

"I offer my sincerest congratulations to the 10 winners," said Minister Pettigrew. These companies have not only demonstrated their determination to take their place in the global marketplace, but they have also made a significant contribution to the prosperity of Canada."

The Canada Export Awards were presented to the following 10 winners. As indicated, five of them also received other awards:

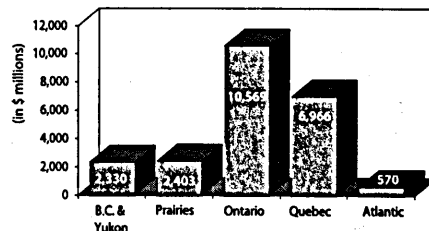
Continued on page 2 — Export

EDC reports solid mid-year results

Canadian companies concluded \$22.8 billion in export sales and foreign investments in the first half of this year using Export Development Corporation (EDC) trade finance services, a 17 percent increase over the same period a year ago, according to quarterly results released last month.

In total, EDC customers conducted business in 158 countries and territories during the first half of this year. Business in developing or emerging markets accounted for more than \$5 billion of the volume, an increase of six percent from the same period a year ago.

As a leading provider of trade finance services in Canada, EDC's results reflect the success that Canadian exporters and investors are achieving worldwide," said EDC president and CEO, A. Ian Gillespie.



Breakdown of EDC support to companies from five regions of Canada (first semester 2000).

Continued on page 2 — EDC

Export Awards

— Continued from page 1

Exporter of the Year

- SMART Technologies Inc. (www.smarttech.com)
Calgary, Alberta

Atlantic Canada Opportunities Agency (ACOA) Smaller Exporter Award

- Survival Systems Limited (www.survivalsystems-group.com)
Dartmouth, Nova Scotia

Alliance of Manufacturers & Exporters Canada Job Creation Achievement Award

- Groupe ADF inc. (www.adfgroup.com)
Terrebonne, Quebec

Rogers Media Inc. Innovation and Technological Advances Achievement Award

- International Datacasting Corporation
(www.intldata.ca)
Ottawa, Ontario

Lifetime Achievement Award

- Med-Eng Systems Inc.
(www.med-eng.com)
Ottawa, Ontario
- * Pearl Seaproducts Inc. (www.pearlsea.com)
Sechelt, British Columbia
- * Silent Witness Enterprises Ltd.
(www.silent-witness.com)
Surrey, British Columbia
- * Wescam Inc.
(www.wescam.com)
Flamborough, Ontario
- * Nienkamper Furniture & Accessories Inc.
(www.nienkamper.com)
Scarborough, Ontario
- * Thorburn Equipment Inc.
(www.worldexport.com/thorburn)
Pointe-Claire, Quebec

(In the next issue of CanadExport four pages will be dedicated to the 10 winning companies.)

EDC reports mid-year results

— Continued from page 1

"Canadian exports increased 16.5 percent in the first half of this year over 1999 and we are pleased to be partnering with many of these companies by helping them grow their international business."

More than 4,750 companies used EDC services in the first half of this year, an 11 percent increase over the same period a year ago. Net income was \$110 million for the period ending June 30, compared to \$73 million reported for the same period last year.

The number of smaller businesses using EDC services in the first six months of 2000 rose 14 percent from the same period a year ago to a record 4,223 and the value of their exports grew 18 percent to \$3.58 billion from \$3.04 billion. Smaller firms account for nearly 90 percent of EDC's customer base.

The \$22.8 billion in export sales and investments by Canadian companies that EDC facilitated in the first half of this year builds on the success achieved last year, resulting in business volume that exceeded \$40 billion. EDC estimates that its transactions in 1999 represented nearly four percent of the gross domestic product.

All projects that EDC financed or insured in the first half of this year either met or exceeded the corporation's Environmental Review Framework, which considers the environmental and social impacts of projects.

Among other key results: Claims paid in the first half of the year totaled 710, a 21 percent decrease from the same period a year ago. The dollar value of these claims.

Continued on page 9 — EDC

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canadexport

You're going to Boston to meet new buyers. You're flying to Berlin to attend a trade show.

Whether you are going to Buenos Aires or Beijing, the Department of Foreign Affairs and International Trade (DFAIT) offers services that can make your business trip safe and successful.

Not only do we provide valuable information to help you plan your trip, we also have on-the-ground services designed specifically for business travellers.

Do I need a visa to enter Brazil? Are vaccinations required for travel in Bangladesh?

Find out what's required for your trip. Find out the latest news and alerts for your destination. DFAIT's Consular Affairs Bureau offers a series of publications on safe travel and produces in-depth travel reports for 223 destinations worldwide. The reports also contain information on countries or regions that are considered unsafe for travel. For each destination, you will find details on:

- safety and security issues
- required vaccinations
- weather, epidemics and dangerous situations
- use of credit cards and monetary concerns
- personal documentation requirements
- contact numbers and addresses for Canadian Embassies and other offices, and much more.

The Bureau also publishes the *Weekly Travel Bulletin*, which highlights the world's latest "hot spots."



Where should I stay in Bangkok? Who should I hire as an interpreter in Bogota?

For practical tips and guidance on planning your business trip, the Cana-

What if I'm in trouble in Brunei?

If you lose your passport, are struck by illness or find yourself in trouble, you can call the nearest Canadian Embassy, High Commission or

Travelling for business? Read this first, pack later

Consular Services

dian Trade Commissioner Service (TCS) offers a visit information service. Many TCS offices abroad maintain lists of recommended hotels, some with negotiated rate discounts. If you need an interpreter, business support, or local transportation during your trip, the trade offices can also recommend qualified local service providers. Contact them in advance of your trip for this useful information.

What's new on the Belgian market?

To discuss the latest developments in your target market, you can request a face-to-face briefing with a TCS officer abroad. Simply notify the appropriate office of your visit at least two weeks in advance.

Consulate for assistance, 24 hours a day, 365 days a year.

Being Canadian has its privileges

Through its Consular Services and Trade Commissioner Service, DFAIT is committed to helping Canadians make their business trips safe and successful, whether it's to Buffalo or Bamako.

Bon Voyage!

For Consular Services, go to www.dfait-maeci.gc.ca

For the Trade Commissioner Service, go to www.infoexport.gc.ca ✪

How to access information on Canada internationally!

You may already be aware that the Government of Canada has one easy-to-remember national toll-free number, 1-800 O-Canada, but did you know that this toll-free service is now available internationally from more than 60 countries? This service is part of the Government of Canada Information initiative which comprises the toll-free line and the Canada Site at www.canada.gc.ca

1-800 O-Canada is staffed by bilingual operators from 8:00 a.m. to 8:00 p.m. EDT. Information Officers

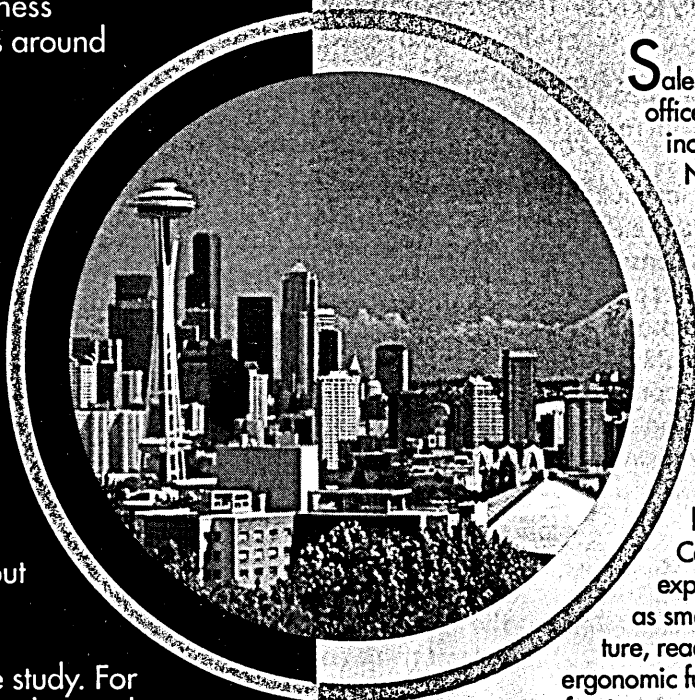
take callers' questions and locate answers from a comprehensive database or redirect the call to a specialist. All the countries from which the toll-free line can be accessed, followed by the respective number, are available on the Web site www.canada.gc.ca/directories/infor_e.html The list is updated as soon as new numbers become available. ✪

UNITED STATES

With a team of 500 business professionals in 134 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 one study. For the full version of this and 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



Residential and

Sales of both residential and office furniture have been increasing in the Pacific Northwest of the United States, comprised of Alaska, Idaho, Oregon, and Washington. Canada has long been the largest office furniture and second largest household furniture exporter to the United States, accounting for 17% of their imports. The best opportunities for Canadian companies are in expanding niche markets such as small office/home office furniture, ready-to-assemble furniture, ergonomic furniture, home entertainment furniture and high-quality furniture.

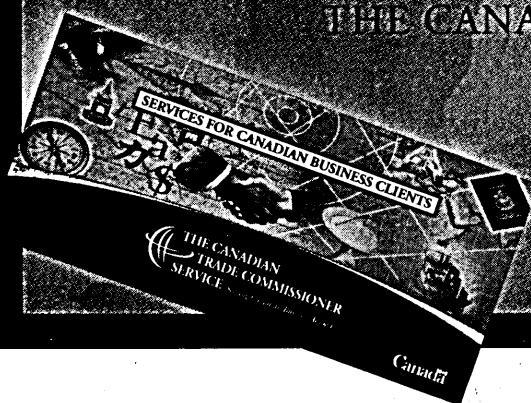
Residential Furniture

The overall retail market of residential furniture and bedding in the United States exceeded \$89 billion in 1999. Two of the largest U.S. metropolitan markets for residential furniture, Portland, Oregon and Seattle, Washington, have estimated markets of \$698 million

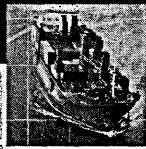
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See insert for your Consumer Products Industries contacts in the United States



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www.infoexport.gc.ca

Office Furniture Market

and \$1.3 million respectively. Alaska is one of five U.S. states (including Nevada, Utah, Arizona and Florida) expected to show the highest growth rates (26%) in household furniture spending from 2001 to 2007.

Although traditionally styled furnishings are still the first choice of consumers, contemporary and relaxed styles are becoming increasingly popular. The market for wooden household furniture represents the largest segment, accounting for nearly 40% of the total household furniture market. The second-largest category is upholstered furniture, which accounts for almost 34%.

Key trends include simpler designs, furniture to hold high-tech entertainment systems, an affinity for nature, garden and water inspired designs, and ethnic influences from Asia, Morocco and Turkey.



Office Furniture

The value of the office furniture market in the United States was \$57.1 billion in 1998 and totalled \$661 million in the Pacific Northwest. Imports of office furniture account for about 9.6% of the U.S. domestic market. The office furniture market in the Pacific Northwest flourished in the 1990s, as the regional economy

shifted from manufacturing to an environment where office-intensive services began to play an increasingly important role. Significant opportunities exist for Canadian exporters of office furniture products in this region. Wood products represent about one quarter of the office furniture market.

The market for ergonomic furniture is experiencing strong growth as concern for health and safety in the workplace increases. The market could be further strengthened by the introduction of standards currently proposed by state regulatory agencies. Businesses prefer office furniture that is flexible, space-efficient and can be easily reconfigured to adapt to organisational and technological changes.

The largest segment of office furniture is "systems" or movable panels, which accounts for almost 36% of the total market. However, during the last few years, the fastest-growing segments of office furniture were tables and seating, both of which exceeded the total office furniture

growth rate. Projections indicate that in 2000, the largest market segment will remain systems at \$7.8 billion, followed by seats at \$5.1 billion, and filing cabinets at \$2.6 billion.

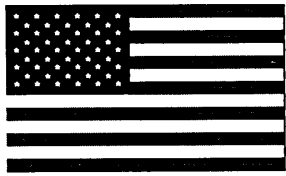
See Potential?

To learn more about these market opportunities, please refer to *The Residential and Office Furniture Market in the U.S. Pacific Northwest*, which is a full report prepared by the Market Research Centre of the Trade Commissioner Service. The report is available on-line at www.infoexport.gc.ca.

www.infoexport.gc.ca

Could this be your market?
Complete report at
www.infoexport.gc.ca

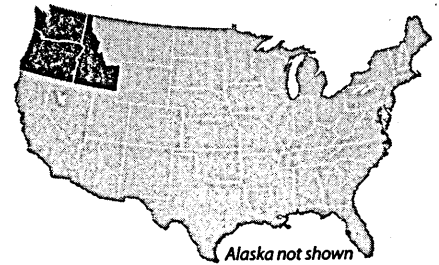
Access our market studies



The U.S. Connection

The U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division (URT). For information about articles on this page, contact URT by fax at (613) 944-9119 or e-mail at commerce@dfait-maeci.gc.ca. For all other export enquiries, call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

Opportunities in burgeoning market Pacific Northwest



"We're here to foster all forms of business development," says Senior Trade Commissioner Rod Johnson, "including strategic alliances, joint ventures and partnerships."

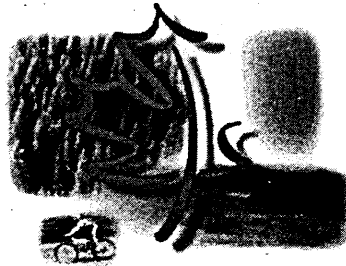
The territory of the Canadian Consulate General in Seattle covers the Pacific Northwest states of Washington, Idaho, Oregon and Alaska, a vast region encompassing 24 percent of the total land mass of the United States. Of the area's total population of 10.8 million, no fewer than 6.1

million live in what is often referred to as the I-5 corridor, the area within about 25 miles of the stretch of Interstate 5 between Bellingham, Washington, to the north, and Eugene, Oregon, to the south.

Concentrated in this distinct and vibrant economic region are some of the U.S.'s most affluent consumers and most innovative world-leading companies, presenting Canadian business with unique and accessible trade and investment opportunities. Outside the I-5 corridor, a small number of regional centres such as

Spokane, Washington, Boise, Idaho, and Anchorage, Alaska, also offer significant opportunities.

With the steady movement of business from California and other parts of the U.S., annual growth rates in the region have been well above the national average. Leading industries include aerospace, software development, computer and electronics component manufacturing, biotech research and development, medical devices, food processing and primary agriculture.



Canadian Consulate General/Seattle
<http://www.canada-seattle.org/>

The region is now home to 18 Fortune 500 companies, many with headquarters here, such as Boeing (aerospace and defence), Microsoft (software), Amazon.com (electronic commerce or e-com), Paccar and Freightliner (class 7 and 8 trucks), Nike (sport shoes/sportswear), Columbia (ski wear), and Weyerhaeuser (forest products).

Three sectors to watch

The aerospace industry remains central to the region's success, with Boeing as the major player. But recent

changes in the industry have opened up new business opportunities for Canadian companies. "Canada is a natural place to expand to as a company rolls out a product," says Bill Stafford, President of the Trade Development Alliance of Greater Seattle, in a recent article on U.S. tech clusters by Gary Hilson in *Silicon Valley North* magazine. "But Canadian firms shouldn't wait for American companies to come knocking on their door," he says. "They need to be proactive and do their homework."

The software sector is commanding increasing attention, due in part

Strategic Alliance Centre

www.alliance.canada-seattle.org

Seattle's Strategic Alliance Centre Web site is both an educational and a partnering site, featuring an interactive database of companies located in Canada and the Pacific Northwest interested in forming strategic alliances. The site offers comprehensive profiles, links to the best industry databases and educational resources in the aerospace, information technology and biotech/life sciences sectors.

Check the Business Section of the Canada-U.S. Relations Home Page at www.dfait-maeci.gc.ca/geo/usa/business-e.asp ... for valuable information on doing business in and with the United States.

THE U.S. CONNECTION

to the Microsoft spinoff, with growth in this industry consistently outpacing national and global averages. In 1988, there were only 808 software companies doing business in Washington state, compared to more than 2,500 companies today, an increase of over 300 percent.

Driven by this software success, other high tech sectors are now booming. The area is becoming a hub for e-com and a focal point for the merging of Internet and wireless devices. A chronic shortage of computer software engineers and programmers presents opportunities for Canadian companies in software co-development, as well as for investment in the Canadian software industry.

A third sector in Greater Seattle ripe for Canadian collaboration is **biotechnology**. The concentration of biotech firms in Washington ranks sixth in the nation, with a 75-percent concentration in the development of health care products.

A key component of a successful biotech cluster is its research capability, and in this respect the region is outstanding, boasting several leading research universities, federal laboratories and non-profit research institutes. These institutions have fostered the technologies that are the basis for more than half of the 160 biotechnology and medical device firms in the state.

DOING BUSINESS WITH THE U.S. FEDERAL GOVERNMENT?

Find out more from the Canadian Embassy in Washington, D.C. (www.canadianembassy.org) under "Business Opportunities: U.S. Government Procurement."

Log onto opportunities via the General Services Administration (www.gsa.gov), which facilitates purchases by the U.S. government — the world's largest consumer — and the Electronic Posting System site (www.eps.gov).

When you're ready to pursue these opportunities, the Canadian Commercial Corporation (www.ccc.ca) can assist you with the interpretation of the U.S. procurement system or ensure that as a Canadian company, you are eligible to participate.

Lively market for consumer goods

Consumer affluence (per capita income in the Puget Sound region is currently 24 percent above the national average) combined with high education levels translates into an above-average acceptance of new products, particularly imported, high-quality goods.

The buying decisions and channels of distribution in the Pacific Northwest are highly regional, rather than national in nature, which means that the market is of manageable size for smaller Canadian exporters. Because of these attributes, the Seattle Consulate territory is an ideal first market for new exporters, particularly in the consumer goods sector. (See also the *PNW furniture market report* on page 4.)

For more information about the Canadian Consulate General in Seattle, our trade team and how we can help you find business opportunities in the Pacific Northwest marketplace, visit our Web site at www.canada-seattle.org

ExportUSA (NEBS) Events

The Consulate in Seattle provides an active program of sector-specific New Exporters to Border States (NEBS) missions, as well as Reverse NEBS missions to Canada, held in conjunction with major trade shows or association meetings. Upcoming missions include:

Reverse NEBS Missions

Date: October 13

Sector: Multisector

Location: Whitehorse

Date: October (tbd)

Sector: Software

Location: Vancouver/Victoria

Date: October (tbd)

Sector: Breakfast meeting with the B.C.

Chapter of the Canadian Environmental Industries Association

Location: Vancouver

Date: November 12-17

Sector: Pacific Rim Biotech

Location: Vancouver

Date: Early 2001 (tbd)

Sector: Life Sciences

Location: Edmonton

EXTUS

Date: Tentative

Sector: Apparel: NW Winter Market

Location: Seattle

For further details, call (206) 443-1777 and ask for the responsible sector officer. *

Report

Pacific Northwest a hotbed for clinical trials

Biotechnology companies in the Pacific Northwest are conducting 240 clinical trials for cancer, infectious diseases, auto-immune disorders and other debilitating diseases, according to findings in a recently released report. Co-sponsored by the Canadian Consulate in Seattle and Axio Research Corporation, the report, *Status of Research, Development and Clinical Trials*, profiles 46 companies, 23 of which are Canadian. Thirty-six percent are Phase II and Phase III trials, the latter stages in the drug development approval process.

This report is designed to build the profile of the regional biotechnology industry and facilitate introductions and awareness of potential partnering opportunities and research collaborations.

For a copy of the report, contact Jane Shaw, Business Development Officer, tel.: (206) 770-4081, e-mail: jane.shaw@dfait-maeci.gc.ca *

Bristol Aerospace Limited has a long-standing reputation with the United States government for performing innovative and quality repairs to jet engine components and

Sharing Arrangement between the two countries. The current purchase order calls for the repair of 300 F101 divergent flaps at a rate of 30 per month; Bristol is delivering at three

CCC backing gives aerospace firm a boost

Higher thrust in the U.S.

afterburner assemblies. That reputation is getting even stronger. The Winnipeg-based company is currently a year ahead of schedule on the repair of F101 divergent flaps for Tinker Air Force Base, in an ongoing contract totalling US\$1.6 million to date. It's just one of the many U.S. contracts the company carries out in partnership — also long-standing — with the Canadian Commercial Corporation (CCC).

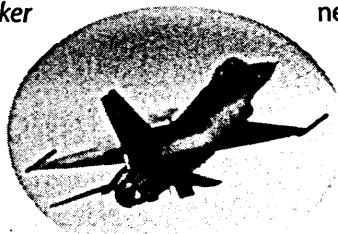
Bristol and CCC have been co-piloting projects for over 20 years. Through CCC, Bristol has gained direct access to the U.S. Department of Defense (DoD) under a Defence Production

times that rate, meeting an urgent need at the Air Force Base.

Bristol Aerospace began life in 1930 as a sheet metal business, when aviation was in its infancy. Evolving as aviation evolved, the now 1,100-employee enterprise is a Magellan Aerospace company with expertise in the design, manufacture and

repair of commercial and military aerostructures, engine components and subsystems, and participates in space science research with rockets, payloads and small satellites.

While the company does foreign business in the United Kingdom,



Sweden, Botswana, Australia, France and Russia, the United States is by far its biggest destination for exports. In the 1999-2000 fiscal year alone, Bristol signed 14 contracts valued at US\$21 million with DoD, through CCC.

"We have an excellent working relationship with CCC," says Bristol Marketing Executive Garth Palanuk. "Project Manager James Kelly has accompanied us on several trips to Tinker Air Force Base, where he has spent time with the customer, explaining CCC's role, including such details as contract performance, progress payments, and price certification. The customer has greatly appreciated the service."

"We are happy to make these kinds of presentations," says Kelly. "It shows how CCC can work with a company to develop their business."

With such Canadian teamwork, the sky's the limit for Bristol and CCC.

For more information on Bristol Aerospace, contact Garth Palanuk, tel.: (204) 788-2935, fax: (204) 775-7494, e-mail: gpalanuk@bristol.ca, Web site: www.bristol.ca ✪

Central Europe mission opens doors

International Trade Minister Pierre Pettigrew led a trade mission to Central Europe last month to promote Canada's trade interests and strengthen bilateral relations in that region. He was accompanied by 55 business people during the five-day mission which visited Budapest, Hungary; Bratislava, Slovakia; Prague, Czech Republic; and Ljubljana, Slovenia. Mission participants had a chance to establish important business relationships,

which contributed to the signing of \$8.15 million in deals. Many of the participating Canadian companies also said that they anticipated signing further contracts that could reach \$42.3 million in the near future.

For more information, contact Pierre Boucley, Central Europe Division, DFAIT, tel.: (613) 992-1449, fax: (613) 885-8756, e-mail: pierre.boucley@dfait-maeci.gc.ca or visit the Team Canada Web site at www.tcm-mec.gc.ca ✪

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 preshipment 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, e-mail: info@ccc.ca Web site: www.ccc.ca

Canadian Trade Review

A Quarterly Review of Canada's Trade Performance

Second Quarter 2000

This trade and investment quarterly reports on Canada's economic growth in the second quarter of 2000 and highlights our trade and investment performance in key sectors and markets.



Rising Trade and Investment Flows Point to Strength of Canada's New Economy

Canada's real gross domestic product (GDP) posted a gain of 1.1 per cent in the second quarter of 2000 compared to the previous quarter. This growth was largely due to

investment in business machinery and equipment, which rose by 6.5 percent, consumer spending by 0.9 percent and exports by 2.1 percent, all on a quarter-over-quarter basis at quarterly rates. Other important economic developments between April and June included the creation of 33,300 new jobs, a stable consumer price index and a slight appreciation of the Canadian dollar against the American dollar.

During the second quarter, the strength of the domestic economy

was also reflected in imports of goods and services which advanced at a higher pace than exports. As a result, the solid trade surplus that Canada enjoyed for the past two years was down, after a historic level set during the previous quarter. Canada's current account surplus fell by \$1.3 billion to \$3.6 billion for the quarter, as deficits in

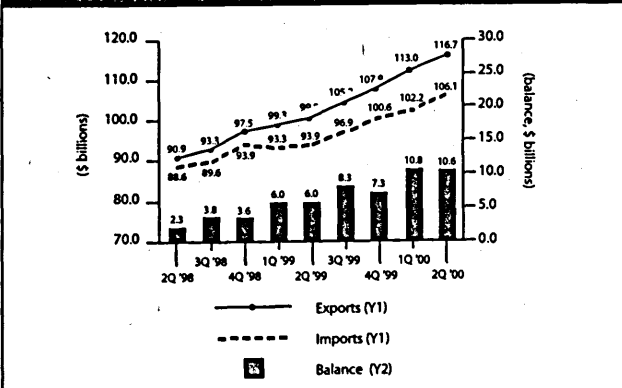
Continued on page 2 — Rising Trade

Figure 1: Canada's Economic and Trade Indicators

	Percent Change at Annual Rates 2nd Q '00 over 1st Q '00
Real GDP (annualized)	4.7%
Employment (quarterly increase, level)	33,300
CPI	
All Items	1.9%
Core (excludes food and energy)	1.9%
Canadian \$ in US funds (2nd Q level, average)	0.6730
Exports of Goods and Services (current dollars)	11.1%
Imports of Goods and Services (current dollars)	15.4%

Figure 2: Canada's Trade in Goods and Services

2nd Q '98 to 2nd Q '00 (Balance of Payments, Seasonally Adjusted)



Source: Statistics Canada

Trade and Investment Highlights

Quarter-over-quarter growth of Canada's merchandise exports and imports generated much of the gain in goods and services trade. Quarterly merchandise exports surpassed the \$100-billion mark for the first time. Also, during the second quarter, machinery and equipment (M&E) topped the country's export categories, surpassing automotive products. Services trade performance from April to June weakened compared to the previous quarter, as exports fell while imports were up marginally. On the investment front, the increase in Canadian Direct Investment Abroad (CDIA) paled compared to the surge of Foreign Direct Investment (FDI) in Canada in the second quarter, which reached an all-time high. More than half of the FDI increase stemmed from acquisitions, as foreign companies bought existing Canadian companies.

New Record for Merchandise Trade Fuelled by High-tech and Energy Products

Canada's merchandise exports were valued at \$102.9 billion in the second quarter, up 3.4 percent from the previous quarter. Exports were boosted by high-tech M&E products (including such items as televisions, telecommunications, and office machines and equipment), which rose by 10.7 percent on a quarter-over-quarter basis. Most other categories also contributed to higher quarterly

Continued on page 2 — Highlights

Prepared by the Trade and Economic Analysis Division (EET)



Department of Foreign Affairs and International Trade

Ministère des Affaires étrangères et du Commerce international

Canada

Highlights — Continued from page 1

exports, offsetting the decline in automotive products.

Canada's merchandise imports reached \$90.7 billion in the second quarter, an increase of 4.0 percent over the previous quarter. While

in import prices, Canada's terms of trade rose by 2.4 points on a quarter-over-quarter basis in the second quarter.

As for major trading partners, growth was concentrated in exports to the U.S., Japan and the European Union (EU), while import growth

was widespread. Canada's trade relationship with the U.S. strengthened, sparked by robust economic growth south of the border. To date, 86 percent of Canadian merchandise exports go to the U.S., up from 77 percent in 1995. However, when trans-shipment is taken into consideration, the U.S. share of our total exports is slightly lower,

estimated at 74.6 percent in 1995 and 82.1 percent in 1999.

Trans-shipment is based on the fact that distortions in trade statistics occur as goods from the initial export destination are redirected to a third country. For example, Canada's trade statistics capture Canada's exports to the U.S., even if Mexico is the final destination. The extensive use of U.S.-based transportation facilities for Canadian trade with third countries makes this issue even more relevant. Further, the use of U.S. import data on shipments from Canada as our source of infor-

Rising Trade — Continued from page 1

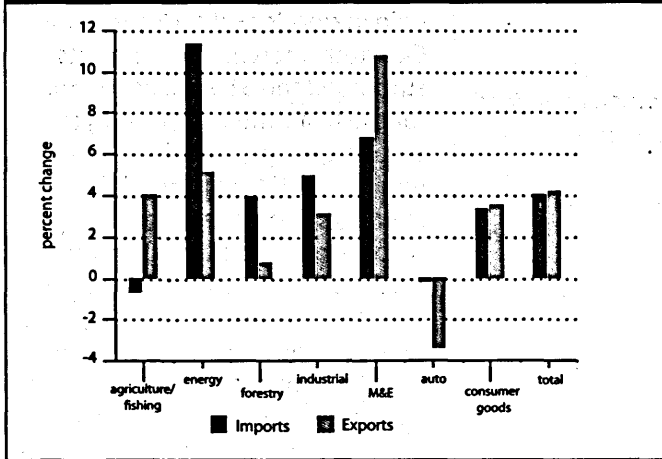
services, trade and investment income widened.

A favourable economic environment in the U.S. in particular, as well as in the rest of the world stimulated higher demand for Canadian exports. Real GDP in the U.S. grew a robust 5.3 percent in the second quarter of 2000 at an annual rate. In Europe, employment and output continued to improve. Real GDP growth in selected Asian economies remained solid and there were signs of strengthening in the economic situations in Latin America and Eastern Europe.

mation on exports to the U.S. adds to the complexity. This issue will be discussed in greater detail in the Features section of the next quarterly *Canadian Trade Review*.

The success in merchandise exports in the second quarter of 2000 was shared across all Canadian provinces and territories, with extremely high growth in Manitoba (31 percent) and New Brunswick (21 percent). Imports by province showed mixed performance, with increases in Newfoundland, Nova Scotia, Quebec, Ontario, Manitoba, British Columbia and the Yukon, and declines in the remaining provinces.

Figure 3: Canada's Trade by Commodity
2nd Quarter 2000 over 1st Quarter 2000 change

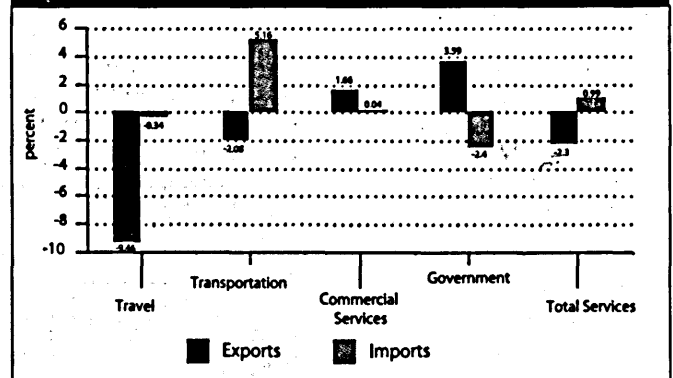


Source: Statistics Canada

energy products posted the highest percentage growth for the quarter, M&E gained the most in terms of import value. Significant M&E purchases in part reflected the substantially high investment in plants and equipment by Canadian industries associated with the new economy. According to Statistics Canada's recent survey, telecommunications, computer manufacturing, and scientific and computer-related service industries are investing in new technologies this year at a faster pace than the rest of the economy. As for other categories, imports also advanced in forestry, industrial goods and consumer products. However, automotive, agricultural and fishing products were down in the second quarter.

The price of energy was also key in this quarter's performance leading to an upward swing in export prices. In the absence of an increase

Figure 4: Canada's Services Trade, by type
2nd Quarter 2000 over 1st Quarter 2000 change



Source: Statistics Canada

Services Exports Showed Signs of Weakness

Canada's services exports for the second quarter were \$13.7 billion, down 2.3 percent from the previous quarter. Increases in exports of commercial and government services were more than offset by the decline in travel and transportation. For commercial services the increase was widespread. Water transportation services rose during the second quarter, while air, land and other transportation services, as well as personal and business travel, were down.

Services imports during the second quarter managed a gain, reaching \$15.4 billion. Canada's services deficit widened by \$474 million to \$1.6 billion.

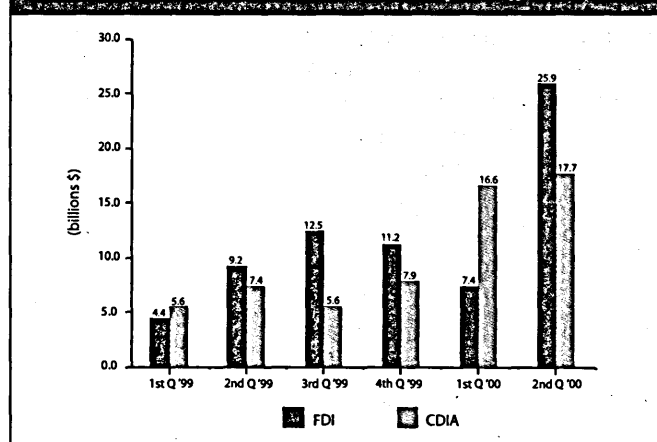
Acquisitions Resulted in Massive FDI in Canada

The flow of FDI in Canada was \$25.9 billion in the second quarter, more than the value of the previous two quarters combined, with a substantial portion coming from acquisitions of Canadian companies. This quarter's FDI performance was also tied to an unprecedented increase (by as much as \$10.2 billion) from EU countries other than the United Kingdom, although the U.S. remains the largest source of FDI. By industry, these investments were directed to machinery and

transportation equipment, and other industries.

CDIA rose to \$17.7 billion in the second quarter of 2000, and was mostly directed to the U.S., Europe and Asia. By industry, CDIA was concentrated in energy, machinery and transportation equipment, and miscellaneous industries. Acquisitions were also important in CDIA, representing half of the direct investment abroad.

Figure 5: Foreign Direct Investment in Canada (FDI) and Canadian Direct Investment Abroad (CDIA), 1999-2000



Source: Statistics Canada

Features

Canada's Top Exporters

As global competition intensifies, and as Canada's prosperity becomes increasingly tied to international trade, Canada is committed to maintaining and expanding its markets abroad. In this regard, there has been a growing interest in identifying the characteristics of exporting companies, information which was not always readily available to policy formulators. This Features section discusses the concentration of Canada's exports by size, destination, province of residence and industry of the exporting company. It also reviews the market presence of Canada's top 50 exporters in recent years.

According to Statistics Canada's Exporter Registry, 30,738 establishments in Canada exported \$278.9 billion worth of goods globally in 1997. The number of identified exporting establishments increased by 6,846, or 6.5 percent, while the value of exports grew by 12.1 percent on an annual average compounded rate between 1993 and 1997. Manufacturing industries made up 52.2 percent of the total number of firms in 1997 and 70 percent of their export value (see Figure 6 overleaf). Growth in the number of exporters from 1993 to 1997 was highest for service industries.¹

The top five industries (transportation, wholesale trade, paper and

allied products, electrical and electronic products, and mining, quarrying and oil wells) accounted for 56.8 percent of the 1997 value of exports, although these sectors represented only 34 percent of the number of exporters. However, wholesale trade, fabricated metal products, machinery, business services, and construction, transportation and storage industries dominated in terms of the number of exporting establishments with 45.7 percent of the 1997 total though they accounted for only 25.2 percent of export value.

By destination, the majority of Canadian establishments (18,445, or 60 percent of the total) exported only to the United States in 1997. Just 14.2 percent of establishments exported to non-U.S. markets and

¹ The Exporter Registry picks up merchandise exports from service establishments as well.

Figure 6: Number of Canadian Exporters, Value of Exports and Growth

	Number of Exporters, 1997	1993 - 1997 Compound Annual Growth (%)	Value of Exports, 1997 (in billions of dollars)	1993 - 1997 Compound Annual Growth (%)
Resource-based*	2,006	3.4	20.4	11.6
Manufacturing	16,056	5.3	195.1	12.6
Services	12,676	8.7	63.4	10.9
Total	30,738	6.5	278.9	12.1

* Includes agricultural and related service, fishing, trapping, logging and forestry, mining (milling), quarrying and oil wells.

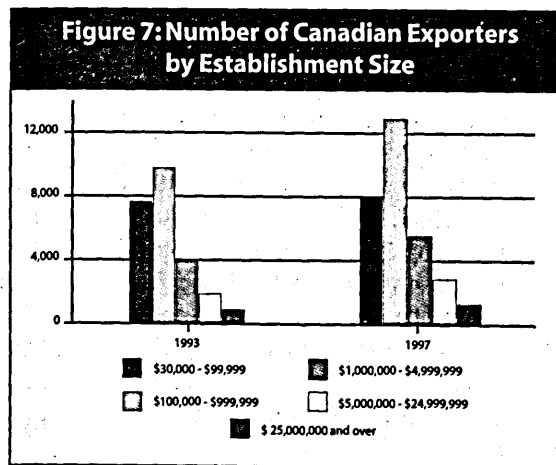
the remaining 25.8 percent catered to both U.S. and non-U.S. markets. The average value of exports per establishment for those selling to U.S. and non-U.S. markets was \$16 million, as compared to \$7.5 million for exporters selling to the U.S. market only, and \$2.9 million for exporters selling solely to non-U.S. markets. These figures indicate that access to more diversified markets has benefited exporters to a large extent, as factors such as economies of scale come into play.

Within the U.S. market, the eastern seaboard (Maine, New Hampshire, Vermont, Connecticut, Massachusetts, Rhode Island, New Jersey, New York, Pennsylvania, District of Columbia, Delaware, Maryland, North Carolina, Virginia, and West Virginia) is the most important destination based on the number of exporters, while the industrial heartland (Illinois, Indiana, Kentucky, Michigan, Ohio, and Wisconsin) is the most important in terms of export value.

By province of residence, Ontario, Quebec and British Columbia topped the 1997

lists of the number of exporters and net increase from 1993 to 1997. Sales growth was highest in Manitoba (23 percent), Quebec (15.8 percent) and Alberta (14.8 percent) over this five-year period.

Statistics Canada's Exporter Registry also revealed that, by establishment size, the greatest increase in the number of exporters was in the group reporting export sales of between \$100,000 and \$999,999. This category had the largest number of exporters (12,843), although with only a share of 1.7 percent of the 1997 export value. In contrast, the top 1,317 establishments reporting exports of more than



Source: Statistics Canada

\$25 million generated 81.5 percent (\$227 billion) of total 1997 exports.

It appears that the value share of small exporters² and the top 50 exporters have declined over time. For small exporters, the share dropped from 7.3 percent in 1993 to 6.6 percent in 1997. For the top 50 exporters, the share fell from 38 percent in 1993 to 35 percent in 1997. In particular, the

value share of the top 50 exporters to the U.S. was down from 45 percent in 1993 to 40 percent in 1997³, which suggests that exports have become less concentrated in the hands of the largest Canadian exporters during this period.

Company information further supports the above findings as the top 50 exporters shipped 33.5 percent of Canada's total exports of goods and services in 1999, with company export sales ranging from \$390 million to \$28 billion. On average, these firms exported 45 percent of their production in 1999.

Among the top 50 exporting companies, 12 are from the forestry industry, 6 from automotive, 4 each in mining, oil and gas, and computers, and the remaining 20 from other industries. In 1999, Canadian automotive companies exported \$71 billion worth of goods and services, surpassing the global sales of all other companies combined. Other firms with significant global shipments in 1999 were in the forestry and telecommunications sectors.

2 Small exporters are defined as those with export sales of less than \$5 million.

3 Data provided by International Trade Division, Statistics Canada

The world economy is firing on all cylinders for the first time since 1994. One consequence has been the emergence of excess demand for oil, which has pushed prices to ten-year highs. Recently, analysts have come

on oil today than they were in the past. This is true because the dominant growth sectors of the economy have been technology and services. But that does not change the fact that high oil prices will act much like a

Still the Achilles' heel of the world economy

Adequate oil supply

by Stephen S. Poloz, Chief Economist, Export Development Corporation

to question the industry's ability to supply enough oil to keep prices under US\$30 per barrel. Indeed, with inventories so low, a spike in demand during the northern hemisphere winter could push prices into the \$40 range.



EDC's Stephen S. Poloz

The complacent response to this potential shock is that the major economies are far less reliant

major tax hike, slowing other components of consumer spending and investment. Even if the oil price settles at around \$35, rather than the \$22-25 assumed in EDC's Spring 2000 Global Export Forecast, the effect will be to slow growth in the major economies by around half a percentage point, and boost inflation by 1 percent.

If that were the end of the story, financial markets would be breathing more easily. It is the second-round effects that are more worrisome, and their severity will depend on how long high oil prices persist. Faced with the risk that workers would eventually begin to bargain for higher wages in response to higher oil prices, thereby creating more widespread inflationary pressures down the road, central banks will push interest rates higher, causing economic growth to slow further. Because global economic growth is presently running at over 4 percent, this would not cause a recession, but the outlook would be much less bright than it appeared just a few months ago.

The bottom line is that higher oil prices — while a boon to some Canadian companies — pose the risk of much slower growth in Canadian export sales, and in the Canadian economy in general, plus higher inflation and interest rates.

Let's hope for a mild winter. *

Market access information for Canadian exporters

The Department of Foreign Affairs and International Trade (DFAIT), through its Tariffs and Market Access Division, offers market access information to Canadian exporters.

This includes information on tariffs, taxes, rules of origin, some entry procedures, and, for the United States, counselling on Food and Drug Administration (FDA) and U.S. Department of Agriculture (USDA) food product labelling. More general information is also available for other countries.

The service, which covers almost all Canadian exports, is for the following countries and regions: Algeria, Argentina, Australia, Bahrain, Bolivia, Brazil, Brunei, Bulgaria, Cameroon, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Cuba, Czech Republic, Ecuador, Egypt, El Salvador, European Union

(15 member countries), Honduras, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Japan, Kenya, Kuwait, Luxembourg, Malaysia, Mauritius, Mexico, Morocco, New-Zealand, Nicaragua, Nigeria, Norway, Pakistan, Paraguay, Peru, Philippines, Poland, Qatar, Romania, Russia, Saudi Arabia, Senegal, Singapore, Slovakia, Slovenia, South Africa, South Korea, Sri Lanka, Taiwan, Tanzania, Thailand, Tunisia, Turkey, United Arab Emirates, United States, Uruguay, Venezuela and Vietnam.

For information on market access and tariffs, tel.: (613) 944-1569 or (613) 944-5070, fax: (613) 944-4840 or (613) 992-6002.

For counselling on FDA/USDA food product labelling for the United States, tel.: (613) 944-1015, fax: (613) 944-4840 or (613) 992-6002. *

EDC reports mid-year results

— Continued from page 2

decreased 38 percent to \$42.6 million from \$68.3 million from the same period in 1999.

EDC is also on track in meeting its other corporate objectives, including a series of initiatives that are part of its Education and Youth Employment Strategy, designed to create an export culture in Canada. These include 18 undergraduate scholarships, several education-related sponsorships and partnerships with educational institutions and youth associations.

Further information about EDC business results, including export markets, industrial sectors and export origins can be found on EDC's Web site www.edc.ca *

Sales of information and communications technology (ICT—computer hardware, software and services) in the Netherlands totalled approximately \$14.6 billion in 1999, an increase of 11 percent over 1998 sales.

Market overview

ICT in the Netherlands

Hardware sales increased by 14 percent and software by 20 percent in 1999, while services were up by a modest 1.7 percent. Expectations for 2000 are positive, with a predicted growth of 14 percent that will take total ICT sales to \$16.8 billion. Standard software is becoming increasingly popular and is gaining market share from custom solutions.

The Dutch telecommunications market was estimated at \$14 billion in 1999, an increase of 7.3 percent over 1998. Of the \$14 billion total, \$11.8 billion was in telecommunications services.

Trends and opportunities

Market opportunities exist in specialized (technical) software such as graphics and CAD/CAM, desktop publishing, and expert systems. Documentary information systems (DIS), are important growth areas, as are communications-related PC software and add-on products.

The multimedia software industry is growing rapidly. Key areas of

application include education, an area where the Netherlands lags behind other developed countries. The government has an extensive program to stimulate more use of information technology in education.

The Dutch telecommunications market has been liberalized in recent years. Key growth areas are Internet products, mobile telephony and WAP networking, computer telephony integration (CTI) and voice/data integration.

Some 43.9 percent of the total population of 16 million are "regular" Internet users. Almost 39 percent of households have an Internet connection, and recent surveys forecast that 50 percent of households will be on-line by mid-2001. As of December 1998, 80 percent of larger Dutch companies were using the Internet.

E-commerce is growing rapidly (some estimates quote 200 percent per year). The increasing importance of the Internet for data communications, the growing number of Internet service providers, and the rapidly developing trend for doing business on-line (retail, business-to-business and government-to-business) are expected to create opportunities for suppliers of related technologies.

Accessing the market

As in other markets, ICT end-users span the entire spectrum of public and private sector organizations. The Netherlands is relatively "light" on ICT manufacturing and strong in systems integration and services, and it offers a good pool of potential partners. Local representation will in most cases be a prerequisite for successful market entry.

Major competitors

With a few exceptions, the Netherlands does not have a strong ICT manufacturing base. In software, local developers are well positioned in the custom business solutions market, while most major U.S., Japanese and European producers are represented in the market.

Constraints and challenges

The Netherlands is a relatively open market, with few barriers to foreign producers, making it a popular point of entry into Europe. Various Canadian ICT companies have established subsidiaries there, while many more are actively selling through distributors or resellers.

For more information, contact Chris J. Rowley, Commercial Officer, Canadian Embassy in the Hague; tel.: (011-31-70) 311-1664, fax: (011-31-70) 311-1682, e-mail: chris.rowley@dfait-maeci.gc.ca Web site: www.ocanada.nl ✪

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A world leader

Sweden — the ICT market

Sweden is the world's number one information technology (IT) economy, having toppled the United States from its customary top position in February 2000.

R&D stronghold

The establishment in Sweden, in the past two years, of advanced research and development (R&D) facilities by

such big-name information and communications technology players as Intel, Microsoft, Motorola, and Nokia is evidence of the importance of this market. These companies and others have joined national champion Ericsson at centres of excellence such as the sprawling Kista complex in Stockholm's northern suburbs. Home

to some 700 companies, Kista is customarily ranked among the top five R&D locations in the world and number one in Europe.

Catalyst for innovation

As world leader in mobile communications systems — and number three in mobile phones — Ericsson has acted as an important catalyst in spurring innovation among suppliers and in generating a host of offshoot and start-up companies.

Continued on page 11 — Sweden

After the United States and Japan, Germany is the world's third largest market (worth DM 205 billion or \$150 billion) for information technology (IT) products and services.

In 1999, Germany saw rapid growth in public Internet access as the number of users increased by 36 percent to 11 million (Germany's population is 80 million). Half of these users went on-line using Germany's predominant Internet service companies — T-Online, AOL Bertelsmann and Compuserve. The current rate of Internet access in Germany is 13 percent (28 percent in the U.S.). Experts predict that in 2005, every third German will have access to the Internet.

E-commerce: huge potential

Likewise, e-commerce activities are exploding and are predicted to reach a volume of \$2.4 trillion Europe-wide by 2004. Huge potential exists in the German e-commerce market. In 1999, 9 million e-shoppers spent roughly DM 1 billion (\$750 million) through the Internet. The most popular products purchased on-line include books, computers and software, clothes and CDs.

On-line-banking (74 percent of services sold on the Internet), hotel bookings and airline/train tickets currently

account for the most popular on-line services. But the country is still lagging behind recent developments in the U.S. by about two to three years.

Sector overview

IT in Germany

Market trends

As the demand for Internet applications increases, more and more Internet Service Providers (ISPs) will offer free Internet access. On-line shopping will increase once security concerns are reduced. However, on-line activities in the business-to-business (B2B) sector are predicted to exceed those in the business-to-consumer market.

Increasingly, German companies are recognizing the advantages of conducting business on-line and are expanding their Internet presence. Currently, 82 percent of the German Mittelstand (medium-sized businesses) are active in the e-commerce sector, and 34 percent are already conducting B2B transactions on-line.

Major competition

Predominant ISP competition in Germany includes T-Online, AOL Bertelsmann, and Compuserve.

Companies active in e-commerce include Amazon.com, Ebay.com, Etoys.com, Barnesandnoble.com, and bol.de. The most popular Internet

portals are Yahoo.de, Web.de, lycos.de, and t-online.de, while the predominant multimedia agencies are GFT Technologies, USWeb/CKS, Pixelpark, and I-D Media.

Challenge for Canadian exporters

While huge in potential, the German market is also very competitive. Industry experts predict that established global players will continue to gain local footholds. In addition, Scandinavian e-business companies have a strong technological lead and will begin moving into mainland Europe.

The challenge for Canadian businesses will be to position themselves in the German market and to offer products or services with a unique advantage. Establishing a local presence, as well as a reliable customer service, is important in this market. Finding a suitable German

Continued on page 14 — IT in Germany

Sweden — the ICT market — *Continued from page 10*

Venture capital explosion

Responding to the explosion of innovative IT start-ups, the Swedish venture capital industry has mushroomed and has gained widespread recognition as the most innovative and dynamic in Europe, after the United Kingdom.

Important test market

Sweden has always been an important test market for new products and services, being number one in Europe for "innovation friendliness."

Embracing Internet banking

Testifying to this traditional readiness to adapt, Swedish commercial banking has enthusiastically embraced new

technology; the top three European banks, ranked by degree of integration of Internet technology into their services, are all Swedish. Indeed only Citibank in the U.S. is ahead of the Swedes overall.

Telecommunications

Sweden was the second country in Europe, after the United Kingdom, to deregulate its telecommunications market, introducing competition and forcing rates to drop.

Looming on the horizon is the distribution in Sweden, due early December, of four UMTS, or 3G, licences.

Broadband land

Parallel with the upgrading of mobile

phone services, the Swedish state has made a \$1.5 billion pledge in a fifty-fifty deal with the private sector to network every county in this vast (by European standards) country for broadband Internet access.

Thousands of existing Swedish broadband customers will shortly be joined by millions more: a major market for technology delivering services and content to a mass audience is here.

For more information, contact Euan Scott, Canadian Embassy, Stockholm, tel.: (011-46-8) 453-3000, fax: (011-46-8) 24 24 91, e-mail: euan.scott@dfait-maeci.gc.ca Web site: www.canadaemb.se ✪

For unabridged version, see www.infoexport.gc.ca/canadexport

The mining and minerals sector will be a focus of the upcoming Team Canada trade mission to China (November 18-27), with a mining seminar planned for the Beijing portion of the program.

China has abundant mineral resources, with reserves of 154 minerals, including 54 metals and 90

also improves conditions related to the utilization of land for mining with foreign investment.

The government is drafting additional regulations designed to establish international practices that would include selling and transferring exploration and mining rights, acquisition of exploration rights, protection of mining rights, preferential policies to

Ürümqi, Xinjiang province. Last June, Secretary of State (Asia-Pacific) Raymond Chan visited the area with a business delegation that included a number of mining companies.

- As part of the Team Canada trade mission, the mining seminar on November 20 in Beijing will focus on the latest developments in the regulatory and policy framework for exploration, the western development initiative, mining equipment market prospects under the World Trade Organization (WTO), and networking activities.

Minerals, mining and equipment sector

China – the last frontier

non-metals. It is the world's largest producer of coal, zinc, rare-earth and steel, one of the largest gold producers, and the second largest producer of 10 of the most important nonferrous metals. In 1999, China's mineral imports totalled US\$31 billion, including primary materials and metals such as, steel, iron, oil, chromite, manganese, copper and potassium.

Increased market access

The Chinese government is committed to reducing uncertainties in mining rights and laws, facilitating approvals of mining projects, and revamping its foreign investment policy as it moves to open the domestic market to foreign investors.

China is also undertaking a major restructuring of mining-related ministries and companies, following the establishment of the Ministry of Land and Resources (MLR) in 1998. To improve the legal framework, the Mineral Resource Law was amended and three new regulations were issued in February 1998, creating a system of acquiring mineral rights with compensation and specifying the legal position of foreign investors. The 1999 Land Administration Law

promote the comprehensive utilization of resources and to explore China's undeveloped western region.

After liberalizing the silver market in January, the government also plans to gradually open the gold market and set up a gold exchange centre.

Recent events

- Last January, Minister of Natural Resources Ralph Goodale visited China with 70 Canadian companies, including an important mining delegation. A Memorandum of Understanding to increase co-operation between the two countries (see *CanadExport*, July 4, 2000, p. 12) was signed.
- Joe Singer, President of Penfold Limited, is the first chairman of the New Canada Mining and Minerals Working Group in China.
- A Canada-Australia Mining and Minerals Working Group was established in China.

Future activities

- The annual Foreign Investment and Mining Development Conference of China, organized by MLR, will take place October 10-12, 2000, in

Mining equipment opportunities

While locally manufactured equipment is growing in variety and sophistication, quality control continues to be a problem, though domestic prices are generally lower than those of foreign manufacturers. Increasingly, however, market reforms are driving Chinese mining and processing companies to seek capital investments to

enhance productivity. With

China's accession to the WTO imminent, the general import duty rate averaging 16 percent should be gradually lowered to 10 percent over a five-year period.

Some foreign companies have already opened up joint ventures and are producing equipment in China.

For more information on the Team Canada mission, industry sectors and seminars, contact the Team Canada Division, DFAIT, tel.: (613) 995-2194, fax: (613) 996-3406, Web site: www.tcm-mec.gc.ca

For more information on China's mining sector, contact Su Yun Myong, China and Mongolia Division, DFAIT, tel.: (613) 996-3607, e-mail: suyun.myong@dfait-maeci.gc.ca Web site: www.dfait-maeci.gc.ca/china or Marc Parisien, Canadian Embassy, Beijing, fax: (011-86-10) 6532-4072, e-mail: marc.parisien@dfait-maeci.gc.ca ✪



Newspaper headlines such as "Japan vows \$15 billion for IT support," "Cell phone subscriptions top 57 million" or "Japan to equal U.S. in Internet use by 2005" have appeared recently in some of Japan's leading business papers. They speak to a country that has moved past its economic slowdown and is racing resolutely towards its own information technology (IT) revolution.

Both government and corporations have poured massive resources to restructure this sector and lead Japan into the digital century. Canadian IT firms wanting to capture a greater share of the world's second largest IT market need to act now.

Focus on the Internet

Japanese companies such as Matsushita (of Panasonic and National) and Sony, which have built their brand names on the strength of their consumer electronics products, are now moving away from the low margins of hardware into more integrated and integral Internet-focused businesses. Fujitsu recently announced its intention to divest itself of all non-Internet-related divisions in the coming months.

Need for partnership

While Japan drives its IT revolution, Japanese firms recognize that their core competencies rest in the areas of miniaturization, manufacturing, microprocessors, and less so in software, content and application development. To be successful in the global IT industry, Japanese IT firms will need to marry their strengths with those of foreign technology partners.

Canadian successes in Japan

Canadian firms that enter Japan with a strong understanding of the local IT market have met with a good degree of success. Currently, Canadian software helps to direct traffic on Tokyo's roads; Japanese game developers are producing new animation games using Canadian software tools; the next line of automobile models from major domestic manufacturers like

Toyota, Nissan or Honda will have used Canadian software for exterior body design; and Japanese patients undergoing magnetic resonance

Japan imports 90 percent of its software

Booming IT market

imaging (MRI) in local hospitals are likely unaware that Canadian software is the brains behind the made-in-Japan MRI.

The examples are endless. But the one thing that all the firms behind these Canadian products have in



common is that they all knew their technology and examined the market thoroughly to determine how best to position their products given the unique characteristics of the Japanese market.

Software market based on imports

As a technologically advanced country with very high income levels, Japan represents a natural market for computer software. In contrast to the self-sufficiency evident in most Japanese economic sectors, the country's software market is dominated by imported products, by more than 90 percent. North America is the most important source, supplying over 85 percent of the software products imported by Japan.

Third-country opportunities

The Japanese IT marketplace is sizable in its own right, but Canadian IT companies active there will also have access to additional markets by using their presence in Japan as a

springboard. Many Japanese firms are active in Southeast Asian IT markets and Canadian firms can use their strategic technology alliances with

Japanese partners to establish themselves in these markets.

Study the market

Japan is unique; what works in domestic, American or European markets may not necessarily work in Japan. Canadian IT firms must study the marketplace to know if their technology will work and be adopted. Canada's Trade Commissioners in Japan can provide advice to high-tech companies once they have carried out their own market research.

Preparing for the marketplace

Becoming established in the Japanese market requires commitment, patience and often considerable expense for those who have a desirable product or service. Properly marketed, however, the financial rewards can be great as selling prices are much higher than in North America.

Need to know more?

The high-tech section of the Canadian Embassy in Tokyo regularly publishes three electronic sector-specific market newsletters covering Japan's health, environment and IT industries.

To subscribe to these newsletters, or for information on upcoming IT trade events in Japan, send an e-mail to Tokyo.htech@dfait-maeci.gc.ca ✪

For unabridged version, see www.infoexport.gc.ca/canadexport

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown Corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

ITALY — High speed data link — Notice received from the Canadian Embassy in Rome. A tender has been issued by the North Atlantic Treaty Organization (NATO) Saclant Undersea Research Centre for a high speed data link for a ship-shore VSAT communications system. Technical specifications: Shipboard station (NRV ALLIANCE): 1) 1.2 m stabilized VSAT antenna and antenna controller: KU band operation, 3 axis stabilization, pointing accuracy better than 0.3 degrees, interface to

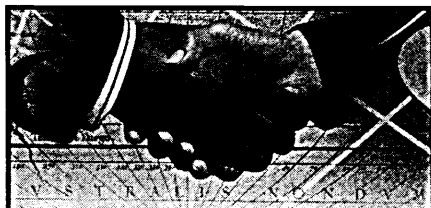
International Business Opportunities Centre

VSAT radio frequency terminal, interface to ship gyro, 240 VAC power supply; 2) VSAT radio frequency terminal: integrated receiver/modem, integrated down converter, ethernet local network interface, native support of Internet Protocol (IP), 240 VAC power supply. Shore station (SACLANTCEN) specifications: 1) 2.4m VSAT antenna: KU band operation, interface to VSAT radio frequency terminal, 240 VAC power supply; 2) VSAT radio frequency terminal: integrated receiver/modem, integrated down converter, ethernet local network interface, native support of Internet Protocol (IP), 240 VAC power supply. Closing date: November 6, 2000. Contact Carol Ann Guzzo, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000803-03147. For details: www.iboc.gc.ca/webleads.asp?833en For more information: www.saclantc.nato.int/ships/alliance.html

INDIA — Welding manipulator — Notice received from the Canadian High Commission in New Delhi. Rail Coach Factory, Kapurthala has issued a tender (no. 6013005338) for one welding manipulator with automatic seam tracking. Cost of tender document: Rs.2,000 or US\$200 with a bid cost of Rs.408,800 or US\$9,300. Closing date: November 20, 2000. Contact Steve Guertin, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000829-03485 For details: www.iboc.gc.ca/webleads.asp?id=1020en

INDIA — Electronic beam cables of various sizes — Notice received from the Canadian High Commission in New Delhi. Diesel Locomotive Works, Varanasi has issued a tender for electronic beam cables in various sizes and quantities. Cost of tender document: Rs.2,000 or US\$60 with a bid cost of Rs.100,000 or US\$10,000. Closing date: November 8, 2000. Contact Steve Guertin, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000889-03480. For details: www.iboc.gc.ca/webleads.asp?id=1019en

IBOC trade opportunities — find out more at www.iboc.gc.ca *



IBOC
International Business
Opportunities Centre

International Business Opportunities Centre

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®).

IT in Germany — Continued from page 11

partner is the preferred way to tackle the ICT market.

Most promising customers

The most promising customers for e-commerce-related applications include small and medium-sized businesses, banks and other financial institutions, and travel agents. The on-line entertainment industry can be targeted for games and leisure

communication with products such as virtual greeting cards.

For more information, contact Claudia Seeber, Commercial Officer, Canadian Embassy, Berlin, tel: (011-49-30) 203-12-366, fax: (011-49-30) 203-12-115, e-mail: claudia.seeber@dfait-maeci.gc.ca Web site: www.canada.de *

For unabridged version, see www.infoexport.gc.ca/canadexport

While some consultants find exporting their services a challenge, Dr. Douglas Potvin and his company, Dalpot International Consultants Reg'd., have excelled at it. A mathematics professor and former administrator at Concordia University, Potvin is Dalpot's founder, president and resident expert. After retiring from academia in 1989,

the program Dalpot designed for the Venezuelan students studying hospital administration placed them at six Montreal-area hospitals. Depending on the scale of the project, Dalpot contracts a staff of three to 15 employees. Most courses take place in Montreal.

Solid Canadian lead

In January 1999, Guyana's PEIP put out a tender for educational consultants.

conduct numerous workshops in schools across Guyana, and to write a teaching manual.

What works

While the majority of Dalpot's clients are international student groups, the company has developed and implemented diverse programs for other types of clients.

For Canadian consultants considering the export market, Potvin has this advice: "Identify one area or one niche to hone, secure local representation abroad, and, most important, develop good contacts."

Dalpot has relied on its good contacts to secure its share of contracts. One of those contacts is IBOC. By registering in DFAIT's WIN Exports, one of the databases used by IBOC, Dalpot ensured it would be found and matched with the tender lead from Guyana.

In the end, Dalpot chalked up a win, and as Potvin puts it, "When you get a contract like this, it's not only a coup for the company, but for Canada as well." *

IBOC leads the way to Guyana tender Lasalle firm wins

Potvin wielded a 41-year career in education and a trove of university contacts to carve a successful niche consultancy business, offering custom educational training programs to international groups. His expertise combined with a trade lead from DFAIT's International Business Opportunities Centre (IBOC) netted Dalpot a \$241,500 tender contract with the Government of Guyana Primary Education Improvement Program (PEIP).



Lyris Primo, a trade officer with the Canadian Trade Commissioner Service (TCS) at the Canadian High Commission in Guyana, passed the lead to IBOC's sourcing officer, Daniel Lemieux.

IBOC works with TCS around the globe to match Canadian companies with international business opportunities. Sourcing experts use a variety of sources and databases to identify Canadian companies that meet the requirements of foreign buyers. In this case, Lemieux searched the WIN Exports database for suitable companies. Dalpot was notified of the trade lead and responded with a bid on the tender.

Foreign tenders can often take a year or more to conclude. To monitor the progress on his bid, Potvin kept in frequent contact with Lyris Primo via e-mail. In February, Dalpot was given two days' notice to appear at a tender opening in Guyana. Lyris Primo offered to attend on the company's behalf, and discovered Dalpot's proposal was on top of the pile, ranked number one.

By March, Lemieux confirmed Dalpot had won the tender, prompting Potvin to pack his bags for a two-week assessment in Guyana. Dalpot's contract, which will take 18 months to fulfill, requires the company to

Tailor made programs

Over the years, Potvin and Dalpot have developed and administered more than 40 educational programs. Given his mathematics background, clinching the deal to develop and implement a training program for elementary math teachers in Guyana was like icing on the cake.

Dalpot has designed and implemented a wide variety of "tailor made" programs, from courses in English as a second language for a Kuwaiti police group to training Venezuelan hospital administrators.

Based in Lasalle, Quebec, the company utilizes the personnel and physical resources of existing educational and business institutions in its development and implementation of courses and training activities. For example,

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WIN EXPORTS

IFE Show serves up exciting menu

LONDON, ENGLAND — March 25–28, 2001— IFE 2001, the United Kingdom's premier food and beverage trade show, is set to stir up the industry when it opens its doors at ExCeL, Europe's newest and most exciting international exhibition centre.

Attracting over 38,000 trade visitors looking to source the most innovative ideas in food and drink, and situated in London, the world's food and drink capital, IFE delivers more buyers with purchasing power from the retail, catering and wholesale sectors than any other U.K. exhibition. With a strong history of serving the food and beverage industry for over 21 years, IFE has proven its commitment, strength and ability to deliver results.

The Canadian High Commission in London, Agriculture and Agri-Food Canada, and the Department of Foreign Affairs and International Trade invite you to participate in a Canada Pavilion for IFE 2001. Canada's participation will be managed by Unilink, the organizer's IFE representative.

The U.K. is a \$320-million market for Canadian agricultural, food and beverage products, encompassing an impressive range of items in all market segments. The U.K. presents exceptional opportunity for high value-added, high-quality niche products, especially in the confectionery and snack foods area. Organic foods, ethnic specialties, innovative beverage products, ready-to-serve meals,

and unique items of every description have a place in this market. Success achieved in the U.K. also presents an important launching pad for Canadian products into other European markets.

For more information and to book your booth for the Canada Pavilion

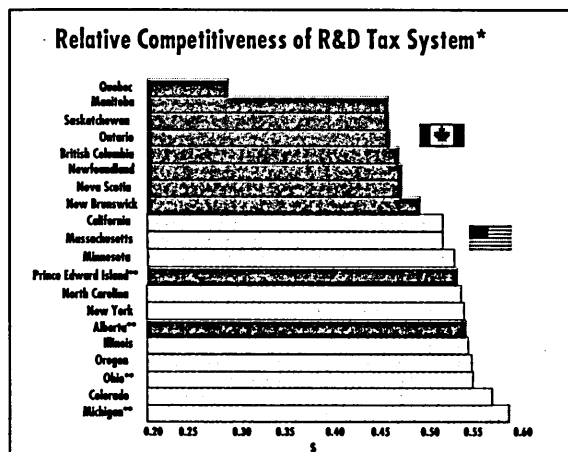
at IFE, contact Anne Heath, Project Manager, Unilink, tel.: (613) 549-0404, fax: (613) 549-2528, e-mail: ah@unilinkfairs.com. Deadline for registration is October 31, 2000.

For market information, contact Ian Thomson, Counsellor (Agriculture/Fisheries), Canadian High Commission, London, tel.: (011-44-20) 7258-6663, fax: (011-44-20) 7258-6384, e-mail: ian.thomson@dfait-maeci.gc.ca

Canada offers superior R&D incentives

Executives and CEOs know that Canada is the best place to do business. Just in case you need a little persuasion, here are some excellent reasons why companies invest in Canada.

- **Lowest R&D costs:** Canada enjoys the lowest after-tax cost of research and development (R&D) expenditure of all G-7 countries, including the U.S.
- **Fully deductible:** Canada's generous R&D tax treatment allows for all R&D capital equipment expenditures to be deducted in full.
- **Bottom line:** R&D costs can be significantly reduced by working in Canada — whether through direct investment or sub-contracting.



* Based on large manufacturing firms.
** Provinces/states not offering R&D tax credit

Source: Conference Board of Canada (November 1999)

"Canada's combined federal-provincial corporate income tax system remains the most attractive in its treatment of R&D. No country or state tax system examined... can measure up to the attractiveness of R&D tax treatment in Canada and any of its provinces."*

Source: Conference Board of Canada (June 1999)

*Based on a comparison of the G-7, Australia, Mexico and Sweden

For more information on investing and doing business in Canada, click on www.investin-canada.gc.ca or call (613) 941-0354, fax: (613) 941-3796, e-mail: lanoy.louise@ic.gc.ca

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling 1-800-267-8376 (Ottawa region: 944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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Vol. 18, No. 17—
October 16, 2000



IBERIA— GATEWAY TO OPPORTUNITY
(See supplement inside.)

OCT 17 2000

A world leader in technology

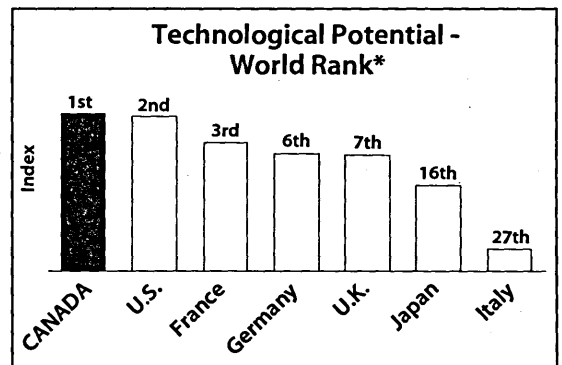
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Executives and CEOs know that Canada is the best place to do business. Just in case you need a little persuasion, here are some excellent reasons why companies invest in Canada.

CANADA HAS A FIRST CLASS TECHNOLOGICAL INFRASTRUCTURE

- **The most Internet users:** Canada has the most Internet users per capita of all the G-7 countries — including the U.S.*
- **The lowest telecommunications costs:** Canada beats the U.S. for the lowest Internet access charges and the least expensive wireless communications costs.**
- **The best education network:** According to the OECD, Canada ranks No. 1 in educating knowledge workers in the G-7.



For more information on investing and doing business in Canada, click on www.investincanada.gc.ca or call (613) 941-0354, fax: (613) 941-3796, e-mail: lanoy.louise@ic.gc.ca

* *World Telecommunications Development Report, 1999*

** *Organization for Economic Co-Operation and Development (OECD) Communications Outlook (1999) and Wireless/Mobile Communications Global Report —The Yankee Group (1999)*

* Standing among 38 countries: index based on several information technology and human capital characteristics including the availability of direct-dial international service, number of fax machines per capita, computing power in the country per capita, enrollment in tertiary schools, quality of scientific research institutions and power generation capacity.

Source: Global Competitiveness Report, KPMG Management Consulting <http://www.kpmg.ca/english/services/consulting/publications/competitivealternatives/>

The Portugal-Canada Chamber of Commerce and Industry

Far from the Mediterranean sun, Edmonton's Portugal-Canada Chamber of Commerce and Industry maintains close links with Portugal promoting both Portuguese business here in Canada and Canadian exports to Portugal, particularly Alberta-based environmental technology, as well as developing joint ventures between Canadian and Portuguese

companies. Incorporated in 1994, the Portugal-Canada Chamber of Commerce is so far the only one of its kind in Canada.

"However, we are discussing with a few provinces for other Chambers to be established, specifically in Toronto and Winnipeg," says Portugal-Canada

Continued on page 11 — Portugal

A consortium that includes **Bombardier** and other partners was selected for a BOT automated rapid transit system linking the rapidly growing city of

information technology and infrastructure investment sectors. Pusan and the surrounding Kyongnam province are major logistical and industrial centres. Pusan is

Opportunities in Pusan, Korea

Bombardier wins

Kimhae to Pusan, Korea's second largest city. Bombardier's share is around 30 percent of this US\$1 billion contract.

Pusan, located at the southern tip of the Korean Peninsula, offers many opportunities for Canadian firms active in the maritime, environmental, agri-food, wood construction,

the fourth largest container port in the world and is the hub for Korea's exports of manufactured goods. The region is also a centre for the shipbuilding, electronics, auto, aerospace and machinery industries; one third of the world's ships are manufactured around Pusan, offering opportunities for Canadian marine equipment technology exporters.

Hyundai Motors has its major operation in Ulsan, and the recent acquisition by Renault of the Samsung Motors operation based in Pusan will help make the economy more robust.

Canadian aerospace leaders, such as **Pratt & Whitney** and **Bell Helicopter**, are already heavily involved in the region, and it is expected that the selection of Bombardier for the transit project will create opportunities for many other Canadian companies.

Canada established an Honorary Consulate in Pusan in 1995 to serve the commercial interests of Canadian firms.

For more information, contact **Bonn Lee**, Commercial Officer, the Canadian Honorary Consulate, Pusan, tel.: (011-8251) 246-7024, fax: (011-8251) 247-8443, e-mail: bonnklee@chollian.net *

Canadian Showcase outlet in Bangladesh

A new Toronto-based company, **Canadian Showcase Inc.**, in collaboration with the **Canada-Bangladesh Trade Promotion Centre**, opened its

first outlet showcasing Canadian products and services in **Dhaka, Bangladesh**, in June.

This outlet is the first of several which the company plans to open in other major cities in South Asia and the Middle East. Capitalizing on Canada's worldwide reputation for a high standard of quality control, the **Canadian Showcase outlet in Bangladesh** will only sell goods and services of Canadian origin, ranging from cosmetics to canola oil and from toiletries to tissue paper. The objective of the **Canadian Showcase** is to attract consumers looking for high-quality products and services, and to become the main vehicle for Canadian exporters to expand their markets in South Asia and the Middle East.

For further information, contact **Ashraf Ali**, **Canadian Showcase Inc.**, tel.: (416) 691-8001, fax: (416) 691-2668, e-mail: canadianshowcase@sprint.ca *

HONORARY CONSULATE OPENS IN HIROSHIMA

Canada has just added a new Consulate to its list of offices in Japan. On September 17, the Honorary Consulate in **Hiroshima** opened its doors. There are Consulates as well in **Fukuoka, Nagoya** and **Osaka**.

The contact numbers and address for the **Hiroshima office** are: **Scott K. McKeeman**, Commercial Officer, Trade Section, the Honorary Consulate of Canada, **Hiroshima, #709, 5-44 Motomachi, Naka-ku, Hiroshima, 730-8510, Japan**, tel./fax: (011-81-82-) 211-0505, e-mail: ctohiroshima@gol.com *

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canadexport

In the glamorous, highly competitive world of international modeling, "home-grown" Saskatchewan talent is not the first image that comes to mind. But it is precisely their Canadian reputation of co-operativeness and likeability — to say nothing of natural beauty — that has models from Regina-based *The Edge Models & Talent Agency* appearing on runways and in magazines all over the world.

In its expanding international presence, the team-spirited management agency has received an ongoing boost from participation in another team effort — the 1997 Team Canada Trade Mission to Southeast Asia.

The only modelling and talent management agency in Saskatchewan, the Edge has been representing Canadian talent for six years. Owner and director Lisa Marie Schwartz runs the business from her home, with the assistance of a co-ordinator and a scout. Although small in size, the agency represents more than 300 models and talent, the majority from Saskatchewan. The Edge's top models are getting work in countries such as England, France, Germany, Italy, China, Spain, Taiwan, and the United States — some of which are home to the world's top fashion centres.

Opportunity for one-on-one

A former international model who worked in Asia for six and half years, Schwartz already had clients in Japan and Korea before the mission. Her participation gave her the opportunity to meet with those clients one on one, as well as to expand into the Philippines and Thailand.

"As an agent, it's important for me to be able to visit the places I am going to be sending my models, and to meet with the clients," says Schwartz. "The trade mission created many new prospects for us."

In addition, seminars offered by mission organizers in each country provided what Schwartz considers valuable in-depth information on cultural and business practices.

"For anyone doing business internationally, it's so important to understand the culture and business protocols of each country."

As a result of the mission, The Edge has placed models in Bangkok,

But even more important, she stresses, is personality. "We're fortunate as Canadians; we're very well accepted around the world. This extends to Canadian models, who have the reputation of being out-

Regina Agency

gives Canadian models "edge" international

and continues to get its models work in fashion magazines and television



Hailing from Moose Jaw, Saskatchewan, one of *The Edge's* top models, Winter, was contracted for two months in Taipei, Taiwan (above) earlier this year, followed by appearances in Milan and, most recently, in Paris.

commercials through agencies in Seoul. The Edge also maintains contact with Manila's film industry.

Canadian co-operative spirit

What is the appeal of Canadian models in foreign countries?

"Visually, international agencies like the healthy and natural glow of our models — they say it's the Canadian air," laughs Schwartz.

going and easy to work with, and they are. With opportunities more limited in Canada, models are grateful when they have the chance to work abroad."

Alliances work

Her models perhaps take their co-operative cues from Schwartz herself. While in Asia Pacific, she promoted Toronto's annual Canadian Model and Talent Convention to her clients, whose subsequent attendance benefited not only The Edge, but other Canadian agencies as well.

Is this not giving the "edge" to the competition? Schwartz says no. "Within the Canadian industry, alliances are key; we all work together to promote our agencies."

Schwartz will not divulge financial figures, but says modestly, "We're doing quite well." And when asked to describe her models, her Canadian sense of humour shines through. "We like to say they're homegrown from the wheat field — Good farmer's crop."

For more information, contact Lisa Marie Schwartz, tel.: (306) 789-2403, fax: (306) 586-2468, e-mail: edgemodels@cableregina.com Web site: www.cableregina.com/business/edgemodels *

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

UNITED KINGDOM — The Plastics

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Market Overview

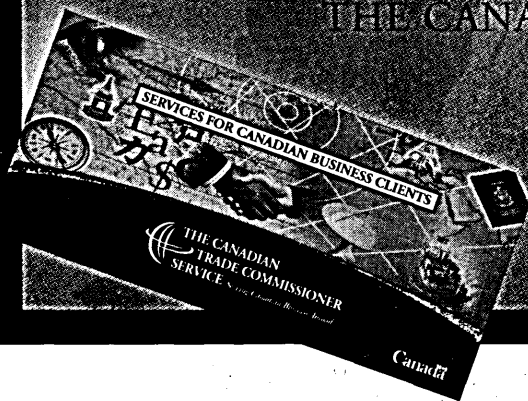
The United Kingdom (UK) is the fourth largest consumer of plastics additives in Europe. In 1998, the plastics additive market was valued at \$424.4 million. In 2005, revenues are estimated to reach \$504 million, representing an annual growth rate of 2.8%.

Canada's commercial relationship with the United Kingdom is the most extensive in Europe. More than 25% of Canada's total exports to the European Union are sold in the United Kingdom, representing the third largest market for Canadian exports. The United Kingdom is typically the most successful point-of-entry to the European Common Market for many Canadian manufacturers, and is viewed by many Canadian companies as a stepping stone to other markets in the European Union.

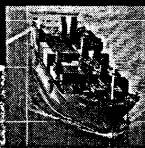
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Plastics Additive Market

Additives

Additives are essential to improve the properties of plastic materials. They include fine powder fillers of non-polymeric materials such as china clay, wood flour, wood pulp and limestone. Other conversion processes include the addition of:

The main end-users of plastics additives are plastic processors that manufacture products for the food packaging, electronics and automotive industries. These industries have a demand for engineered plastics and certain polypropylene grades.

Canadian companies that provide a fully integrated service by manufacturing a range of different additives will find many opportunities in the United Kingdom, as most end-users prefer to deal with one supplier for the many additives they require. As well, companies that can provide customized or experimental blends of antioxidants will find a growing market.

The UK plastic additives market, 1995-1999

Year	Market Value (\$ Million)
1995	676.7
1996	553.6
1997	504.5
1998	417.3
1999	424.4

Source: Frost & Sullivan Market Engineering Report. *Forecast of the United Kingdom Market*, August 1999

See Potential?

To learn more about these market opportunities, read *The Plastics Additive Market in the United Kingdom*, a full report prepared by the Market Research Centre of the Trade Commissioner Service. The report is available on-line at www.infoexport.gc.ca.

- anti-oxidants to inhibit oxidation of polymers;
- stabilizers to offset exposure to ultraviolet light; and
- plasticizers to improve the flexibility of plastic products.



Niches

The United Kingdom presents opportunities for Canadian companies that want to export specialized plastics additive products, such as antioxidants, UV stabilizers, antistatic agents, heat stabilizers, lubricants and flame retardants.

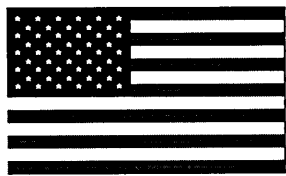
Increasingly, plastics processors are required to supply products that meet environmental standards, are safe to use, non-hazardous, and non-toxic to those that work with these products. Approximately 70% of total plastics production comprises polyethylene, polypropylene, poly(vinyl chloride), and styrenics.

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The Plastics Additive Market

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The U.S. Connection

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Canada Pavilion COMDEX Fall 2000

LAS VEGAS, NEVADA — November 13-17, 2000 — COMDEX Fall 2000 is almost here! This annual trade show is rated the world's No. 1 information technology marketplace. Over 200,000 resellers, industry professionals, and corporate decision makers come to this event bringing with them more than \$125 billion dollars in buying power. At COMDEX Fall 1999, over 100,000 attendees— more than 30,000 attendees are from abroad—bought or planned to buy products they saw exhibited at this trade show.

They are looking for networking technologies; information appliances including mobile and wireless solutions; e-commerce applications and infrastructure; and digital media and Web publishing innovations.

This is an event that you will not want to miss, and the Department of Foreign Affairs and International Trade (DFAIT), in co-operation with Key3 Media (the organizers of COMDEX), is once again supporting a Canada Pavilion located in a prime position.

The Exporters to Border States (EXTUS) mission scheduled for November 16-17, in conjunction with COMDEX 2000, has been cancelled.

All companies exhibiting in the Canada Pavilion will have access to the services of a marketing communications consultant to prepare a marketing plan and media strategy for this event. These services are offered to exhibitors at no charge as

value-added services provided by DFAIT. Each exhibitor will receive information about market opportunities and trends, and will be provided with assistance with developing market entry strategies based on their individual criteria for U.S. market development objectives, as well as with arranging one-on-one meetings with potential business partners prior to COMDEX. Once again, a Canada press conference will provide media exposure for your company and products in the U.S. and Canada.

Take advantage of this excellent opportunity to expand your business in the U.S. market. Exhibiting at the Canada Pavilion will let you focus on developing your firm's strategy to achieve your key objective — generating sales and earning new business.

For more information, contact Pat Fera, U.S. Business Development Division, DFAIT, tel.: (613) 944-9475, e-mail: pat.fera@dfait-maeci.gc.ca *

Environmental mission to Texas—Mexico border region

TEXAS and NUEVO LEÓN — February 4-9, 2001 — The Texas—Mexico border region is one of the most promising environmental markets in North America. Now you can learn more about it and develop business opportunities there.

Industry Canada and the Department of Foreign Affairs and International Trade (DFAIT) are jointly planning an environment trade mis-

sion targeting the Mexico—U.S. border region. The mission is supported locally by the North American Development Bank (NADBank). Established and funded equally by the United States and Mexico, this institution finances water, wastewater and municipal solid waste projects in the U.S.—Mexico border region. To help border communities develop new environmental in-

frastructure, NADBank acts as a lender, guarantor, investment banker, grant administrator or technical advisor, and often some combination of these.

For more information, contact Marc Blanchette, Industry Canada, fax: (613) 952-9564, e-mail: blanchette.marc@ic.gc.ca

Sponsors

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- DFAIT
- North American Development Bank
- Canadian Consulate General in Dallas
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Check the Business Section of the Canada-U.S. Relations Home Page at www.dfait-maeci.gc.ca/geo/usa/business-e.asp ... for valuable information on doing business in and with the United States.

In export transactions, the exporter does not often receive payment until the product or service is delivered to the buyer — sometimes months or even years after signing the contract. For many companies, particu-

working with CCC in 1998, and is now a firm believer in the PPP.

According to Letford, the PPP is the perfect program for Canadian exporters, and for the Royal Bank. "The bank's role is minimal. CCC

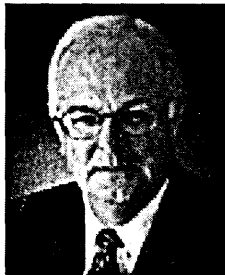
PPP's success based on partner banks

larly small and medium-sized enterprises, this creates serious cash flow problems, which can result in losing the sale.

If a company cannot secure the funds it needs to complete a sale through existing arrangements with its bank, it has a serious problem. Enter the Canadian Commercial Corporation (CCC), its Progress Payment Program (PPP) and the 19 financial institution partners that make the program work.

The Royal Bank of Canada was one of CCC's first partners when it launched the PPP in 1995. Rick Letford, Senior Account Manager at the Kawartha-Lakeshore Business Banking Centre in Peterborough, has been with the Royal Bank for 31 years, but only began

assuming most of the risk — administering the value of the loan disbursements and indemnifying the value of the project line of credit."



Rick Letford, Senior Account Manager, the Royal Bank.

It all begins with the lender. The lender is the one who recommends its customer to the CCC. So, it has to know the customer well — and has to be reasonably sure the company has the ability and expertise to fulfill the contract, which CCC verifies through its

due diligence.

"There's no doubt in my mind that if you speak to people at CCC, they have the customer's best interests in mind. They want the sale to happen, and they do everything they can to make sure it does."

Letford's first PPP experience — with a Canadian knowledge industry manufacturer — was very positive. "The company came to us for more capital because they had major contracts to finance. But when we looked at their financial position, we couldn't increase our own loans through the traditional way. That did not mean we didn't believe in them. So, I looked for a way to help them. I contacted CCC to see if there was a potential marriage, which there was. It was extremely positive from the beginning." The sale was \$2.4 million, and there was a significant amount of work-in-progress involved, which banks don't normally finance. But the PPP does.

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, e-mail: info@ccc.ca Web site: www.ccc.ca

"The company came to us with a contract with a well-known American university. So we had a good purchaser and a good seller," says Letford. "The only thing we didn't have was a way to finance the sale."

Enter Program Manager Sue Elgar and her PPP team. "They supported what we were trying to do to help our customers," adds Letford.

That line of credit has been paid off — quickly and without any problems. Since then, the Royal Bank has entered into four contracts with this customer through the PPP.

With one positive experience under his belt, Rick Letford was keen to use the PPP to help a Canadian cabinet manufacturer which provides furniture to several U.S. hotels. Again, the contracts involved considerable work-in-progress. "My relationship with CCC was such that I could pick up the phone and discuss it with them," says Letford. "I just approved my second PPP line of credit with this customer in July, and it has worked out well. Having the PPP makes things so much easier for everyone concerned.

Continued on page 8 — PPP's

DOING BUSINESS WITH THE U.S. FEDERAL GOVERNMENT?

Find out more from the Canadian Embassy in Washington, D.C. (www.canadianembassy.org) under "Business Opportunities: U.S. Government Procurement."

Log onto opportunities via the General Services Administration (www.gsa.gov), which facilitates purchases by the U.S. government — the world's largest consumer — and the Electronic Posting System site (www.eps.gov).

When you're ready to pursue these opportunities, the Canadian Commercial Corporation (www.ccc.ca) can assist you with the interpretation of the U.S. procurement system or ensure that as a Canadian company, you are eligible to participate.

China, as the world's most populous country, is also home to the largest cities of any country in the world. According to the State Statistics Bureau, there are 70 Chinese cities with populations exceeding 5 million and 144 cities with populations of 1 to 5 million inhabitants, and these cities are growing rapidly.

US\$1.4 billion. Of these, two lines are in the active planning stage.

Shanghai plans to build up to 11 subway lines (384 km) and 10 elevated LRT lines (186 km). A 40 km magnetic suspension trial railway with a speed of 500 km/hr is also being planned to connect Lujiazui, Pudong, Shanghai and the Pudong International Airport.

provision of equipment and services in these massive infrastructure projects.

While most medium and large Chinese cities are planning urban transit projects, some still lack the necessary government approval and financing. Interested Canadian companies are strongly encouraged to meet with local transit and municipal officials on a regular basis. Local authorities are generally very receptive to company inquiries and familiarity with interested firms will leverage a firm's opportunities of successfully securing a contract.

For more information, contact Gregory Chin, China and Mongolia Division, DFAIT, tel.: (613) 996-7256, fax: (613) 943-1068, e-mail: gregory.chin@dfait-maeci.gc.ca

The Canadian Embassy in Beijing, Consulates General in Shanghai and Guangzhou, as well as the Consulate in Chongqing, can also assist Canadian firms in obtaining current information on the status of urban transit projects, and in identifying and contacting the appropriate local authorities. ✪

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

China — Urban Transit

for the 21st century

By Murray King and Zhang Xiaojie

The Chinese government estimates that China's urban population will grow to 685 million by the year 2010. To meet the urban transportation requirements of this rapidly increasing population, promote further economic development, reduce high air pollution levels and alleviate traffic congestion, China will invest heavily in the next 20 years in the development of subway, light rail and high-speed railway networks.



The first phase of the 17 km Nanjing subway project will begin before the end of 2000 and is expected to be completed in 2005. Total investment is estimated at US\$760 million.

Shenyang is planning to build a 182.5 km urban transit system (above and underground) with five routes.

Shenzhen will spend US\$1.25 billion to build a 19.5 km subway with 14 stations designed to be connected with Hong Kong's urban transit system. Construction started in 1998 and is expected to be finished in June 2004. Procurement of foreign equipment will likely focus on signalling and automatic control systems.

The construction of Guangzhou No. 2 subway line started in early February 2000. The 23.3 km subway system is expected to cost US\$1.33 billion.

Challenges and opportunities
Interested Canadian companies should be aware that the Chinese central government has encouraged local authorities to use domestic-made equipment in urban transit systems — no less than 70 percent domestic-made rail cars and electrical equipment. However, significant opportunities may still be available to qualified Canadian companies for

Massive construction projects

In the next five years alone, more than US\$15.7 billion is expected to be invested in the construction of urban transit systems in China, where the urban transit network will reach 120 km by the end of 2000. In total, China plans to build 550 km of urban transit lines in major cities by 2025, with a longer term objective of 2,000 km by 2050.

Between 2001 and 2005, China plans to begin major new urban transit projects in Beijing, Shanghai, Tianjin, Guangzhou, Shenyang, Kunming, Chongqing, Nanjing, Chengdu, Qingdao, Dalian, Shenyang, Shenzhen, Kunming, Changchun, Harbin and Xi'an.

Beijing plans to build 82.3 km of new subway and LRT lines to add to the existing 53 km, for a total of 13 main routes and 2 extensions totalling

PPP's success

— Continued from page 7

"What it all comes down to is confidence — that the organization you are referring your customer to is going to come through. I've never had any qualms about referring my customers to CCC. There's no doubt in my mind that if you speak to people at CCC, they have the customer's best interests in mind. They want the sale to happen, and they do everything they can to make sure it does."

Letford adds that he will continue to use the program at every opportunity. "I've never dealt with a government department that is so efficient and organized. CCC's officers go out of their way to make sure things work out." ✪

Japan's building products and housing sector offers remarkable opportunities for Canadian companies. The welcome mat is out for non-Japanese suppliers, producers, builders — as can be seen by the large number of Japanese firms that flock to the Japan Home Show in Tokyo each year.

The market is attracting the attention of European agencies and other companies, which are aggressively promoting their products to Japanese purchasers, distributors and builders. With such competition, Canadian firms must act quickly and develop effective marketing tools. They should emphasize how their products differ from, and outclass, others being offered.

Strong past, bright future

In 1999, Japan saw 1,214,601 housing starts — 46.6 percent were wooden houses, an area of Canadian strength. Aside from new housing, there are opportunities in reconstruction, renovation, and upgrading: it is estimated that millions of homes do not comply with standards, and two thirds of Japan's 46 million dwellings are probably unable to withstand a severe earthquake.

Japan is forecasting an increase in imports of lumber and kiln-dried products. A forthcoming proposal from a Ministry of Construction panel should lead to a further increase in construction of housing that is barrier-free (i.e. suitable for the elderly).

But what really drives the current housing growth is consumer preference, not government action. Industry surveys show a growing demand for wooden building styles compatible with Canadian production (based on two-by-fours). Behind the trend is the perception that North American homes are superior in design, have more options and are leaders in the vague concept of "lifestyle." Canadian homes, in particular, are gaining a reputation for comfort, quality, durability, energy efficiency and indoor air quality.

The preference is unmistakable among the next two generations of home buyers, now in their 20s and 30s. Among those future housing consumers, 41 percent would want

Canadian companies should keep in mind some technical and cultural considerations:

- Japan is 27 times smaller than Canada but it has four times the

Japan's growing home building market

A prime opportunity

two-by-four construction. This growing popularity has also helped Canada gain market share in windows and doors at the expense of American competitors.



The Japan Housing Show

Builders also turn to imports in response to various influences pressuring their industry. To take advantage of the strong influence of clients and trade shows on Japanese builders, DFAIT, Natural Resources Canada and the Canadian Mortgage and Housing Corporation (CMHC) are jointly organizing a mission to the 2000 Japan Home Show, to be held in Tokyo, November 14-17. Last year's show drew over 100,000 visitors, 90 percent of them from the industry. This is a chance for Canadian companies to enter or improve their performance in the lucrative Japanese market by establishing strong networks with Japanese builders and purchasers.

For more information on the show or to display company pamphlets, e-mail Laura Diakiw at CMHC: ldiakiw@cmhc-schl.gc.ca

Doing business in Japan

Before jumping into the Japan Home Show or attempting business dealings in the Japanese market,

population. A Canadian exporter should be ready and able to mass-produce for this market and deliver products to building sites very quickly.

- Japanese firms in the sector are always looking for high-quality material and a constant supply source.
- Also very important to Japanese purchasers is the provision of after-sales service or maintenance. The issue demands careful attention by any Canadian company seeking to gain a client's trust — a crucial element in a Japanese business relationship.

Companies must be willing to customize their products for the smaller Japanese home, and to learn about Japanese business practices. And since Japan's business culture emphasizes cultivating relationships rather than one-shot contracts and transactions, the pay-off will be long and rewarding.

For further information, contact John Zimmerman or Masayo Umeda, Commercial Section, Canadian Embassy, Tokyo, tel.: (011-81-3) 5412-6345, e-mail: tokyo.construct@dfait-maeci.gc.ca or Eric Laverdure, Japan Division, DFAIT, Ottawa, tel.: (613) 996-2974, e-mail: eric.laverdure@dfait-maeci.gc.ca Web site: www.dfait-maeci.gc.ca/ni-ka ★

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

Five years ago Euroscepticism was rampant. Few believed that the Maastricht Criteria for entry into EMU would ever be met by more than three or four countries. Italy's chances were considered grim, and Spain and Portugal were barely on the radar screen. Nevertheless, by the end

stable fiscal setting. But, more importantly, the conditions are now in place to see a steady convergence of living standards among EMU members.

Presently, Spain's per capita GDP is about 70 percent of the EU average, while that for Portugal is about 40 percent. With a much freer internal

Portugal is likely to grow more quickly than the European average for at least the next 10 years.

These positive fundamentals make Spain and Portugal good target markets for Canadian exporters. Last year, Canadian export sales to the two countries totalled more than \$700 million. About half of this was in agri-food and forestry products, and around one-fifth was in machinery, aircraft and high-tech equipment.

There will be considerable new investment in Spain and Portugal in the next few years, and Canadian companies will be in a good position to compete for those projects. By all measures, the euro is significantly undervalued against most currencies, especially the U.S. dollar. Assuming currency market fundamentals reassert themselves in the next few months, the Canadian dollar will fall against the euro, even as it is rising against the U.S. dollar. The result? Canadian companies will find their prices to be increasingly competitive in European markets. ★

Spain, Portugal and the benefits of EMU membership

by Stephen S. Poloz, Chief Economist, Export Development Corporation

of 1998 there had been an extraordinary degree of convergence of economic fundamentals between the Emu hopefuls, and a monetary union was born.

The policy discipline imposed by the convergence criteria was a boon to both Spain and Portugal. Their economies are now benefiting from low inflation and interest rates, and a more

market, easy technology transfer, improved structural setting, and a single area-wide monetary policy, these economies could even replicate the Irish example. Ireland's per capita GDP was 70 percent of the EU average back in 1990, and today it is more than 5 percent above the average for the area as a whole. The bottom line is that demand in Spain and



EDC's Stephen S. Poloz

Canada's ICT promoted at Bavaria On-line Congress

In July, Industry Minister John Manley made his second visit to the south of Germany, in a span of less than 10 months, to deliver the keynote address at the opening of the Bavaria On-line Congress in Munich.

This was an excellent opportunity to promote the Connecting Canadians information and communication technology (ICT) strategy through a first-class multimedia presentation highlighting both the SchoolNet program and Canada's e-commerce strategy. The presentation was received enthusiastically by the sold-out audience of 1,200 participants drawn from the German ICT sector.

Bavaria is important to Canadian ICT interests as it is home to over 40 percent of the German ICT industry. Munich, with 75,000 ICT employees,



Industry Minister John Manley (right) with Bavarian Premier Edmund Stoiber at the Bavaria On-line Congress in Munich.

ranks just after London as the second largest ICT centre in Europe.

Minister Manley's speech at the Congress continues the trend of stronger Germany-Canada ICT relations fostered by previous meetings between him and Premier Edmund Stoiber of Bavaria in September 1999 and October 1999.

The theme of this year's Bavaria On-line Congress was "Life in the Virtual Marketplace." The other speakers included Premier Stoiber (host of the event) and Peter Lewi, President of Cisco Systems, Germany.

The international dimension of the two-day congress was continued during an afternoon session featuring ICT initiatives from various regions in countries including China, France, Spain, South Africa, and Austria. Dr. Hervé Fischer, founder of the annual Marché international du multimédia trade show, spoke on behalf of the Quebec ICT industry. ★

Iberia— Gateway to Opportunity

This special CanadExport supplement highlights some of the market opportunities Canadian companies can access in the Iberian Peninsula. Our Trade Commissioner Service is on the ground in Portugal and Spain, uncovering niche opportunities, ready to serve Canadian companies interested in expanding their export markets.

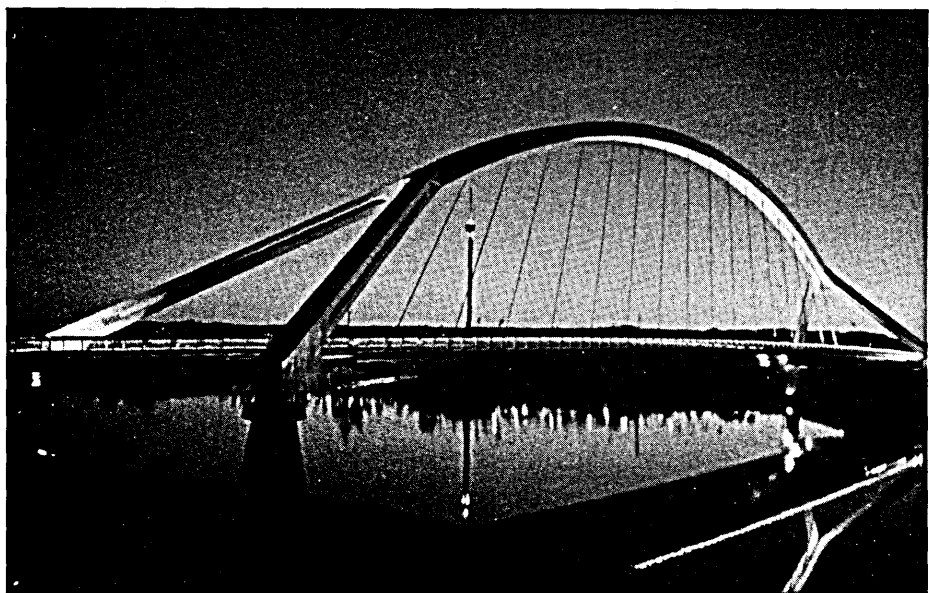
Portugal

Joining the EU in 1986 marked a turning point. Portugal re-invented itself. Since 1986 there has been steady, significant growth in GDP. The Portuguese government has pursued consistent economic policies focussed on full European integration: markets have been liberalized; an extensive program of privatization was undertaken; industries were restructured; and with the assistance of EU funds, much-needed new and updated infrastructure was established. Strong output and employment growth have produced a real GDP growth of

3.4% per year since 1986, outpacing the EU average by a full point. At the same time, inflation has been brought under control. Portugal enjoys one of the lowest unemployment rates in the EU, driving a strong demand for housing and consumer goods. This impressive economic performance enabled Portugal to be one of the founding participants in the European Monetary Union (EMU).

In this dynamic market, exports of Canadian leading-edge technologies, (e.g., environmental products and services, information and communications technologies) are overtaking the flow of products traditionally exported to Portugal, such as grain, seed potatoes and fish. The recently deregulated Portuguese telecom market is worth over \$6.4 billion annually, and is expected to grow by over 50% in the next four years. Computer software is worth another \$2.8 billion. There are excellent business prospects in other sectors as well. For example, in the natural gas sector, investment to expand infrastructure throughout Portugal is roughly \$180 million per year for the next five years. In the environment sector, by 2006 some \$11 billion will be invested in the treatment of wastewater and urban and industrial waste. Various projects in the transportation sector are valued at another \$2.9 billion.

Allow us to introduce you to the market opportunities in Portugal...



The Puente de la Barqueta, Seville. By courtesy of the Spanish Institute for Foreign Trade (ICEX). Credit: Expo 92

prepared by the European Business Development Division (RENB) and its trade offices in Europe



Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Canada

PORTUGAL

INFORMATION AND COMMUNICATION TECHNOLOGIES

Double-digit growth

Portugal's rapidly developing telecommunications sector is attracting substantial investment. Deregulation was introduced in two stages during 2000, bringing fierce competition and better services at lower cost. The industry's current annual turnover is approximately \$4.0 billion, and by 2005 this should rise to \$8.3 billion. Recent years have seen annual investments of \$500 million for digitization, advanced services and fibre optics. Portugal now has a wide range of infrastructure providers. A backbone of fibre-optic and coaxial cable has been built.

The country has nine public operators of telecom networks, seven fixed-line operators, nine fixed-wireless operators and three cellular operators. Some 54% of Portuguese subscribe to cell phone service; market maturity (75%) is expected to be reached in two years. Approximately 8% of the population has Internet access and the figure is projected to climb. Trunking (two-way radio communication) has been growing at a rate of 83% per annum, and the trend is expected to continue with the introduction of digital trunking; on the other hand, pager service is declining, with the number of clients down by 12% and calls down by 48%.

The information technology market continues to modernize and expand. In 1998, multinational

companies reported sales of hardware worth \$1.5 billion, an increase of 28.5% over 1997; the forecast for 1999 was for a further 10.5% increase in sales, with the market estimated to be worth \$2.6 billion. From 1995 to 1999, the software market expanded at an annual rate varying from 22% to 45%; its current worth is estimated at \$2.2 billion, and this is projected to rise to \$2.8 billion within a year.

Another fast-growing business is cable television, expanding at the rate of 39% per year. Cable has attracted substantial Canadian investment. It reaches over 2 million households, or 51% of homes. Expanding as well is the area of multimedia. Portugal Telecom, which also owns a cable company, recently formed PT Multimedia to focus its business on the Internet and multimedia.

As a result of telecom deregulation and rapid advances in the information services and technology sector, many opportunities have opened for Canada. Recent successes by Canadian firms include a partnership between CGI of Montreal and Portugal Telecom, and an investment by Cable Satisfaction International of Longueuil in a Portuguese cable company.

Portugal is heavily dependent on telecom imports because local companies lack the economies of

scale, industrial base and cutting-edge technology with which to manufacture high-quality products tailored to telecommunications market needs. Again this translates into opportunities for Canadian businesses.

Swedish, Norwegian, German, French and U.S. companies are already active in the sector. Although it can be difficult to compete with suppliers that are members of the EU, having a production facility or a strong partner in Europe is a major asset.

Canada... to take centre stage at Portugal's 2001 Communications Congress

The Portuguese Association for the Development of Communications (APDC) recently invited Canada to be its "guest country" for 2001. This involves participating in a number of activities, culminating with the Communications Congress in November 2001—the most important event of the telecom year. The invitation is more than an honour: Canada will be able to bring companies and speakers to the Congress, highlighting its telecom expertise.

ENVIRONMENT

The push to meet European standards

Public awareness of environmental issues is increasing in Portugal. The top concern, according to surveys, is untreated sewage, followed by contaminated drinking water, forest fires and river pollution. Only 42% of the population has access to clean water; only 27% of liquid effluent and 75% of urban solid waste receive proper treatment. Industrial pollution levels are appropriate for a population of 26 million—2.5 times the number of people in Portugal.

Moves are under way to address the problems. Up to 2006, \$11.67 billion will be spent on sanitation and waste treatment. Of this amount, \$4.17 billion will come from the EU, with the balance to be funded by the government and the private sector. Most of the total, or \$8.0 billion, is earmarked for basic sanitation projects within the next two years, to bring the country up to European standards.

As an incentive for private-sector involvement, through 2001 the Portuguese government is offering a tax credit equal to 8% of investments in environmental protection assets, such as equipment. The credit is limited to a maximum of \$80,000.

- **Wastewater**

About 64% of Portuguese have water effluent systems, but only 27% are served by proper wastewater treatment plants. The goal is to reach the EU average of treating 90% of effluent. For business, this means opportunities in land and resource planning, and in supplying knowledge, equipment and services.

- **Solid waste**

The government plans to allow private management of urban solid waste. Industries are the major problem: they currently deliver their waste to municipalities, which generally are ill equipped to handle it. Urgently required are industrial waste prevention, cleaner technologies, and end-of-pipe technologies.

- **Drinking water**

Portugal has one of the lowest rates of capture of drinking water in the EU: about 85 m³ per capita, with only 53 m³ being treated. In coming years, strong growth is expected in the market for water capture, treatment and domestic distribution, with much of the funding coming from the EU and the government.

The environmental sector is regulated by the ministries of Environment and Finance, and by municipalities. These bodies also award contracts and develop policy. Already, Portuguese, French, German and Italian companies are active in the sector. But there is room for Canadian firms, which could find market niches in treating liquid and solid waste. Canadian companies should keep in mind that a local agent or partner is essential for any foreign company pursuing projects.

CONSTRUCTION

Portugal leads the European Union

Over the past four years, Portugal's construction industry has grown at an average rate of 5.6%, compared with 0.6% for the rest of the EU. In 1997 the sector had an exceptional year, growing by 10.8%. A number of factors contributed to the growth spurt: preparations for Expo '98 (the Lisbon World's Fair); other major public works projects; falling interest rates; a strengthening economy; and the climate of confidence generated by Portugal's inclusion in the European Monetary Union.

Since then, several major infrastructure projects have been completed and the European Support Framework has been terminated, touching off fears of a sharp decline in construction activity. But major infrastructure projects are still needed in the transportation sector, where Portugal lags behind.

Public works projects account for approximately 47% of Portugal's total construction output—an indication of efforts to make up basic infrastructure deficiencies. In 1997, public works construction grew by 20%. Among the projects were Expo '98, major new roads and the Vasco da Gama Bridge. Publicly financed projects starting soon include the new Lisbon Airport, mass transit systems and the Transgás Pipeline, while the

private sector is funding new expressways. Added to these will be the preparations for the 2004 European Football Championships, which Portugal is hosting.

In the housing market, sustained growth is expected. Innovative techniques and products are being introduced; this is the area where Canadian companies will have much to offer. Interest is growing in pre-engineered housing, although Portuguese companies still hesitate to adopt this type of construction. Much effort is needed to demonstrate the benefits of pre-engineering in new home construction as well as the renovation of older buildings.

A wave of mergers has swept through the industry in recent years, in a bid to acquire size and technology. In particular, large Spanish construction companies are merging with local firms or buying them out.

Canadian firms have an advantage in know-how and technology. On the other hand, the Portuguese market is small and dominated by local or EU firms. It is difficult for a non-EU company to win a public works tender. A major asset would be having a local production facility.

HOUSING CONSTRUCTION

Boom times in an area of Canadian expertise

On average, home building accounts for 22% of total construction activity in Europe, but in Portugal the figure is 27%—a reflection of the country's housing deficiencies and needs. Growth in gross domestic product (again above the EU average) has fuelled the demand for housing. Another factor is the sharp decline in interest rates in recent years, bringing a rapid increase in housing loans. The annual volume of mortgage loans is now five times what it was in 1991. The greater focus on housing construction is expected to continue.

Opportunities are plentiful in construction of social housing, particularly low-rise prefabricated buildings. Strong growth is sparking demand for multiple-dwelling projects, upscale housing, retirement communities, and basic apartments and affordable housing for the general public.

While local builders remain wary, there is mounting public interest in new construction technology—especially on the part of former emigrants who have returned to Portugal. They and others are demanding better-built, more comfortable homes. Portuguese houses are not usually insulated and rarely have central heating. These are areas of Canadian expertise.

A major challenge is dealing with the bureaucracy; this is one of the areas where a local agent or partner can help.

EU companies, particularly Spanish, are already active in the sector. Canadian companies have much to offer in the area of innovative techniques and products, and in prefabricated homes. Their experience could be in demand as Portuguese seek to upgrade their housing.



The Old Town, Oporto

MEDICAL EQUIPMENT

A sector heavily dependent on imports

Per capita annual medical costs in Portugal average \$318.90; of this amount, \$252.65 is spent within the National Health System (NHS), which in turn refunds two thirds. The private sector is gaining market share as private health insurance plans become more popular among middle- and high-income earners. The government has encouraged private investment since June 1999, when an audit report found a 100% increase in NHS expenditures in 1998, against a productivity increase of only 10%.

EU infrastructure funding makes health care a growth area in Portugal. For the years 2000 to 2006, Portugal will receive \$36.8 billion in EU funds for investment in health sector structures—mainly building and equipping new hospitals, and refurbishing existing facilities. The Ministry of Health is spending \$611.5 million to build 9 new regional hospitals, slated to open by 2001. Another \$797.0 million is being used to expand 12 existing hospitals.

With little domestic manufacturing, nearly 90% of medical devices are imported. Leading suppliers are Germany, Spain, Britain, the United States and Japan.

Medical equipment is purchased through tenders issued by hospital purchasing boards and individual hospitals. Public-sector procurement is centralized. Supplies and consumables are purchased twice a year (in April and October) by a central purchasing board acting on behalf of all public hospitals. This procedure leads to very competitive pricing. The private sector generally uses the direct sales channel. Within the Ministry of Health, the Direcção-Geral das Instalações e Equipamentos de Saúde (Health Facilities and Medical Devices Branch) is responsible for constructing and equipping new hospitals, and purchasing non-disposable equipment for the public hospital system.

All equipment purchased by the Ministry of Health must meet European standards. Product quality and post-sales service are often more important than price. The Ministry takes over a year to remit payment. Distributors must be financially secure to survive in this market.

Importers generally have a positive impression of Canadian products, but they are unaware of what Canada has to offer in the medical devices sector. What is needed is a local agent who is familiar with the public tender system and has contacts within the Ministry of Health and the public hospitals.

Portugal's health profile

- ❑ One of the lowest birth rates of any developed country.
- ❑ A rapidly ageing population, 14% of which is 65 or over.
- ❑ Two major causes of death: circulatory system disorders (40.1%) and cancer (19.97%).

TRANSPORTATION

Full speed ahead

Major infrastructure projects in the transportation sector are still needed in Portugal. Over and above the upcoming projects financed by the state budget or by public companies, privately-funded infrastructure projects, including new motorway concessions, will represent an investment of approximately \$2.9 billion.

Trends

The Portuguese transportation sector will continue to grow, bolstered by major public infrastructure projects, highway concessions and expansion of the toll road concession network operated by Brisa. Canadian firms must compete mainly with local companies and firms from elsewhere in the EU, particularly Spain. Substantial funding is still available from the EU.

Major Access Issues

Canadian companies wishing to do business with Portugal must work in partnership with Portuguese companies and/or appoint a local agent familiar with the local market. Most projects are done on a tender basis, and interested Canadian companies should form business relationships with the major players in the transportation infrastructure sector.

Imported materials or processes need to be approved by the Laboratório Nacional de Engenharia Civil (National Laboratory of Civil Engineering). Canadian electrical products must be accompanied by a Canadian Standards Certification issued by the Canadian Standards Association or its U.S. counterpart.

NATURAL GAS

Energy for tomorrow

Before 1997, oil supplied 71% of the primary energy used in Portugal, making the country more oil-dependent than any other member of the European Union. In that year Portugal began importing natural gas, and by 1998 this accounted for 10% of primary energy consumption. Algeria supplies the gas via a pipeline through Morocco and Spain.

Natural gas is seen as more economical and environmentally friendly than oil. Its use is increasing significantly, and by 2010 the fuel will account for a projected 19% of primary energy consumption. Local gas distribution companies are reportedly recruiting 100,000 new customers per year. Lisbon alone has about 300,000 homes using city gas, but these will have to be converted to use natural gas. Co-generation is also becoming more common.

Portugal has big plans to help it keep up with the growth:

- Over the next four or five years, it will spend an estimated \$180 million per year to expand infrastructure and fund conversions.
- To diversify the source of supply, it will build a shipping terminal at the port of Sines, where tankers can deliver liquified natural gas (LNG). The value of the project is approximately \$322.6 million. Five bidding consortiums have been short-listed for the project, including firms from Belgium, France, Italy, Japan, the Netherlands, Portugal, Spain and the United States. The target date for completion is 2003.
- The tender has been awarded for construction of underground storage facilities, a project worth approximately \$115 million.

The expansion translates into plentiful opportunities in the natural gas industry. And an added attraction is the financial assistance available from the EU.

Since Portugal is an EU member, firms from other EU countries may have an edge. But Canadian companies have their own advantage: Portugal welcomes non-EU participants because it hopes to broaden sources of supply for technology and products.



The Old Town, Oporto

Useful WEB sites Portugal

<http://www.gdp.pt>
Gás de Portugal

<http://www.min-economia.pt>
Ministry of Economy

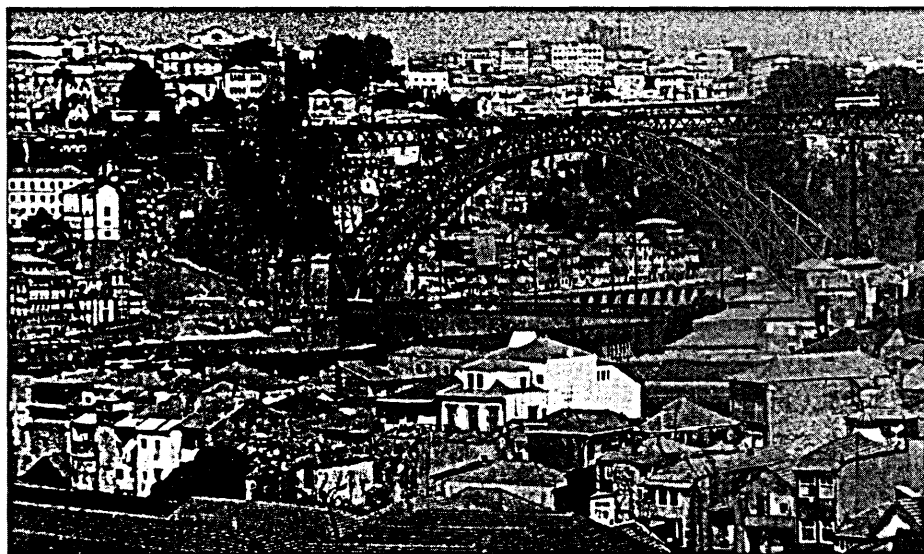
<http://www.dga.min-amb.pt/rama.html>
Ministry of the Environment

<http://www.dge.pt>
Directorate General for Energy,
Ministry of Economy

<http://www.min-saude.pt>
Ministry of Health

<http://www.dgsaude.pt>
Directorate General of Health,
Ministry of Health

<http://www.ine.pt>
National Institute of Statistics



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Key transportation projects in Portugal

Project:	Opportunity for:
New Lisbon Airport	sub-contractors or suppliers project manager
High-speed train connection to EU countries	sub-contractors or suppliers
Francisco Sá Airport modernization, Oporto	partnering with European firms
South-of-Tagus surface metro (Lisbon train line, now in tender process)	suppliers
New link over/under Tagus River (under discussion)	If interested, contact Canadian Embassy, Lisbon.
A2 motorway to Algarve	suppliers or sub-contractors

Spain

Spain forms the second largest land mass in the European Union, and has a population of slightly over 40 million.

By the early 1980s the Spanish economy had suffered years of stagnation and recession. A new government that took office in late 1982 opted for pragmatic monetary and fiscal policies. In 1983 it unveiled a program that provided a more coherent and long-term approach to the country's economic ills. Restructuring policies, such as the closing of large, unprofitable state enterprises, helped to correct the more serious imbalances underlying the poor performance of the economy. The industrial reconversion program launched by the government brought the problem-ridden social security system into balance. Private capital investment was encouraged with incentives, and labour market flexibility was improved.

As a result, real wage growth was contained, and it was generally kept below the rate of inflation. Spain underwent a remarkable economic boom for the rest of the 1980s. The massive increase in foreign investment, the sharp reduction in the exchange value of the U.S. dollar, and increased tourism were complementary factors that enabled the economy to undergo rapid expansion without experiencing balance of payments constraints.

A healthy and rapidly growing economy helped increase domestic demand, which in the mid-1980s was growing by over 5 % per year. The sharply increased demand was met by a dramatic increase in imports of goods and services in the rest of the 1980s and throughout the 1990s.

Canadian exports to Spain have increased steadily over the past decade. Canadian firms in Spain are active in real estate, informatics, telecommunications, environmental protection, the leisure industry, mining, recycling, banking and petrochemicals. And these are only some of the many opportunities available.



CONSTRUCTION

Construction in Spain is going through a sharp expansion that is having a favourable impact on overall economic growth, given that this is a key sector. In 1999 it represented 7.3% of the GDP and 10.4% of total employment (1,275,000 workers).

In 1999 the level of activity in the construction sector registered growth of around 8.5%. By sub-sectors, housing performed well and rose 13%, while refurbishment grew by 4%. Public works grew by 9.5% and non-residential building rose 5.5%.

Major infrastructure projects are under way. The Government of Spain approved the general infrastructure plan, which contemplates investments of 20 trillion pesetas (US\$143 billion at current exchange rates) in roads, railroads, seaports, airports, hydraulic works, coastal refurbishment, environment and water quality. The period established for this plan is 1995–2010. Around 77% of total investment will go to enhance transportation infrastructure.

Two of the largest Spanish investments in Canada in 1998–99 were in construction (generating some \$4.4 billion for the Canadian economy). While these were in the industrial sector (road construction), the residential sector in Spain is also increasingly attracting the interest of Canadian suppliers of construction material, as well as contractors. Spanish investors in Canada, Dragados & Ferrovial, are also active in the Spanish residential construction sector and we would like to capitalize on their presence in Canada (under multi-year concession projects) to promote this sector to our Canada-based clients.

Housing Policy in Spain

According to the Spanish Constitution (1978), Spain is divided into 17 Autonomous Regions and Cities (Ceuta and Melilla). They are provided with political, administrative and judicial powers, even though Spain is not a federal state.

The Spanish Constitution gives the regions and cities sole political and administrative power for the housing sector.

The central government has no specific rights deriving from housing legislation. However, it can intervene in the housing sector because of its responsibilities for general economic and planning policy, and because the housing sector is very important to the national economy.

The fiscal system, through taxes and tax cuts for housing, affects directly the behaviour of both developers and buyers to a very great extent.

It is important to note the increasing attention placed on the restoration of urban areas, particularly the recovery of inner city areas. State assistance can influence not only the refurbishing of buildings and dwellings inside such areas but also their re-urbanization, including demolition works. To access state assistance, there has to be an agreement between the municipality and the regional government so that the latter can agree with the Ministry of Development on the inclusion of the area among the general regional targets in the central government's housing plan framework.

Annual change in construction activity by sub-sector

Activity	1996	1997	1998	1999
Housing	6.0%	5.5%	9.0%	13.0%
Non-residential building	-2.0%	2.0%	4.0%	5.5%
Public works	5.0%	-4.5%	6.5%	9.5%
Refurbishment	-12.0%	4.0%	2.5%	4.0%
Cement consumption (million tonnes)	24.2	27.1	31.2	36.9
Housing starts (thousands)	285	315	375	520

Source: Spanish National Construction Federation (SEOPAN)

Infrastructure Projects in Spain

Project	Location	Budget (billion pesetas)	Details	Target date for completion
High-speed train	Madrid-Barcelona	1,100	Speed up to 280 km/h	2004
Highway	Jerez-Los Barrios	60	90 km	2002
Superport, phase I	Ferrol	80	Project under study	
Railway	Cafranc, Spain-Oloron, France	25	20 km through the Pyrenees	2004
La Plata Highway	Gijon-Sevilla	250	582 km	2006
High-speed train	Cordoba-Malaga	220	157 km	2006
Amusement Park	Port Aventura, Catalonia	250	Shareholders: Universal, La Caixa	2013
High-speed train	Madrid-Valencia	400	494 km; speed up to 220 km/h	2005
Co-generation plants		1,000	13,000 MW	2002-05
Harbour extension	Barcelona	200		2011
Desalination plants			To double Spain's capacity	
High-speed train	Madrid-Extremadura	688	Onward connection to Lisbon	2009
Highway	Somport-Sagunto	200	428 km	2009
Subway (MetroSur)	Madrid	200	35.2 km of new subway, 29 stations	2004
Barajas Airport extension	Madrid	280		2004
New Campo Real Airport	Madrid	1,000		2020
Subway extension & streetcar system	Barcelona	500		2001-10
Bridge/tunnel	Spain-North Africa		Under study	
El Prat Airport extension	Barcelona	139		2004
Aqueduct	Montpellier, France-Barcelona	200	To supply 800 m ³ per minute	2005-10
Terra Mitica	Benidorm, Alicante	183		2009
Amusement Park				
High-speed train	Madrid-Valladolid	275	247 km	2006
8 toll highways		671	769 km	2004

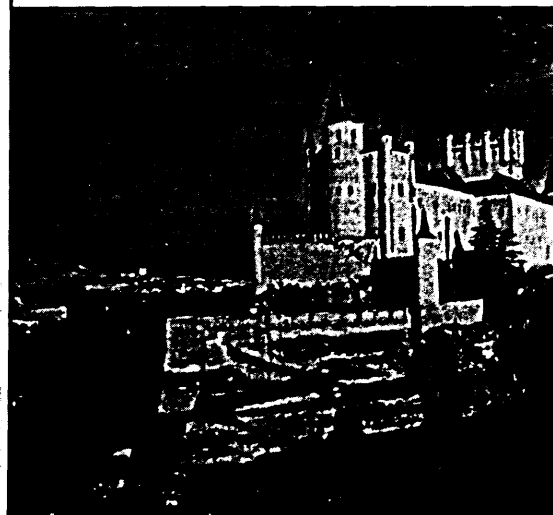
Note: 35% of the abovementioned amounts will be provided by the European Union through the Cohesion Fund. This was established to prepare for Economic and Monetary Union in Europe. The money was designated to boost environmental and transportation projects in countries with per capita income under 90% of the EU average, in order to bring them up to the standards of the other members.

RECOMMENDED TRADE FAIR: CONSTRUMAT

(Biannual International Construction Exhibition in Barcelona — April 2001)

Construmat Data: 1999

Total exhibitors	3,198
Direct exhibitors	1,680
Locals	1,471
Foreigners	209
Indirect exhibitors	1,518
Locals	618
Foreigners	900
Space occupied (show area)	96,616 m ²
Total visitors	216,169



The Alcazar, Segovia. By courtesy of the Spanish Institute for Foreign Trade (ICEX). Credit: Antonio Lafuente.

BIOTECHNOLOGY

Traditionally, the scientific discipline where Spain has excelled is the field of biological sciences. Of the country's Nobel laureates, one was recognized for work in medicine and another for research in molecular biology. Until 15 years ago, however, there was no government framework for planning and co-ordinating scientific research and development. This lack slowed development of science and technology in general, and biotechnology in particular. The situation was finally remedied in 1986, when the National Plan for Scientific Research and Technological Development was established.

Spain now has a National Biotechnology Program, administered by the new Ministry of Science and Technology. For the years 2000 to 2003, the Program has identified the following lines of activity:

- genome and proteomic projects
- agri-food industries
- health care (human and animal)
- bio-engineering processes
- environment

Public-sector research

Public research centres, institutes and universities are all very active in biotech R&D. They employ twice as many people as the private sector and undertake most of the research in Spain. Following are some of them:

The **Instituto Nacional de Investigación y Tecnología Agraria y Alimentaria** focusses on agri-biotechnology.
<http://www.inia.es>

The **Centro Superior de Investigaciones Científicas** is the most important national R&D centre. It has branches in almost every region of Spain and covers several scientific fields. Connected to it is the **Centro de Biología Molecular Severo Ochoa**, which offers a master's program in biotechnology, in collaboration with several biotech companies.
<http://www2.cbm.uam.es/cbmso>

Founded in 1985, the **Centro Nacional de Biotecnología** (National Biotechnology Centre) concentrates its research in five areas: molecular and cell biology; microbial biotechnology; the molecular genetics of plants; macromolecular structure; and immunology and oncology. Its 14 laboratories investigate biocomputing, electron microscopy, spectroscopy and nuclear magnetic resonance, micro-purification and micro-sequencing of proteins, mass spectroscopy, peptide synthesis, protein design, sequencing and synthesis of nucleic acids, fermentation, downstream processing, mass production of eukaryotic cells, and synthesis and analysis of chemical compounds.
<http://www.cnb.uam.es>

An important organization for developing projects or finding contacts is the **Centro para el Desarrollo Tecnológico Industrial** (Centre for Industrial Technology Development). The Centre has a major influence on the development of biotechnology in Spain. It was established in 1978 to stimulate industrial research and innovation. The Centre deals mostly with small and medium-sized firms. It is responsible for:

- identification of priority technologies;
- funding of pre-commercial R&D, and marketing of new products and processes; and

- management, promotion and follow-up of Spanish participation in international programs for technical co-operation.
<http://www.cdti.es>

Most Spanish **universities** have a department of biotechnology or related studies. For a complete list of universities in the Spanish research network, visit:
<http://www.rediris.es/recursos/centros/univ.es.html>

Spain also participates in the European Commission's Biotechnology Program.
<http://www.cordis.lu/biotech/home.html>

The private sector

Around 250 companies are active in the biotech sector in Spain. Industrial activities focus on diagnostics, fine chemicals, antibiotics and plant breeding. Some 40% of new biotech companies are working in agri-food. Most businesses in the sector are located around Madrid and Barcelona; these cities have the largest concentration of universities and also the new National Biotechnology Centre.

The businesses vary from small firms such as Tecnología para Diagnostico e Investigación (TDI), operating solely on the domestic market, to multinational companies with branches in Spain, such as Bio-Rad Laboratories.

Biotech regulation

In June 1994, Spain's Parliament passed a law dealing with genetically modified organisms (GMOs). This gave the 17 regional governments responsibility for approving the deliberate release of GMOs in their territory (except by government research departments). No region has yet designated an authority to approve releases, and so for the present the responsibility rests with the ministries of Environment and Health.

Overseeing environmental bio-safety is the responsibility of the National Commission on Bio-safety. Commission members include representatives from all the ministries concerned, plus a number of experts. The Commission reports to the competent authorities.

Biotech firms on the Web

A complete directory of Spanish biotech companies is not yet available on the Internet, but many are listed on the following sites:

- Spainindustry** — <http://www.spainindustry.com>
In Spanish and English, this is a general listing of companies all over the country. It can be searched by activity, exports and imports.
- Paginas amarillas (Yellow Pages)** — <http://www.paginas-amarillas.es>
This general directory of companies can be searched by activity, including biotechnology.
- Madrid+d** — <http://www.madrimasd.org>
This directory for the Madrid area gives information about companies' R&D requirements and capabilities, and the research taking place in specific fields.
- The European Commission's **Network of Innovation Relay Centres** — <http://www.cordis.lu/irc/home.html>
The Network seeks to promote innovation by bringing research and technology closer to European companies, especially small and medium-sized enterprises. There are six centres in Spain.

Biotechnology opportunities in Spain for Canadian companies

- Forest and forest products (pulp and paper technologies), reforestation technologies, genetic improvement, forest protection, soil remediation and protection, genetically modified crops
- Wastewater treatment, toxic waste, bioremediation, odour control, phytochemical processes, biocatalysts, biodegradable plastics, biopolymers, biopesticides
- Food technology transfer, including fermentation technology, biotechnology transformation processes, improvement of raw materials for the food sector, food conservation and storage, evaluation of food and raw material quality
- Animal health vaccines, genetic and molecular biology to improve animal production
- Biopharmaceuticals and diagnostic kits for distribution or manufacture under licence in Spain, and joint R&D projects
- Training for R&D professionals and highly qualified technical personnel
- Access to European Commission R&D funds (Canada has an agreement with the EU on scientific and R&D collaboration)
- Canadian and Spanish joint ventures in third countries, especially the Latin American market

Help for Canadian firms

Are you looking to participate in Spain's expanding biotech market, or searching for qualified representation? The **Commercial Division of the Canadian Embassy in Madrid** is ready to assist Canadian businesses.

Visit our Web site:

<http://www.canada-es.org/english/business.html>

R&D in Spain

On April 27, 2000, the Government of Spain created the Ministry of Science and Technology. The new ministry replaces the Interministerial Commission for Science and Technology. Like its predecessor, it is responsible for co-ordinating, funding and implementing the national R&D effort. Visit its Web site: <http://www.mcyt.es>

THE ENVIRONMENTAL SECTOR Spain goes green

Strong growth is forecast for the environment sector in Spain over the next five years. The demand for "green" products and services is rising as the government introduces regulations to bring the country into line with European Union directives. The effect on industry has been profound.

In recent decades Spain has become a developed, consumer society. The transformation has brought serious environmental problems, especially in urban areas and heavily industrialized cities.

Now the situation is brightening. Polluter firms are changing their stance: from a passive attitude toward the environment, they are shifting to a more proactive approach, working to tackle the underlying problems and comply with Spanish environmental legislation. Already, governments, local authorities and industry have made huge investments in the environmental sector in their effort to bring Spain up to the level of other European Union member states in environmental protection.

Over the next five years the country hopes to receive approximately \$9 billion from the European Cohesion Fund; the money would be earmarked for upgrading the environmental performance of Spanish industries, municipalities and regions.

Forest management

Last year Spain adopted its first-ever **National Forest Strategy**.

Announced by the Ministry of the Environment (<http://www.mma.es>), the Strategy includes proposals for launching a reforestation program and creating a new national council that will oversee forest management.

Under the Strategy, Spain's existing 1957 framework law on forested areas will be overhauled, with new legislation slated for adoption over the coming year. A National Forest Council is to be created; it will provide advice on sustainable forest management and will issue an annual report on the state of Spain's forests.

Other key proposals include a plan to expand reforestation, especially in areas that are at risk of soil erosion or desertification. Right now, forests cover slightly over half of Spain's land area—a high proportion by European Union standards; but the Strategy notes that 8% of the country is suffering from soil erosion. According to the government, reforestation could halt the problem and offer other benefits: it could mitigate the expected negative impacts of climate change and help bring about better water resource management.

The Strategy suggests methods for making the economic and social use of forests more sustainable. Among other things, it proposes forest certification, rationalization of the forestry industry and giving local councils control of public woodlands.

Water and waste treatment

To meet EU standards, Spain will need to invest heavily in pollution control systems for municipal and industrial water and wastewater.

Under the **National Water Purification Plan**, through 2005 the country will spend \$14.4 billion to set up new facilities for water collection, desalination and purification. According to Ministry of Environment estimates, within the same period the Spanish public and private sectors will invest an additional \$15 billion in sewage treatment systems and hardware.

Over the next few years, Spain is projecting investments of \$1.3 billion in toxic waste treatment and pollution prevention and control. Up to the year 2005, some \$1.2 billion will be spent on the **National Plan for Recovery of Contaminated Land**.

Also in demand are technologies for nuclear waste storage and contamination prevention.

Spain generates 17 million tonnes of waste per year, with the volume climbing by 38% over the last five years. According to the new **National Waste Plan**, by 2005 recycling will be compulsory for used tires, used vehicles (amounting to an estimated 500,000 tonnes in the next six years), construction waste and discarded domestic appliances (washing machines, stoves, refrigerators, etc.). The Plan has a budget of \$7 billion.

Greening Spain's industry

Polluter industries have been stung by fines imposed by the Ministry of the Environment. As a result, they are seeking environmentally safer technology and pollution control equipment.

Spain funds projects at all government levels, and also subsidizes private investment in environmental technology. Through 2005, industry is expected to spend a total of \$12 billion on environmental technology. Leading the way are the chemical, energy, steel and non-ferrous metallurgy industries.

Entering the market

Spain imposes no trade barriers or restrictions on the import and marketing of Canadian environmental equipment, provided it complies with Spanish regulations and standards. For further information, contact the **Spanish Standards Association, tel.: (011-34-91) 310-4851; <http://www.aenor.es>**

European firms have the advantage of geographic proximity, making it easier for them to provide services and bring in equipment. Active in the environmental field are firms from Germany, France and the Netherlands, as well as the United States.

On the other hand, Canada has an excellent reputation as a country with innovative equipment, outstanding engineering firms and new technologies. Canadian firms can compete by cultivating local ties, particularly since environmental operations and sanitation have long been a local or community business.

Options include setting up temporary joint ventures for specific projects, acquiring a minority share in an existing company, creating a jointly controlled company or taking a majority stake without full ownership. Partnering with a reliable Spanish firm is often another good way to operate effectively in the country.

In all cases, a key to success for any firm is a physical presence in Spain.

Payment is customarily in cash with a 60-, 90- or 120-day term. With large projects or when dealing with the central or regional governments and municipalities, payment is determined on a case-by-case basis and could take as long as nine months.

For their environmental projects, Spanish companies and foreign firms operating in Spain are eligible for subsidies from the central and regional governments (ministry of Environment or of Industry and Energy).

INFORMATION AND COMMUNICATIONS TECHNOLOGY:

The future comes to Spain

Mobile telephone use has surged in Spain since 1995. By the end of this year, the country is expected to have more than 14 million mobile users, and the number of mobile phones should surpass the number of fixed lines.

Opportunities exist in the sub-sector, particularly for advanced systems such as UMTS (Universal Mobile Telecommunications Services) as well as antennas for transmission.

All mobile telephone operators are private-sector firms. Competitors include local businesses and subsidiaries of major European companies.

Customarily, equipment and services are purchased through a formal bidding process. Documentation usually must be submitted in Spanish. Sometimes a foreign bidder is required to have a Spanish company representing it. A local agent or partner can be of great assistance.

Cable television came late to Spain but its subscriber base is expected to reach 1.3 million this year. The main cable operators are Telefónica, Madritel, CTC, Retecal, Cableuropa, CYC and Telecable. Most of these companies are grouped in the Asociación de Operadores de Cable.

Projections are bright for cable because of its capabilities in teletext, interactive video and multimedia, alarms, satellite and ground TV, access to databases, and (coming soon) broadband services.

Cable companies or their suppliers require:

- software, particularly for accounting and payment control of network users; and
- small components and connectors.

With liberalization of the entire telecommunications sector late in 1999, there should be no problem in importing equipment for this sub-sector.

Major environmental issues

- Water purification
- Treatment of industrial and urban wastewater
- Urban and solid waste
- Waste incineration
- Soil degradation

Useful WEB sites

Spain

<http://www.mcyt.es>
Ministry of Science and Technology

<http://www.inia.es>
Instituto Nacional de Investigación y Tecnología Agraria y Alimentaria

<http://www2.cbm.uam.es/cbmso>
Centro de Biología Molecular Severo Ochoa

<http://www.rediris.es/recursos/centros/univ.es.html>
List of universities in Spain's research network

<http://www.tdi.es>
Tecnología para Diagnostico e Investigacion (TDI)

<http://www.bio-rad.com>
Bio-Rad Laboratories

www.cnb.uam.es
Centro Nacional de Biotecnología

<http://www.cdti.es>
Centro para el Desarrollo Tecnológico Industrial

<http://www.mma.es>
Ministry of the Environment

<http://www.aenor.es>
Spanish Standards Association

http://www.gencat.es/mediamb/eng/acat_ma.htm
Autonomous Region of Catalonia, Department of the Environment

<http://www.puntex.es/medioambiente/default.html>
Guia Puntex (Spanish environment directory)

<http://www.revistasresiduos.com>
Residuos (Spanish magazine on waste)

<http://www.aluminio.org>
Spanish Aluminum Products Recycling Association

<http://www.seopan.es>
Spanish Building/Contractors Association

www.retevision.es
Retevision Móviles

www.airtel.es
Airtel

www.movistar.tsm.es
Telefónica Móviles

www.madridtel.es
Madrid cable operator

www.fundacionmadritel.es
Madridtel Foundation

www.ilimit.com/cecable/archivo.html
The Cable Review

European Commission

http://europa.eu.int/comm/dgs/environment/index_en.htm
Environment Directorate-General

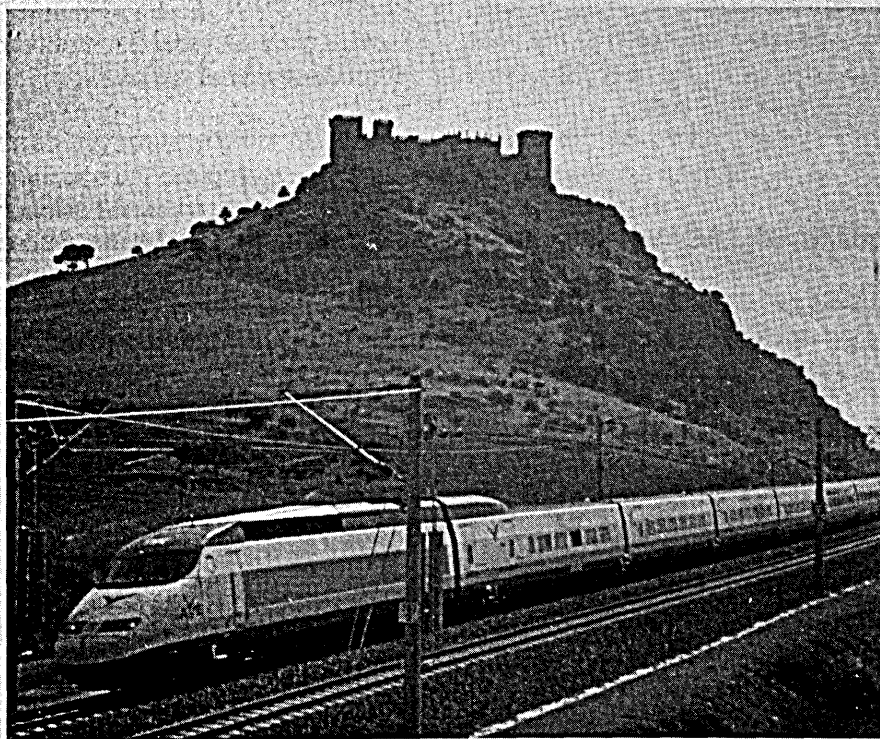
<http://www.eionet.eu.int>
European Environment Information and Observation Network

<http://www.ehto.org>
European Health Telematics Observatory

<http://www.cordis.lu/biotech/home.html>
Biotechnology Program

<http://www.eea.eu.int>
European Environment Agency

Spain is moving quickly to upgrade its high-speed train network.
By courtesy of the Spanish Institute for Foreign Trade (ICEX). Credit: RENFE.



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 E-mail: grupoexport@seopan.es
<http://www.seopan.es>

TRADE PROMOTION EVENTS IN SPAIN DURING 2001

February PROMA—International Environmental Exhibition, Bilbao

February ECOMED-POLLUTEC—Environmental and Energy Trade Show, Barcelona

April 23–28 Construmat 2001—Biannual International Construction Exhibition, Barcelona
 Web site: <http://www.construmat.com>

Customs information from DFAIT

For information on import duties, taxes and regulations, contact the Tariffs and Market Access Division at the Department of Foreign Affairs and International Trade in Ottawa, tel.: (613) 992-2117. An officer can tell you how your products are classified and can provide you with information on access to foreign markets, including customs duties, taxes and some customs procedures.

—Continued from page 1

Chamber of Commerce President and Portuguese Honorary Consul in Edmonton, Aurelio Fernandes.

Staffed by volunteers, the Portugal-Canada Chamber has become more active in the last year since Fernandes' appointment as Honorary Consul. "We bring trade missions from Portugal to Canada, and we are trying to promote joint ventures in the energy sector, particularly geothermal, for the Azores, which is renowned for its volcanic activity," says Fernandes.

"As well, we would like to encourage investors for the development of tourism, especially in the north of Portugal. We also provide contacts in Portugal identifying companies for joint ventures."

Exporting Alberta technology

A key sector Fernandes is promoting is waste management and environmental technology. "Alberta is a world leader in this technology, particularly for land fill, and Portugal has some serious concerns in this area; we would like to develop a joint venture to export the technology from Alberta to Portugal."

The Portugal-Canada Chamber also organizes events and seminars. "Last May, in Banff, we hosted the first conference of the Association of Portuguese-American Chambers of Commerce (APACC)," adds Fernandes. APACC comprises 12 Chambers in total based in Canada, the United States, Portugal and the Azores, and is very active in the United States.

Other upcoming events include a Portuguese wine and food festival in Winnipeg in October, which will be attended by Portugal's Ambassador José Manuel Duarte de Jesus, and a seminar on Portuguese construction materials in November in Calgary and Edmonton.

Fernandes explains that while North American wood construction had not been commonly used in Portugal, it is now widely accepted,

particularly in northern Portugal, making construction a sector with potential for Canadian companies in Portugal. For instance, a Calgary company exports garage doors

Portuguese companies to set up a base in western Canada as a channel to the U.S. market. "Western Canada is the fastest growing economy in Canada, and Edmonton is one of the

The Portugal-Canada Chamber

to Portugal, shipping a container a month.

Another sector with potential for Canadian business is information technology (IT). Says Fernandes, "Portugal is at the forefront of the IT field and there is room for Canadian companies to export IT technology."

Trade a two-way street

"Portugal has been an EU member for a few years," continues Fernandes, "and it is still one of the best places in Europe to do business. The cost of labour is very attractive, there are good tax incentives, and there is a large manufacturing base with major multinationals like Ford, for example, located there."

Fernandes likes to emphasize the two-way street of trade, pointing out that one of Portugal's largest companies, Sonae, has millions of dollars invested in lumber in Quebec, creating many jobs for Canadians.

Portugal's main industries (and exports to Canada) are electronics, auto components, injection moulds, decorative plumbing and construction materials, footwear, wine, crystal, ceramics, textiles and natural cork.

Promoting Canada as a base for the U.S. market

Fernandes also sees the role of the Portugal-Canada Chamber to promote Canada's proximity to the United States as an incentive for

best places to do business in Canada because of its cost of living and tax incentives."

Ministerial trade mission

Further bilateral trade will be developed hopefully through the upcoming trade mission to Portugal led by International Trade Minister Pierre Pettigrew. One of the directors of the Portugal-Canada Chamber of Commerce will accompany the mission to Lisbon on October 20. The first such mission to Portugal, it will provide the opportunity for the Chamber to network and gauge the response of Portuguese business to furthering links with Canada, especially Alberta.

APACC publishes a quarterly newsletter, the *APACC Link*, highlighting the events of all members in Canada, the United States, Portugal and the Azores, and, as well, the Portuguese Trade and Tourism Commission (ICEP) publishes a quarterly newsletter highlighting events and activities in Portugal.

For more information, contact Aurelio Fernandes, President, the Portugal-Canada Chamber of Commerce and Industry, tel.: (780) 476-9099, fax: (780) 475-6757, e-mail: aurelio@canada-portugal.com *

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

In the space of 15 months, the Irish telecommunications market has changed dramatically.

As the Telecom Eireann monopoly has been dismantled, international providers such as BT, NTL, GTS, Interoute

Market profile

Ireland — ICT

and MCI Worldcom are now providing a range of telecommunications services to Irish commercial and residential users. The expansion of broadband capacity is a positive adjunct to the situation. The largest Canadian-owned subsidiary in Ireland is Nortel Networks, a major supplier of telecommunications hardware and software.

Trends

Deregulation of the Irish telecommunications market, which is increasing competition from new international providers, coupled with the gradual reduction in voice, data and Internet charges, will expand the market. The larger telecom companies and systems integrators have been active in taking

over some of the smaller specialized networks. With government support, broadband capacity is being increased.

Opportunities

The volume potential will lie with the new multinational service providers and the larger systems integrators.

Telecommunications providers will require the services of niche specialists who can supply specialized expertise in emerging technologies such as ADSL, ISDN and e-commerce/Internet tools. The Canadian presence in Ireland of Nortel and Eicon Technology gives recognition to Canadian technical capabilities.

Customers

Public sector:

- Cable & Wireless
- Cable Communications Division, Department of Public Enterprise
- Cable Eircom
- Cable Esat/BT
- Cable GTS
- Cable Interoute
- Cable NTL

- Cable Ocean
- Cable Worldcom

Private sector:

- Cable Lake Communications
- Cable Digital Communications Management
- Cable Carraig Ltd.

Major competition

The following companies have Irish subsidiaries involved in software or hardware development, as well as market support divisions:

- Cable Alcatel
- Cable Ericsson
- Cable Lucent Technologies
- Cable Motorola
- Cable Siemens
- Cable Tellabs

Constraints and challenges

- The manufacturing, marketing and localization presence of multinationals in Ireland, whose export efforts are aimed at EU markets.
- The level of central or head office purchasing on the part of the multinationals.

For more information, contact Marie Stamp, Trade Commissioner, Canadian Embassy, Dublin, tel.: (011-353-1) 478 1988, fax: (011-353-1) 478 1285, e-mail: marie.stamp@dfait-maeci.gc.ca Web site: www.infoexport.gc.ca ✱

The Italian telecommunications and Internet services market

Trends and Opportunities

The Italian telecommunications and Internet services market is experiencing sensational growth, with a 280 percent increase in Internet subscriptions in 1999, for example. In spite of this growth, Internet penetration in Italy remains behind North American rates and those of other EU countries. As well, the country continues to lag in the transition to e-commerce and a knowledge-based economy. Italy has undergone a dramatic "awakening" regarding the importance of connectedness and the Internet, and of catching

up with what is now recognized as global competition toward a new economy. Italy's "Internet Awakening" offers unprecedented opportunities for Canadian companies. Italy cannot fulfil its enormous needs alone, and has sought out a partnership with Canada, since our expertise in this sector is world renowned. Recognizing Canada's lead position, the Italian government signed a memorandum of understanding with Canada last March to promote joint Internet projects. For Canadian companies the best approach is one of partnership

and/or co-investment with a local partner. Sectors offering the greatest opportunity include on-line education and training; e-commerce applications; community networking; and wireless access portals and services.

Market access challenges

- Canadian companies must show a commitment to the Italian market by working with Italian allies to provide solutions for Italy's problems, and by establishing partnerships for the long term.
- Although Italy can provide big payoffs, it is a complex and sophisticated market that requires patience, careful preparation, and a good understanding of local idiosyncrasies and the political/regulatory environment.

Continued on page 13 — Italian

Opportunities abound in Russia's telecommunications sector, despite the setback of the August 1998 financial crisis.

In its aftermath, the government allowed rate increases of approximately 30 percent, while business and residential subscribers now pay about 75 percent more in installation fees for new lines. With further rate changes, Russian telecom companies should improve their financial performance, repay equipment debts to foreign suppliers and initiate new development plans.

A promising sector in Russia is custom information technology (IT) software development. For a telecom company seeking to become a leader or remain competitive, it can be profitable to contract specialized IT software engineering to a Russian institute as a co-operative venture.

Constraints

Several risks continue to dog the sector:

- an uncertain regulatory environment;
- high fragmentation;
- low liquidity;
- substandard corporate levels of disclosure and transparency; and
- inadequate protection for minority shareholders.

On the positive side, several telecom companies are adopting Western accounting methods, and the shift should bring a more transparent accounting system better able to attract investors. And market fragmentation would be reduced by

Sector profile

Russia — telecom

a merger of some of the regional operators.

Business and data communications

With a few exceptions, providers of business and data communications are joint ventures between foreign partners and either Rostelecom or a regional telecom. A joint venture can also help a foreign company obtain the necessary licences. For their part, Russian partners benefit from the introduction of value-added services without undertaking any significant capital expenditures, and they acquire the latest technology and know-how.

Cellular communications

Since August 1998, competition has brought a drastic reduction in cell phone rates and an increase in the service packages offered to consumers. As a result, subscriber numbers grew by over 100 percent in 1998 and are

projected to grow by over 70 percent by the end of 1999. Telenor's purchase of a 25 percent stake in Vimplecom (one of the main cellular operators) is an indication that providers are starting to receive the infusion of capital required to expand capacity. With a continued decline in rates and increased investment, cellular use will grow still more, and wireless could eventually become a viable alternative to regional telecom operators.

Communications equipment

Since the financial crisis, companies have been unable to make large investments in new systems. Instead they have focused on smaller, cash purchases of equipment, with the aim of a quick return on the investment.

Satellite communications

Given Russia's underdeveloped fixed-line telephone network and far-flung population, VSAT communications could offer an interesting solution.

Long-distance market

Rostelecom leases dedicated international communications channels to private companies. It has a 90 percent share of the long-distance market and an 85 percent share of the international market.

For more information, contact the Commercial Division, Canadian Embassy, Moscow, tel.: (011-7-095) 956-6666, fax: (011-7-095) 232-994, e-mail: mosco-td@dfait-maeci.gc.ca

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

Italian telecommunications — Continued from page 12

- Italy must be made more aware of Canada as a world supplier and developer of information and communication technology (ICT) solutions and equipment, on par with the United States, France, Germany, the United Kingdom and Japan.

Events and information

- Visit our Canadian Embassy Web site at www.canada.it
- Canada will have a national stand at Italy's largest ICT trade fair, the International Exhibition of Information and Communication Technology (SMAU), October 19-23, 2000, in Milan. Although many of those who participated at

SoftWorld will not be at SMAU, the Web site for the show is excellent and is well worth a visit, as it provides excellent profiles and links: www.smau.it

- Visit the Web site of the Italian Institute for Foreign Trade at www.ice.it

For more information, contact Paola Molteni, Business Development Assistant, Consulate General of Canada, Milan, tel.: (011-39-02) 67581, fax: (011-39-02) 6758-3900 or John Picard, Business Development Officer, Canadian Embassy, Rome, tel.: (011-39-06) 445981, fax: (011-39-06) 4459-8754, e-mail: john.picard@dfait-maeci.gc.ca

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/leads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown Corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

ETHIOPIA — Substation, Power Transformers and Transmission Line Construction — (Notice received from the Canadian Embassy in Addis Ababa, Ethiopia.) The Ethiopian Electric Power Corporation has issued an invitation to tender for the Eastern Region Power Transmission Project. Eligible companies are invited to bid for the following contracts: contract ERTP-1 — substation and power transformers — involves the design, manufacture, supply, erection, testing

International Business Opportunities Centre

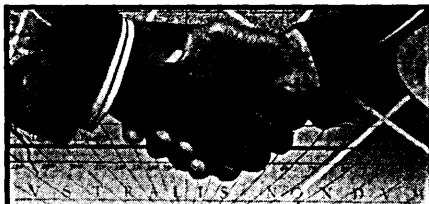
and commissioning of two 25/25/12MVA 132/66/33 kV, one 12MVA 66/15kV, one 25/25/12MVA 132/33/15kV and two 6.3 MVA 66/15kV power transformers and substation equipment; contract ERTP-2 — transmission line — involves the design, manufacture, supply, erection, testing and commissioning of 138.85 km of 132 kV and 50 km of 66 kV transmission lines. Closing date: November 27, 2000. Cost of tender documents: contract ERTP-1 — Birr 1,000.00 and contract ERTP-2 — Birr 1,000.00. Contact: Steve Guertin, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000918-03746. Web site: www.iboc.gc.ca/webleads.asp?i=1151en

INDIA — Rating Trolley for Calibration of Current Meters — IFI (Notice received from the Canadian High Commission in New Delhi, India.) India has received a US\$142 million credit from the International Development Association (IDA) equivalent to US\$142 million towards the cost of a hydrology project, which includes the design, manufacture, supply, installation and commissioning of a rating trolley for calibration of current meters in the speed range of 0.005 m/s to 6.0 m/s. The rating trolley is to be installed at the existing rating tank length of 122 m, width 2.44 m and depth 2.44 m constructed in RCC, below floor level, in a covered building. The bidder should have had previous experience. Closing date: December 15, 2000. Cost of bid documents: Rupees 4,000 or

US\$100 (non-refundable). All bids must be accompanied by a bid security in the currencies of the bid or in U.S. dollars equivalent to Rupees 600,000. Contact: Steve Guertin, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000829-03485. Web site: www.iboc.gc.ca/webleads.asp?id=1150en

ETHIOPIA — Reinvitation to Prequalification for Civil Works in the Construction of Arch Dam Structures, Power Waterways, Powerhouse — (Notice received from the Canadian Embassy in Addis Ababa, Ethiopia.) The Ethiopian Electric Power Corporation intends to prequalify contractors for civil works related to the Tekeze Hydro Electric Power Project. The project consists mainly of an arch dam, a power tunnel and a 300 MW underground powerhouse and associated access roads and tunnels including a permanent residential campsite. The works under each lot are: Lot 1B — permanent residential campsite; Lot 2 — arch dam ancillary structures; Lot 3 — power waterways and powerhouse structures. Powerhouse equipment will be supplied and installed under Lot 4 (mechanical equipment) and Lot 5 (electrical equipment). The substation will be supplied and constructed under Lot 6 and 230V overhead transmission line to Mekele will be designed, supplied and erected under Lot 7. Closing date: November 30, 2000. Cost of prequalification documents: Birr 400.00 (non-refundable). Contact: Steve Guertin, IBOC, fax: (613) 996-2635, e-mail: iboc@dfait-maeci.gc.ca quoting case no. 000918-03747. Web site: www.iboc.gc.ca/webleads.asp?id=1152en

IBOC trade opportunities — find out more at www.iboc.gc.ca



International Business Opportunities Centre

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®).

There aren't many things that generate as much enthusiasm on the part of an exporter as the words "rapidly expanding market" or "rapidly rising demand."

including 30 Bombardier CC2200 locomotives equipped with Alco 251 engines, 30 Alstom BB1100 and BB1200 locomotives with MGO engines, and 1,100 cars and coaches.

1998. Camrail has also been the Cameroon Railway concessionaire since April 1, 1999.

Canadian businesses: forward, march

Most of Camrail's equipment has been supplied by Canadians for nearly the last 20 years. This puts Canadian businesses in a unique position, in terms of both contracts to supply equipment and various services connected with this investment program.

Plans for the program call for invitations to tender to be issued before the end of 2000, and during 2001. Some Canadian companies are well on the way to qualifying for contracts which are currently being considered.

For more information, contact Honoré Mondomobé, Senior Commercial Officer, Canadian Embassy, Cameroon, tel.: (011-237) 23 23 11, fax: (011-237) 22 10 90, e-mail: honore.mondomobe@dfait-maeci.gc.ca, Web site: www.infoexport.gc.ca/cm/ *

Cameroon rail boom

That is exactly what is happening with rail transport in Cameroon, where the demand for transportation in the forestry industry, combined with the demand for the transport of equipment created by the construction of the Doba-Kribi pipeline, is bringing in investments of some US\$300 million to upgrade and repair railway facilities.

Over the next five years, the single track connecting Douala to Ngaoundéré (about 900 kilometres) will be repaired in several places, with the installation of new rails, ties, etc. This project also involves repairing locomotives and cars,

The installation of a computerized, radio-equipped block system is also being planned.

This priority project is being financed jointly by the Camrail consortium, the World Bank (United Nations International Development Association loan), the European Investment Bank, the Agence française de développement and the UN International Financial Corporation.

The Camrail consortium, which developed out of a partnership between the French group SDV and the South African company Comazar, took over Cameroon's railways in

Turkey hosts pivotal oil and gas event


ISTANBUL, TURKEY — November 16-18, 2000 — There has long been the recognition that Turkey is an essential oil and gas market due to its geographical location and political stability. Turkey is known as the "energy bridge" between the major oil producing regions on the one hand and the major consumer markets in Europe on the other. In its own right, Turkey has arguably become the fastest growing energy market in the world.

The Turkish International Oil and Gas Congress and Exhibition (TURKIOG 2000) provides one international business platform for the Turkish oil and gas markets and surrounding regions. It does so by combining the international exhibition together with a strategic congress and a series of technical and scientific seminars all under one roof —

the "Lutfi Kirdar" Istanbul Convention and Exhibition Centre, in the heart of Istanbul's commercial district.

Keynote speakers include: Cumhur Ersumer, Turkish Minister for Energy and Natural Resources; Osman Demirag, President and Chairman, Turkish Petroleum Corporation (TPAO); Gikhan Yardim, President, BOTAS Petroleum Pipeline Corporation, Turkey; Chris Pattern, Commissioner, Foreign and Security Policy, European Commission.

For more information, contact Cem Menlikli, the Turkish Association of Petroleum Geologists, tel.: (011-90-312) 286-9100, ext. 2710, fax: (011-90-312) 286-9000, e-mail: menlikli@petrol.tpao.gov.tr or Fred Malgoire at ITE Group Plc, tel.: (011-44-20) 7596 5231, fax: (011-44-20) 7596 5106, e-mail: fred.malgoire@ite-exhibitions.com *



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WIN
EXPORTS

The 4th Canadian Food and Beverage Showcases in the Caribbean

ST. MAARTEN, NETHERLANDS ANTILLES — February 1-2, 2001 — **PORT OF SPAIN, TRINIDAD AND TOBAGO** — February 5-6, 2001 — The Canadian Export Development (CED), in co-operation with the Canadian High Commissions in Barbados and Trinidad and Tobago, is organizing the fourth Canadian Food and Beverage Showcases.

Canadian companies participating in these two shows will display their products and/or services under one umbrella as they pursue business opportunities in the Caribbean markets. An extensive marketing campaign will be done throughout the Caribbean islands inviting the key decision makers and buyers, both in government and the private sector, to visit the shows. This is an excellent opportunity to introduce your company to important emerging markets, and could be very rewarding in obtaining sales or sales leads.

Barbados

The food sector in Barbados and the Eastern Caribbean is multifaceted.

All of the islands import the majority of their consumables, as food processing is very small and agricultural industries are concentrated on only a few items, mostly earmarked for export (i.e. bananas, and sugar).

Each of the islands focuses on the middle to upper tourist market, which demands high quality, and efficient, consistent suppliers. The importation and distribution business that targets the food sector is well developed and extremely competitive, and the interest in new products and lines is great.

The local market varies from island to island, depending on the level of overall development. In some of the more developed markets, such as Barbados and St.

Maarten, the local market actively seeks North American brands, and has the disposable income to pay the higher retail prices for these items. The less developed markets seek lower end items such as pickled and salted meats and fish products, and there is less local demand for the more expensive imports.

The French territories of Martinique, Guadeloupe and St. Martin have their food imports from France subsidized, which makes it challenging for Canadian goods to compete. All items imported must meet EU standards. These markets are very sophisticated and the retail/importation/distribution sector is extremely well developed.

Trinidad and Tobago

Canada's export of food products to Trinidad and Tobago has increased considerably over the past years with trade exhibitions contributing tremendously, and this trend is expected to continue. The upcoming trade event will provide further opportunities for the Canadian business community to showcase their range of food and beverage products to an enthusiastic buyers market, seeking quality products for the wholesale and retail trade.

There will be opportunities to discuss joint venture food and beverage processing and distributor type agreements with local counterparts. An additional visit to Guyana is also available to those firms wishing to explore new trade opportunities there.

For further information, contact Robert Grison, Director of Operations, Canadian Export Development, tel: (613) 825-9916; fax: (613) 825-7108; e-mail: cced@sympatico.ca

For information on opportunities in Barbados and Trinidad and Tobago, contact Charlotte Hutson,

Trade mission to Chicago art show

CHICAGO — November 3-5, 2000 — The Canadian Consulate General in Chicago is organizing a New Exporters to Border States (EXTUS) mission for Canadian artists/craftspeople looking to export to the U.S. market.

The trade mission will feature an educational session with industry experts, plus entry to the Sculpture, Objects & Functional Art (SOFA) show, one of the most renowned juried, 3-D fine arts shows for high-end glass, ceramics, wood, metal, fibre and sculpture in the United States. Over 20,000 U.S. and international buyers are expected to attend SOFA.

For more information, contact Ann F. Rosen, Business Development Officer, Canadian Consulate General, Chicago, tel.: (312) 616-1870, ext. 3357, fax: (312) 616-1878, e-mail: ann.rosen@dfait-maeci.gc.ca or check out www.sofaexpo.com ✪

Commercial Officer, Barbados, tel.: (1-246) 429-3550, fax: (1-246) 437-8474, e-mail: charlotte.hutson@dfait-maeci.gc.ca or Tom Bearss, Commercial Counsellor, Trinidad and Tobago, tel.: (1-868) 622-6232, fax: (1-868) 628-2576, e-mail: tom.bearss@dfait-maeci.gc.ca ✪



**A Message from International Trade Minister Pierre Pettigrew
The Tradition Continues... with the Naming of
CANADA EXPORT AWARD 2000 WINNERS**



**Export Awards
2000**

The Canada Export Awards have become a tradition over the past 18 years.

Once again, it is time to honour exporters for the significant contribution they make to Canada's economic growth, and for their success in exporting their products and services to markets around the world.

Founded by the Department of Foreign Affairs and International Trade, the Awards are recognized across the country and around the world as symbols of Canadian excellence in exporting.

Canada enjoys an exceptional reputation as an important trading nation in the world. In fact, today, more than 43 percent of Canada's gross domestic product is generated by trade. In other words, we export almost half of the goods and services we sell - a far greater share than the Americans, Europeans or Japanese. In fact, Canada is the most trade-oriented of all the G-7 countries.

To celebrate Canada's increased success in world markets, the Canada Export Awards recognize the achievements of our dynamic exporting companies. They represent the best Canada's exporting community has to offer. Their growth leads directly to jobs for Canadians. Their financial success, along with that of other companies, is the key to our ongoing ability to fund important investments in health care, education and infrastructure.

Thank you to the sponsors (see details on p. 20)



Agence de promotion économique du Canada atlantique

Canada



Canadian Manufacturers & Exporters
Manufacturiers et Exportateurs du Canada



**SMART Technologies Inc. - Canada's Exporter of the Year
Growing by Leaps and Bounds**

The corporate boardroom is the place where big decisions are made and relayed, and where deals are born and signed. By bringing today's technology to the boardroom, SMART Technologies is transforming the way companies can view, interact and save information with their patented applications.

SMART Technologies is now a leader in the Roomware industry, serving educational institutions and corporations around the globe. The company is bringing technology to the boardroom and the classroom with interactive whiteboards, mobile multimedia computer cabinets, and cameras that save notes.

"Imagine that you are in a meeting and the CEO walks up to the whiteboard and sketches out a plan in dry-erase ink. Before the employees return to their desks they have a copy of the meeting notes in their e-mail," says Nancy Knowlton, President and Chief Operating Officer of SMART Technologies. "That's just one example of some of the exciting applications that we are developing. The opportunities are endless."

The Calgary-based company, which was established in 1987 with a staff of two, now employs over 280 people in Canada and the U.S., with further growth expected in the coming years. Initially focussed on the US market, SMART now operates in over 47 countries, with 94 per cent of their sales deriving from exports.



Nancy Knowlton
www.smarttech.com

Prepared by the Trade Communications Division



Department of Foreign Affairs and International Trade

Ministère des Affaires étrangères et du Commerce international

Canada

Survival Systems Secures Canada Export Award for Smaller Exporter Achievement

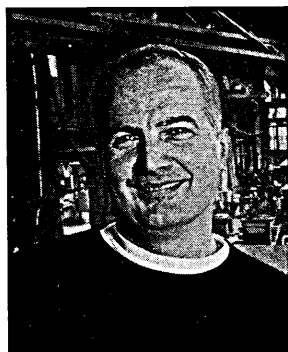
"We have become a leader in the worldwide safety training industry," says Albert Bohemier, President and CEO of Survival Systems of Dartmouth, Nova Scotia. "The safety training programs that we have designed, including the formulation and use of specialized simulators, are the result of dedicated R&D and ingenuity of our engineering team."

Survival Systems was founded in 1982 in response to a need for basic sea survival training for personnel working in the offshore oil industry. Survival Systems' line of training simulation devices now caters to marine, military, offshore and industrial sectors.

The training simulation systems are now successfully being used to train workers in more than 15 countries, spanning 5 continents. www.survivalsystemsgroup.com



Albert Bohemier



Pierre Paschini

ADF Group Builds A Reputation For Itself in Global Export Markets, Wins Job Creation Achievement Award

No building is too high, no roof too wide to scale for this Terrebonne, Quebec structural steel manufacturing company. Providing unique designs and added-value engineering services, ADF Group is an industry leader, helping customers finish projects ahead of time and ahead of budget.

"Most recently we completed a project for a hangar in Algeria where we modified their architects' original design that called for almost 5,600 tons of steel and we brought it down to 4,400," says Jean-Louis Leblanc, Executive Vice-President for International Business. "This translated into a savings of over \$5.4 million for the customer, something they don't take too lightly!"

Since 1996 the company has grown 10-fold and now employs over 1,500 Canadians. "With the recent contract wins we have achieved, we expect that number to grow to almost 2,000 in the next year," says Mr. Leblanc.

www.adfgroup.com

IDC Earns Prestigious Canada Export Award for Innovation and Technology Achievement

Over the past two years, International Datacasting Corporation (IDC) has leveraged its years of experience providing satellite solutions for traditional broadcasters into new products and services for the emerging Internet-driven broadband market by developing and implementing high-speed digital data solutions. With technology that knows no borders, Ottawa-based IDC has to its credit more than 27,000 installations in 35 countries.

"Satellites are very democratic," says Ron Clifton, President and CEO of IDC. "They cover everyone equally. This means that the technology tools we provide can meet a wide variety of needs in a diverse range of markets. For example, our award-winning SuperFlex system powers high-speed Internet connectivity from the US, and also delivers distance education content to rural schools across Latin America."

"In this industry we knew from the beginning we had to export to survive," says Clifton. "The support, networking, and liaison skills of our Canadian embassies and other trade organizations around the world have been invaluable to us in this growth process." www.intldata.ca



Ron Clifton

Med-Eng Systems Wins Canada Export Award for Lifetime Achievement

Spider boots, ballistic add-ons, active shields and trooper remote engagement systems may seem like a props check list for an upcoming episode of the X-files. But for Ottawa's Med-Eng Systems it's an inventory of their industry leading personal protection systems for crowd management, de-mining and explosives disposal. With trusted products used in over 120 countries and territories, and a 90 per cent hold on the world market for their specialized bomb disposal helmets and suits, law enforcement and military agencies turn to Med-Eng for solutions.

"One of our goals as a company, through various training that we plan to offer shortly, is to help prevent an escalation of violence and possible injuries in any crowd management situation," says Richard L'Abbé, President of Med-Eng Systems. "Through increased research we hope to be able to better assist our clients with training that will help defuse these situations, while at the same time providing protection for those who put themselves at risk." www.med-eng.com



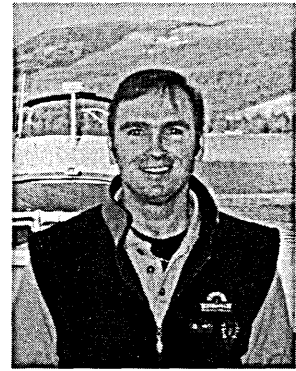
Richard L'Abbé

Pearl Seaproducts Shines With Canada Export Award Win

If you're dining at the Beverly Hills Hotel and decide to try the oysters, you may be surprised to learn where they come from. Internationally renowned chefs are choosing oysters from Pearl Seaproducts, of Sechart, British Columbia, selected from the cold, clean waters of the Sunshine Coast, British Columbia.

"By suspending oysters in custom deepwater trays we avoid low tide twice daily, which allows them to grow 24 hours a day," says Sam Bowman, President and CEO of Pearl Seaproducts. "This also results in a milder flavour, with a crisp, clean taste, something that has been recognized in our industry."

With over 30 million oysters under cultivation today, about 80 per cent of the company's farm-raised oysters are sold in export markets. www.pearlsea.com



Sam Bowman



Rob Bakshi

Silent Witness Makes Some Noise With Canada Export Award Win

Silent Witness of Surrey, BC has taken video monitoring and security one-step further with true digital turnkey solutions.

"Before we entered the market there were many steps that had to be undertaken to set up a functional monitoring system," says Rob Bakshi, Chairman, President and CEO of Silent Witness. "Even if a system was installed and maintained properly, picture quality was compromised by the limitation that videotapes offer. With digital video systems, the camera provides clean, visible images and it only records when movements are made, eliminating endless hours of meaningless footage."

www.silent-witness.com

Wescam Shines The Light on Export Success

Wireless camera technology provided by Flamborough's (near Hamilton) Wescam Inc. offers full turnkey visual information solutions worldwide. Wescam's technology is also being used on airplanes, naval vessels, airships and racing cars, including the NASCAR racing series.

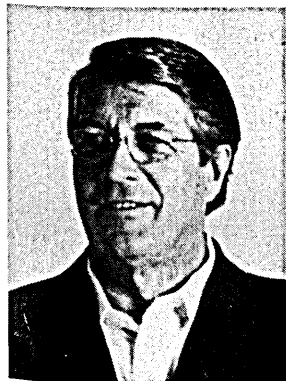
"We've been successful in many different niches, in some cases very large niches, mainly due to the sound technology that our systems offer," said Mark Chamberlain, President and CEO of Wescam Inc.

From a team of 70 people in 1994, through market growth and international acquisitions, the company now employs over 460 people and achieved \$50 million in export sales in 1999.

www.wescam.com



Mark Chamberlain



Klaus Nienkämper

Nienkämper Decorated with Canada Export Award Win

Conventional thinking would have it that tables remain as surfaces where objects are placed. With finely crafted tables that help project sound and images, Scarborough, Ontario's Nienkämper Furniture & Accessories wouldn't seem to know the meaning of conventional.

With 80 per cent of their export related sales generated from the US marketplace in 1999, Nienkämper plans to develop a stronger presence in Asian, Latin American and most importantly European markets.

"Most major corporations in North America have adopted our office solutions as part of their overall standards program," said Klaus Nienkämper, founder and President of Nienkämper Furniture & Accessories. "International patents will soon allow us to compete in the European market where we hope to impress new clients with our functional designs."

www.nienkamper.com



Robert Thorburn

Thorburn Equipment Realizes 'Pipe-Dream' With Canada Export Award Win

Transforming large quantities of metals into four ton piping systems might prove difficult even if you had a large factory and the right team of engineers. For Thorburn Equipment and its international clientele it's more like a work of art through precision engineering.

The flexible piping and ducting systems that Thorburn creates are made in Pointe-Claire, Quebec, but they can be found in fossil fuel and nuclear plants around the world. Examples of their craftsmanship can be encountered across Canada, the United States, Asia and Europe, although you just have to take a company tour to hear proof of their international reach.

"We've grown to 100 employees from 60 in the last year, and at last count we had almost a dozen languages spoken between us," says President and CEO Robert Thorburn. "I think our diversity gives us an added advantage you just can't measure." www.thorburnflex.com

Thank you to the sponsors of the Canada Export Awards 2000

This year's Awards were presented in Halifax on October 2, 2000 at the 5th Annual Convention of the Canadian Manufacturers & Exporters (CME) — at a ceremony sponsored by the Atlantic Canada Opportunities Agency (ACOA), Rogers Media Inc., the Canadian Manufacturers & Exporters and the Export Development Corporation (EDC).

Perrin Beatty, CME's President and CEO said: "These awards continue to be a highlight of our convention. Sponsoring and showcasing them is a natural fit with our national network of members, who represent some 90 percent of Canada's exports."

"As a sponsor of the Canada Export Awards, the Atlantic Canada Opportunities Agency (ACOA) is proud to recognize the export achievements of Canadian companies and especially small and medium-sized exporters with the Small Exporters Achievement Award," said George Baker, Minister of Veterans Affairs and Secretary of State (ACOA). "One of ACOA's key objectives is to increase the number of new Atlantic Canadian exporters and increase sales by existing exporters in current and growing markets."

"Rogers Media is proud to contribute to this important recognition program that puts Canadian success stories on display," said Dwayne Zaba, Director, Strategic Alliances, News & Business Group, Rogers Media Inc. "Through our network of services in print, broadcast and digital media, we will help deliver a message to people across the country: Canadian companies are competing against the best on a global stage, and they're succeeding."

"EDC is a Canadian financial institution devoted exclusively to providing trade finance solutions in support of Canadian exporters and investors in 200 markets around the world," said Ian Gillespie, President and CEO. "Our unique financial services, in combination with our partnerships and global reach, provide the competitive advantage Canadian businesses need."

The Department of Foreign Affairs and International Trade appreciates and values the support that these important sponsors lent to the awards, and to showcasing Canada's exporting achievements.

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling 1-800-267-8376 (Ottawa region:

944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maed.gc.ca

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Build solid contacts at Construct Canada 2000

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Canada's Trade Commissioner Service will be on hand at *Construct Canada in Toronto, November 29 to December 1, 2000, to help Canadian companies in the building products, housing and construction sectors take advantage of global trade opportunities.*

Construct Canada is Canada's largest annual show dedicated to this industry. Trade Commissioners from the United States, Central and South America, Asia, Europe, Africa and the Middle East are expected to attend. Many of these officers will bring foreign buyers with them from construction-related industries.

To facilitate meetings between Canadian companies and the Trade Commissioners and their delegations, the Department of Foreign Affairs and International Trade, in conjunction with its Team Canada partners, is holding a

wide range of targeted activities. These include an **International Matchmaking and Networking Forum**, an **Export Café** (see p. 2), a **U.S. Buyers Luncheon**, and an extensive international seminar program.



For further information on **Construct Canada** and the international program, consult the show's Web site: www.constructcanada.com

Continued on page 2 – Build

Upcoming Women in Business Trade Mission and Business Forum in London

With the start-up rate of women-owned businesses more than doubling during the last decade, the role that women "Heads of Business"—women who own or control a company—play in the Canadian economy is significant and growing. If you're looking to expand your company's export opportunities, be sure to mark February 5-8, 2001, on your calendar.

- February 5-7 — Women in Business Trade Mission (www.infoexport.gc.ca/ =mission/menu-e.asp?mission=borders) to the U.K. for

export-ready Canadian companies, co-ordinated by the Department of Foreign Affairs and International Trade (www.dfait-maeci.gc.ca).

- February 7-8 — Women Crossing Borders - Women in Business Forum (www.infoexport.gc.ca/mission/menu-e.asp?mission=borders), co-hosted by the governments of Canada and the United Kingdom.

The keys to export success

For a business with an innovative product or service, success in exporting

Continued on page 2 – Women

Construct Canada 2000

Key representatives of Canada's building and construction industry will convene in Toronto, November 29 to December 1, 2000, at **Construct Canada 2000**, Canada's largest annual show dedicated to building materials, construction, housing, renovation, and property management.

This year's show is expected to be even bigger than previous shows. Almost 1000 exhibitors and more than 18,000 visitors are expected, including architects, builders, contractors, developers, engineers and property managers, and, in addition, more than 150 wide-ranging seminars and conferences will be held.

Construct Canada also encompasses separate components dedicated to Housing and Renovation (Homebuilder Expo) and to Property Management (PM Expo).

Build solid contacts — Continued from page 1

Meet foreign buyers at the Matchmaking Forum

Scheduled for Tuesday, November 28 between 9:00 a.m. and 2:30 p.m. at the Metro Toronto Convention Centre, the International Matchmaking and Networking Forum is an unparalleled opportunity to meet one-on-one with hundreds of foreign business people from major global firms in the construction, housing and building products industry.

Delegations are expected from markets around the world, including the United States, Russia, India, the United Kingdom, Malaysia, Argentina, Iran, Israel. The program concludes with a networking luncheon. Cost of this event, including lunch, is \$50.

To register for these events, or for further information, contact Patricia Sagl, International Trade Centre, Toronto, tel.: (416) 973-6154, e-mail: sagl.patricia@ic.gc.ca ✉

Export Café — hear from Trade Commissioners about hot export markets

Scheduled to be held in the South Building of the Metro Toronto Convention Centre, Thursday, November 30, from 8 a.m. to 10 a.m., the Export Café provides an innovative venue in which companies can meet and discuss market opportunities with Canada's Trade Commissioners in groups of about eight participants. Each officer from a major global market will lead a discussion about the sector represented, outlining key opportunities. Over 30 Trade Commissioners from Canadian Embassies and Consulates from around the world will participate this year. There is no charge for this event.

Women in Business Trade Mission

— Continued from page 1

depends on access to markets, access to market intelligence, and contacts, contacts, contacts. This mission therefore offers participants:

- A custom-made schedule of appointments with prequalified British firms organized by a professional matchmaking firm. Each meeting is an opportunity for you to achieve your marketing objectives and build profitable business relationships.
- Networking sessions to optimize your contact with British companies interested in doing business with Canada.

In addition to professional business-to-business matchmaking this mission will offer export- and sector-specific workshops and presentations led by British and Canadian experts in their field.

Why Britain?

As Canada's third largest trading partner and the European Union's largest market, the U.K. represents a tremendous opportunity for Canadian exporters. Historical linkages, a common language and the relative strength of the British pound provide a sound foundation on which Canadian exporters can build strong relationships with U.K. firms. Britain is also a logical entry point to the EU, the world's largest market.

The Trade Mission

The Trade Mission consists of three segments:

- **Doing Business** — Presentations and workshops led by British and Canadian experts that will assist participants in their knowledge of business in the U.K. and enhance their export readiness.

Continued on page 15 — Women

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canadexport

Moses Bilagot, as International Development Director of Bilco Consultants Corporation — a Canadian company based in Sarnia, Ontario — is responsible for brokering deals and implementing projects involving huge multinational corporations. "Any small Canadian company can do the same. You don't have to be big to broker international deals. You just have to ally yourself with a big corporation using your expertise and the Canadian international credibility in deal brokering." Bilco is currently involved in implementing three projects in Poland.

Cancer treatment clinic

The clinic, which is a joint venture between three partners — Bilco; Jagiellonian University Medical College in Krakow; and Medicine for Humanity, a U.S. non-profit organization — will be up and running by early 2001. Intended to serve as a model for other clinics in the former



Moses Bilagot (right) with Katowice Mayor Uszok at the Katowice Auditorium during the Climate Change Conference held in that city last spring.

Warsaw Pact countries, one of the main purposes of the clinic will be to act as a centre for information gathering, and research and development, for future medical and pharmaceutical requirements, and to introduce new cancer treatment technology to the region. "This region is one of the largest coal-producing areas of eastern Europe and, consequently, has one of the

highest cancer rates in Poland," explains Bilagot. "We plan to send Canadian equipment and doctors to Poland, as well as involving Canadian pharmaceutical companies."

Multiple projects in Poland

Sarnia consultant brokering deals

Northrop Grumman Corporation is a private sponsor through the FA-18 Jet Fighter Polish Industrial Offset Program, which obligates the defence contractor to reduce any trade imbalance caused by the possible sale of FA-18 aircraft to the Polish Airforce.

Expansion of Katowice Airport and development of Katowice Industrial Park

The second project is the US\$60 million expansion of Katowice Airport and the development of Katowice Industrial Park. The expansion is intended to make the airport a regional hub between Frankfurt and Russia. The first phase of the airport is already completed, and Bilco is negotiating on behalf of a number of Canadian firms for the second phase. Linked to the airport expansion is the development of an industrial park to accommodate future manufacturing development.

Methane-fired power plant

The third project is a US\$5 million methane-fired power plant, which will extract methane gas from an existing coal mine in the Silesia region and will use existing Western co-generation technology. The first phase of the project is to build a 5 MW co-generation plant while the second phase involves a 30 MW system that is fired by both

methane gas and natural gas, and again uses the combined cycle of co-generation technology.

Another smaller project is in development using Canadian tech-

nology and expertise to reduce greenhouse gas. These projects are sponsored by the Department of Foreign Affairs and International Trade and the Canadian Embassy in Warsaw through the Sustainable Cities Initiative, which is mandated to help clean up Poland's environment.

Advice to other Canadian companies

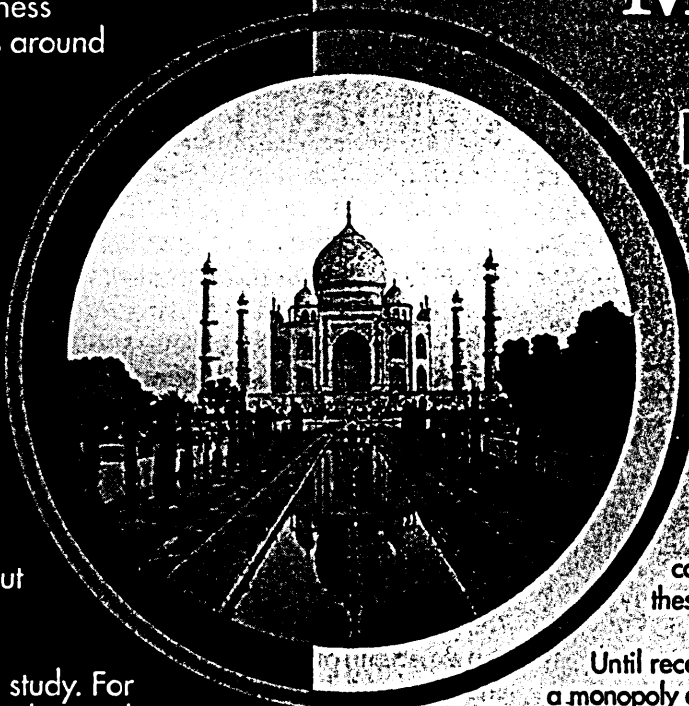
The best advice that Bilagot can offer other small Canadian companies wanting to make international deals is to create strategic alliances and co-marketing initiatives with bigger companies. "If you're small, find a large international company that requires your niche and expertise with which you can form a partnership. I encourage companies to use the trade programs of the Department of Foreign Affairs and International Trade to get a foot in the international door. Use the credibility of our government internationally. In my experience, the majority of the world likes doing business with Canadians."

For more information, contact Moses Bilagot, International Development Director, Bilco Consultants Corporation, Sarnia, Ontario, tel.: (519) 337-1573, fax: (519) 337-4460, cell phone: (519) 331-2990, e-mail: bilam@xcelco.on.ca

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

INDIA – The Airport Market

With a team of 500 business professionals in 134 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.



India has enacted new policies over the last 10 years to ensure that the airport development sector meets international standards.

All 449 of India's airports are in urgent need of modernization in equipment and services, terminal technologies and transport facilities.

This represents significant opportunities for Canadian companies with expertise in these technologies.

Until recently, the government had a monopoly on the construction and financing of airports. As there is insufficient funding to support all necessary upgrades, the government is seeking private, foreign investment to improve and build airport facilities on a build-operate-transfer (BOT) basis.

This is an overview of one study. For the full version of this and 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.

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See insert for your Aerospace Industries contacts in Asia-Pacific.



Development



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Air passenger traffic in India over the next decade is projected to grow by 12.5% domestically and 7% internationally. During the next 20 years, passenger traffic is expected to increase by 400% and cargo traffic by 600% over current levels.

Recent market developments

- India's Ninth Five-Year Plan (1997-2002) focusses on expanding capacity in passenger and cargo terminals at the five international airports. The plan also calls for the modernization of communications and navigational facilities at all airports to improve air traffic management systems.
- The government is planning to build over a dozen airports that meet international standards. As a starting point, it has approved the privatization of the five international airports — Mumbai, New Delhi, Calcutta, Chennai and Bangalore. Each airport requires upgrades worth approximately \$1 billion, for a total investment of about \$5 billion. Once privatized, these airports will function independently of the Airport Authority of India (AAI).



Opportunities

Opportunities for Canadian exporters exist in airport safety and security, navigation and communication engineering and fire prevention. There are opportunities in human resources development and training to ensure that airport management meet international standards.

Other opportunities include upgrading airport traffic control/air traffic systems (ATC/ATS), aviation ground-support facilities and safety equipment. The construction and modernization of terminal buildings and runway facilities is another area presenting opportunities for Canadian companies.

Market-entry considerations

The government has made an effort to facilitate private and foreign investment in the airport development sector, including the establishment of a regulatory body to ensure investor confidence. As well, automatic approval will be granted for foreign direct investment (FDI) in airport development up to 74%.

India is a complex and decentralized market that requires a great deal of time and resources to access. To succeed in this market, exporters are advised to establish a relationship with Indian business partners, legal representation and financial advisors.

See Potential?

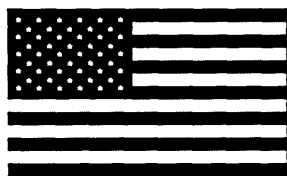
To learn more about these market opportunities, please refer to *The Airport Development Market in India*, which is a full report prepared by the Market Research Centre of the Trade Commissioner Service. The report is available on-line at www.infoexport.gc.ca

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The Airport Development Market

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The U.S. Connection

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Best Overall New Product Award Winner

Made by Humans

By Dana Boyle, Business Development Officer, Canadian Consulate, Minneapolis

(This article will appear in the Summer/Fall edition of New Directions, a craft and giftware newsletter produced by the Canadian Consulate in Minneapolis.)

Once a year the Canadian Gift & Tableware Association (CGTA) sponsors the prestigious Best New Product Awards. This year, a team of industry judges reviewed more than 300 entries and presented awards in eight categories in Toronto last July. **Made by Humans**, from Vancouver, is the winner in the Decorative Accessories/Home Decor category, and also wins the coveted Nova Award for the company with the Best Overall new product for 2000. **Made by Humans**

received both awards for their line of computer monitor giftware.

This dynamic and innovative Vancouver-based company has frequently garnered praise and recognition from south of the border, too. Most recently, at the National Stationery Show in New York, the company received a Best New Product Award in the HomeWork — Desk Top & Personal Office category.

To cheer up the millions of people who spend their days on a computer, **Made by Humans** has designed three small decorative flower vases, a clip-on hanger for photographs or memos, and a little bag to hold a cellular phone, a computer mouse or other office paraphernalia. The computer

monitor giftware line retails for between \$6.50 and \$16.00.

"It's great to see Canadian companies coming up with ultra modern ideas," says Nancy Jane Hastings, one of the judges. "It's so simple and clever." Hastings is a former editor of *Gardening Life Magazine* and contributes to *Canadian House and Home*, *Saturday Night* and *Food and Drink* magazines.

The Best New Product Awards ceremony is held in conjunction with the Canadian Gift & Tableware Association Gift Show, which was held at the International Centre and Toronto Congress Centre last August 13 to 17.

The CGTA Gift Shows, presented every January and August, are the largest trade shows in Canada and the second largest general gift shows in North America. More than 930 exhibitors, featuring products from around the world, meet and do business with 27,000 retail buyers. During the show, the award-winning products are displayed in the New Product Showcases. ✦

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UPDATED REPORTS ON THE NEW ENGLAND MARKET

Opportunities in the New England printing market

Joint venture activity in the U.S. printing industry is particularly strong among U.S. commercial printers whose clients are multinational U.S. corporations with global printing requirements. Linkages with foreign printing establishments enable

U.S. printers not only to meet their domestic customer's needs, but also to identify printing niches in foreign markets which can be served by their U.S. operations.

The listings in this study are provided to assist Canadian companies in locating contacts in New England.

New England financial services

This report provides an overview of financial services such as venture capital, investment banking, banks, mutual funds, pension funds and insurance. Market size and future trends are also examined.

The legal industry in New England

This study provides a general overview of the legal industry in New England. Information provided in this report was collected from a variety of sources

Continued on page 15 - The New England

Check the Business Section of the Canada-U.S. Relations Home Page at www.dfait-maeci.gc.ca/geo/usa/business-e.asp ... for valuable information on doing business in and with the United States.

An alliance of Canadian companies has the collective capability to protect a soldier from head to foot in the event of global warfare. Getting the word out to key Canadian

agencies including the United States Marine Corps (Virginia).

The exchange, the first of its kind held in Canada, was hosted by Acton International, Inc. (now a subsidiary of

CCC co-sponsored conference shows the Canadian solution

and U.S. government agencies involved in the use, development and procurement of nuclear, biological, chemical (NBC) equipment and products was the purpose behind a two-day conference organized by Acton International Inc., on behalf of the Canadian NBC Alliance (CNBCA), and co-sponsored by the Canadian Commercial Corporation (CCC).

Held June 7 to 8, 2000, under the theme "Chemical, Biological Warfare: the Canadian Solution," the Canadian and U.S. government/industry exchange brought together 25 industry members and 35 government representatives to share information and ideas related to NBC defence options.

The conference gave Canadian NBC companies the opportunity to showcase their products and equipment to U.S. Department of Defense (DoD) representatives from various

AirBoss of America Corporation), one of the three founders of the CNBCA, at Acton's facilities in the Eastern Townships.

"We got quite a few people together — leaders and decision makers in Canada and the U.S. — who don't normally have a chance to get together," explains Earl Laurie, Director of Market Development for Acton's Military Division (now AirBoss-Defense). "People are recognizing Canada's technology — we probably have the best NBC kit in the world."

Acton itself manufactures rubber products used by the military, including its latest offering — a butyl glove developed in conjunction with Canadian Defence Research Establishment Suffield (DRES). Acton distributed a glove and insert for everyone at the conference to try. "The Marines were definitely interested in Acton's glove," says a pleased Laurie. "There are requirements now in the U.S. for such a

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, e-mail: info@ccc.ca Web site: www.ccc.ca

glove. Ours is one that they are possibly considering."

"We received nothing but positive feedback about the day," says Laurie. "We would definitely like to do it again and perhaps make it an annual or biannual event."

The CNBCA got its start as a series of joint marketing ventures by Acton International, O'Dell Engineering and Irvin Aerospace. The Alliance currently

Continued on page 11 - The Canadian

DOING BUSINESS WITH THE U.S. FEDERAL GOVERNMENT?

Find out more from the Canadian Embassy in Washington, D.C. (www.canadianembassy.org) under "Business Opportunities: U.S. Government Procurement."

Log onto opportunities via the General Services Administration (www.gsa.gov), which facilitates purchases by the U.S. government — the world's largest consumer — and the Electronic Posting System site (www.eps.gov).

When you're ready to pursue these opportunities, the Canadian Commercial Corporation (www.ccc.ca) can assist you with the interpretation of the U.S. procurement system or ensure that as a Canadian company, you are eligible to participate.

Acton boots see action in U.S. military

In July 2000, Acton International, Inc. had its groundbreaking \$2-million basic order agreement with the Defense Supply Center in Philadelphia extended for another two years, garnering the company an additional \$1.5-\$2.8 million for its extreme cold weather ECW footwear with nuclear biological chemical (NBC) resistance.

The company's Military Division won the initial contract in 1998, backed

by the Canadian Commercial Corporation (CCC), which lobbied to get the Supply Center to change the wording of the technical requirements of its bid documents, which had effectively blocked Acton from competing. The sale has opened the door for Acton to compete for future contracts that require NBC boots and other products for the U.S. Armed Forces. ★

(For the unabridged version, see www.infoexport@dfait-maect.gc.ca)

Belgium's status as one of the smallest countries in the European Union (EU) belies its relative importance in terms of the economy and trade. With only 10 million inhabitants, Belgium accounts for some 3.2% of international trade, and is the sixth largest importer in the EU. Belgium is one of the key markets in the EU for Canadian companies wanting to

however, in recent years due to the pinewood nematode problem.

There are several opportunities for Canadian exporters for market niches in the Belgian construction materials market. One niche is the export of the Canadian model for modern high-rise buildings. Canadian firms are in an excellent position to sell their know-how in the construction of high-rise

dian producers and exporters and is a fast-growing sector. All renovation products, including finished wood products such as doors, panelling, flooring, garden articles, tools, decorative products adapted to local tastes, should find an outlet in Belgium.

Manufacturers intending to sell to the building and hardware products market can first try to penetrate the larger chains, many of which have a central buying office which allows them to buy directly from the source. As well, many of these chains have a procurement relationship with chains from neighbouring countries, forming buying syndicates to obtain the best possible prices from manufacturers around the world.

The best way to assess the Belgian construction materials market is to visit the large annual trade show *Batibouw* (www.batibouw.com), which usually takes place in February or March, and is an important venue for introducing new building materials in the marketplace.

For more information, contact Paul Desbiens, Counsellor, Canadian Embassy, Brussels, tel.: (011-322) 741-0622, fax: (011-322) 741-0606, e-mail: paul.desbiens@dfait-maeci.gc.ca or Francis Keymolen, the Trade Officer responsible for this sector, Canadian Embassy, Brussels, fax: (011-322) 741-0616, e-mail: francis.keymolen@dfait-maeci.gc.ca *

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

Construction market profile

Belgium

enter and position themselves in the continental European market.

Belgium occupies a major position in the construction sector in Europe for two main reasons: it has one of the highest private ownership rates in the EU, and since it is situated at the centre of the European Union, many multinational firms and other international organizations have set up companies and production facilities, which have boosted both industrial construction as well as public construction and infrastructure.

Belgians either live in traditional one-family houses or apartment buildings with the North American condominium concept relatively unknown.

Although brick is still by far the most popular construction material, other materials have begun to enter the market.

The penetration of timber frame construction has increased from 3% to 17% of the Belgian market over the last 20 years. The materials used for private construction are mainly of Belgian origin or from neighbouring countries such as Germany, the Netherlands, France and Italy, with the exception of wood which comes primarily from Scandinavia (particularly Sweden and Finland), and Canada. Imports from Canada have declined,

buildings, especially if they adapt this know-how to the Belgian context, in co-operation with a local producer.

In addition to the lumber market which is well represented, there are many other opportunities for introducing quality finished wood products such as flooring planks, doors, wall panelling, stairways etc., which are designed and cut to Belgian specifications but nonetheless retain a Canadian style.

Another excellent niche is technology transfers for heating and ventilating systems as Canadian firms have more experience than their European counterparts in dealing with insulation problems for both residential and commercial buildings.

The hardware and do-it-yourself (DIY) market is largely open to Cana-

Turkey construction sector profile

Construction is one of the fastest growing sectors in Turkey, mainly due to the high increase in population and rapid urbanization. There has been significant growth in housing and infrastructure development which offers business opportunities for Canadian contractors, suppliers of construction and building materials, manufactured houses and architectural and engineering services.

In conjunction with the growth in the sector, the industry has also developed to meet the domestic requirement for basic construction materials and building products. In addition, there is a growing market for quality sanitation systems, insulation materials, coating and finishing materials, and manufactured houses. Although the market is highly price-sensitive

Continued on page 9 - Turkey

With the upcoming 2004 Olympic Games in Athens, opportunities are many.

Opportunities

The budget has been set at approximately C\$4.8 billion, of which C\$2.9 billion is earmarked for construction projects related directly to the Games (Olympic Village, yachting centre, equestrian centre, multi-use arena, press village, international broadcasting centre, media press centre, etc.) Other projects, not directly related but still necessary for the hosting of the Olympic Games, include improvement of the infrastructure, new athletic training centres, upgrading of entrance points into Greece and of tourist areas. C\$1.5 billion will be spent to develop the athletic facilities of the entire country.

Tourism development features strongly in the third Community Support Framework (CSF III). Organizers want to offer winter sports, cultural and conference tourism in addition to the traditional summer sun and sea venues; opportunities include the construction of hotels, marinas, golf courses, conference centres, car parks, etc.

Trends

The construction sector, which has long been fragmented and dominated by small private interests, is gradually beginning to come together

as an organized sector with corporate interest. Banks and construction companies are forming real estate companies to build, refurbish and

this could evolve into developments of residential properties as second or retirement homes for Northern Europeans escaping colder climates.

Construction sector profile Greece

manage properties in structured portfolios. Economic fundamentals have improved greatly over the last decade. Inflation and bank interest rates have come down to levels where it is now possible to make a real rate of return on property investments. Lower interest rates and easily accessible consumer loans also enable Greeks to apply for mortgages and make home improvements.

Competition

The large number of Greek construction companies (approximately 2,200) has inevitably led to fierce competition for market share. Mergers and acquisitions over the last few years have led to the profound restructuring of the sector.

With Greek entry in the euro-zone, international developers are investing in Greek property. At the present time, it is largely commercial property, but

Constraints and challenges

Competition is strong and Canadian companies must partner with either local or other EU firms in order to keep abreast of developments and opportunities.

The high cost of land and the difficulty in acquiring zoned properties are major impediments to property development, as is a complex bureaucracy. In many areas of Greece, property developers must take into account local architectural styles. Greeks prefer solid constructions based on cement, and are reticent toward non-traditional building products or methods such as prefabricated structures.

For more information, contact Marianna Saropoulos, Commercial Officer, Canadian Embassy, Athens, tel.: (011-30-1) 727-3351, fax: (011-30-1) 727-3460, e-mail: marianna.saropoulos@dfait-maeci.gc.ca Web site: www.infoexport.gc.ca/gr ★

Turkey construction — Continued from page 8

for basic products, Canadian building products and manufactured houses are becoming highly popular among the upper-income buyers. The main products offering export opportunities for the Turkish market include doors and windows, quality lumber, plywood, oriented strand board, coating and finishing materials, roofing etc.

Turkey has a very developed construction sector and a large number of world-class construction firms which are active not only in Turkey but also in international markets including

Russia and other Commonwealth of Independent States, and the Middle East. Canadian companies interested in developing business in the Turkish market, as well as in the third country markets, are encouraged to team up with Turkish construction companies.

In the aftermath of the two recent earthquakes, it is expected that traditional local construction methods will be consequently changed and new building specifications will be introduced and enforced. This will create a new market for earthquake-resistant

building systems and business opportunities for Canadian companies in direct exporting as well as in local manufacturing through joint ventures with Turkish companies.

For Canadian companies interested in exploring market opportunities in Turkey, lists of major Turkish construction companies and distributors of building products are available from the Canadian Embassy in Ankara.

For more information, contact Amir Guindi, Counsellor (Commercial), Canadian Embassy, Ankara, tel.: (011-90-312) 436-1275, fax: (011-90-312) 446-2811, e-mail: amir.guindi@dfait-maeci.gc.ca ★

China's past two decades of rapid economic growth, urbanization and industrialization have steadily deteriorated the environment. Lately, China has begun to recognize the huge cost of environmental degradation. Under the ninth Five Year Plan (1996-2000), environmental spending

will most likely be integrated into planning objectives, and environmental considerations are apt to be part of all major infrastructure projects, such as in the case of Kunming.

Commercial opportunities are beginning to emerge in environment subsectors, particularly in large urban

lion RMB, and the Blue Sky Program in February 2000, with an overall investment of 5.7 billion RMB.

Team Canada mission

The upcoming Team Canada mission will allow Canadian companies to establish or reinforce contacts in China. The environmental protection sector has been identified as a priority sector for Team Canada, and a seminar on commercial opportunities will be held in Beijing during the mission.

Environmental Protection Exhibition and Conference

Visiting or exhibiting at a trade fair is a good way to learn about the Chinese market, and to meet with potential customers and agents, so Canadian companies with an interest in the environmental protection market should consider attending the seventh China International Environmental Protection Exhibition and Conference (CIEPEC), to be held in Beijing in June 2001. Probably the most important environmental show in China, CIEPEC 2001 will attract participants from across China and around the world. The Canadian Embassy in Beijing plans to co-ordinate Canadian involvement at the Exhibition. Contact David Hamilton at the Embassy for further information.

For more information on the Chinese environmental market, contact Marcel Belec, China and Mongolia Division, tel.: (613) 995-6962, fax: (613) 943-1068, e-mail: marcel.belec@dfait-maeci.gc.ca, Web site: www.dfait-maeci.gc.ca/china or David Hamilton, Third Secretary (Commercial), Canadian Embassy, Beijing, tel.: (011-86-10) 6532-3536, fax: (011-86-10) 6532-5033, e-mail: david.hamilton@dfait-maeci.gc.ca

Focus on the environment
Projects in China

was increased, and priority areas were identified for environmental cleanup. Similarly, laws and regulations were instituted to reduce the environmental damage. The next Five Year Plan will most likely broaden these efforts.

These changes have created commercial opportunities in China for Canadian firms. However, project financing remains a difficult problem. Full implementation of build-own-transfer (BOT) project financing, as well as strict enforcement of China's pollution laws, will alleviate this. In addition, international financial institution (IFI) and foreign government soft loans remain a significant source of funding for environmental projects that seek foreign expertise and technology.

Environmental projects

The Province of Kunming received US\$150 million from the World Bank to clean up Dianchi Lake, a project that has been ongoing since 1997. Given this, Canadian companies should closely monitor the World Bank and Asian Development Bank Web sites. China's less developed western regions have become a central government priority under the Western Development Strategy (WDS). While the WDS focus is on development, one stated priority is environmental protection. Sustainable development

areas, where environmental protection has strong support from the local government. Beijing has announced an Action Plan for a Green Olympics, which includes spending more than \$8 billion to improve both air and water quality.

The City of Shanghai has promised to spend close to 3% of its GDP (over \$2 billion annually) to become environmentally friendly by improving both its air and water quality, and its municipal waste disposal. Shanghai also wants to shift its industrial base from polluting industries to cleaner high-tech industries such as information technology and biomedicine.

China's Guangdong province will work more closely with the Hong Kong Special Administrative Region (SAR) to combat shared pollution problems, particularly those related to water quality in the Dongjiang and Pearl rivers. Due to this region's relative prosperity, stakeholders can consider advanced and more costly solutions to environmental problems. As such, South China can serve as an entry point for Canadian firms. For example, Guangdong's environmental investment in 1999 totalled 1.97% of its GDP, and this will be further increased during the 10th Five Year Plan. Guangdong initiated the Clear Water Program in June 1997, which required a total investment of 20 bil-



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 exportsource.gc.ca

Finland has implemented new requirements for coniferous wood packing material including wooden pallets, cargo platforms, cages, barrels, spacers and dunnage.

Packing material must comply with one of the following requirements:

- be free of bark and grub holes larger than 3 mm in diameter and have a moisture content expressed as a percentage of dry matter of less than 20 percent at the time of manufacture; or
- be heat-treated to reach a minimum core temperature of 56 degrees Celsius for at least 30 minutes; or
- be kiln-dried to below 20 percent moisture content expressed as a percentage of dry matter at the time of manufacture, achieved through an appropriate time/

temperature schedule; or
 • be fumigated with an appropriate fumigant; Methyl Bromide is recommended for wood fumigation by the Canadian Food Inspection Agency (CFIA).

treatment certificate, kiln-dried certificate, fumigation certificate) at the nearest CFIA office.

If the packing material has been fumigated, the fumigation certificate may be accepted in lieu of a phytosanitary certificate, in which case, the fumigation certificate should accompany the shipment.

Finland – coniferous wood packing material

New restrictions

In addition, Finland requires that packing material be accompanied by a phytosanitary certificate. (CFIA is negotiating with Finland to have this requirement removed.) Canadian exporters are advised to apply for a phytosanitary certificate with the appropriate documents (e.g. heat

tary certificate, in which case, the fumigation certificate should accompany the shipment.

A policy directive dealing with packing material with specific requirements is under development.

Packing material of non-coniferous wood is not restricted. ✪

CAE sells nuclear power plant simulator

Toronto-based CAE has sold the most advanced nuclear power plant simulator in the world to Nuklearna Elektrarna Krsko (NEK) of Slovenia. The Krsko scope simulator was declared "ready for training" on March 31.

The full scope simulator faithfully reproduces Krsko's nuclear power plant control environment providing a true-to-life training experience for NEK's personnel. The simulator software includes advanced thermal-hydraulic, reactor, balance of plant, electrical systems and instrumentation and control models, the majority of which were developed using CAE's cutting-edge ROSE® simulation environment.

The simulator was installed at the training centre at Krsko in December 1999, at which time it was based on Krsko's Cycle 15 reactor core. The most significant project challenge was modifying, recalibrating and revalidating the simulator dynamically so that its performance corresponded to the plant's modernized Cycle 17 configuration, including steam generator replacement and power output uprating.

"CAE's professionalism and positive approach to business were major contributors to the success of this project," says Stane Rošman, Director of NEK. "Our two teams worked very well together, resulting in NEK having a world-class simulator to provide the necessary training for its operating personnel. There is no question that NEK made the right choice in selecting CAE for the project."

CAE is the world's premier provider of simulation and control technologies for training and optimization solutions in the aerospace, defence, power and forestry sectors. Headquartered in Canada and operating globally, the company employs more than 6,000 people and has revenues in excess of \$1 billion.

For more information, contact Michael Chatlani, Director of Marketing and Sales, CAE, tel.: (514) 341-6780, e-mail: michaelc@cae.com Web site: www.cae.com ✪

The Canadian solution — Continued from page 7

comprises eight Canadian companies whose focus is to manufacture and market the complete NBC kit. Members attending the conference were Acton International, Irvin Aerospace, O'Dell Engineering, Carleton Life Support Technologies, Nor Environmental Inc., 3M of Canada and Med-Eng Systems, whose products and equipment were showcased at the conference.

CCC has worked closely with Acton to sell its extreme cold weather boot with NBC resistance to the U.S. mili-

tary [see story on page 7]. "We look forward to working with the other Alliance members to penetrate the U.S. military market," says CCC's U.S. Industrial Base Program Manager Joe Yagminas.

For more information, contact Earl Laurie, Director, Market Development, AirBoss – Defense, tel.: (450) 546-2776, ext. 252, fax: (450) 546-0213, e-mail: elaurie@acton-intl.qc.ca ✪

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

After the discovery of nearly a billion tonnes of oil in the Doba of southern Chad, the EXXON/Chevron/Petronas consortium and the Cameroon and Chad governments have signed an agreement authorizing

facilities in Doba and delivering the crude oil to Kribi, in Cameroon, using three pumping stations along the route. Work is scheduled to start before the end of this year, and should continue until 2005, with

It has also approved the financing for two projects to strengthen environmental management, representing 3% of the total cost of the project, about US\$4 billion.

Chevron (United States) has joined the EXXON consortium with a 25% investment, as well as Petronas (Malaysia) at 35%.

There will be a number of opportunities for international subcontractors to sell services and equipment, estimated to be worth nearly US\$1.7 billion. Canadian companies with the necessary expertise could qualify for subcontracts in several areas, with some already working on the ground as subcontractors.

For information, contact Honoré Mondomobé, Senior Commercial Officer, e-mail: honore.mondomobe@dfait-maeci.gc.ca Web site: www.infoexport.gc.ca/cm/

For additional information, visit: www.essochad.com/eaff/essochad/index.html ✪

Chad – Cameroon project Oil Pipeline

the transport of crude oil from Chad via an underground oil pipeline.

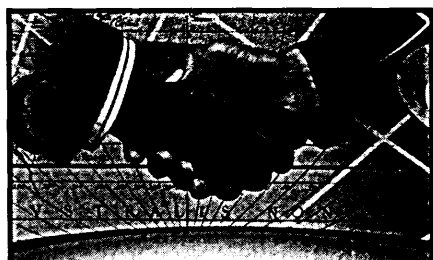
This will be the largest infrastructure project in Central Africa in the next 10 years — direct and indirect costs are estimated at nearly US\$4 billion. Referred to by some as the “project of the century,” the pipeline — 60 centimetres in diameter and over 1,150 kilometres long — involves constructing nearly 300 wells with storage

the first priority being the clearing of forested areas.

Chad has large untapped oil fields, estimated to hold nearly 3 billion tonnes of crude, and also has significant undeveloped mining potential.

Green light from World Bank

The World Bank has approved the financing of the contributions to be made by Chad (10%, or US\$45 million) and Cameroon (15%, or US\$70 million).



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International financial institution business opportunities

Virtual Mission puts Canadian companies on the inside track

Projects financed by international financial institutions (IFIs) such as the World Bank and the Inter-American Development Bank (IDB) can lead to billions of dollars of business for Canadian companies in developing countries. In light of strong international competition for this business, Canadian companies, particularly small and medium-sized enterprises, need to be well prepared to succeed. A virtual mission held over a three-week period in June has helped some 30 Canadians to prepare themselves to take advantage of the lucrative IFI market — right from their office or home.

The Virtual Mission to the World Bank and IDB in Washington was held from June 5 to 27 through a Web site created especially for the mission by the Department of Foreign Affairs and International Trade (DFAIT), at the request of the Office of Liaison with International Financial Institutions (OLIFI) at the Canadian Embassy in Washington, D.C.

By simply logging on to the Virtual Mission Web site, participants were able to link directly with a panel of procurement experts from the World Bank and IDB. Participants were able to share and communicate, through a bulletin board discussion, the

Continued on page 13 – Virtual

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown Corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

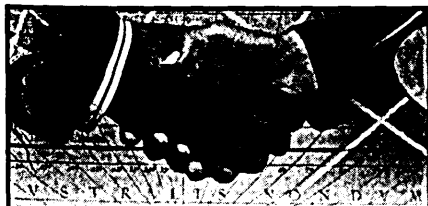
KAZAKHSTAN — Rehabilitation and improvement of irrigation and drainage network — Kazakhstan has received loans from the Asian Development Bank for a Water Resources and Land Improvement Project. The project includes various components and focuses on (1) development and strengthening of institutions involved in agricultural services and water management and (2) rehabilitation and improvement of existing irrigation and drainage systems.

The Ministry of Agriculture intends to prequalify contractors for the rehabilitation and improvement of existing systems in South Kazakhstan. The work will include reclamation of about 15,000 ha waterlogged and saline soils and amelioration of salt affected lands; rehabilitation and replacement of 280 tube wells (VDW) and the installation of new VDW pumps and associated electrical structures; and rehabilitation of 80 on-farm water control structures and construction of 2,000 new on-farm control structures. Prequalification applications cost US\$100 (non-refundable). Closing date: January 15, 2001. Contact IBOC, fax: (613) 996-2635, e-mail: eleads@dfait-maeci.gc.ca quoting case no.

000818-03358. For details: www.iboc.gc.ca/webleads.asp?e=943en (Notice received from the Canadian Embassy in Kazakhstan.)

CAMEROON — Privatization of the Cameroon Development Corporation — The tender call for CDC privatization concerns transferring the majority holding of each subsidiary to a strategic partner, which will then re-assign 3% of the shares thus acquired to employees of the subsidiary. The government will keep a 10% minority interest in the privatized subsidiary. A tender package will be sent free of charge to any candidate that took part in the prequalification stage; all other candidates will be charged 500,000 CFA francs (5000 French francs). Closing date: January 2, 2001. Contact IBOC, fax: (613) 996-2635, e-mail: eleads@dfait-maeci.gc.ca quoting file no. 000915-03719. (Notice received from the Canadian Embassy in Cameroon.) *

IBOC trade opportunities — find out more at www.iboc.gc.ca



International Business Opportunities Centre

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®).

Virtual Mission puts Canadian companies on the inside track

— Continued from page 12

complications and pitfalls of bidding on IFI contracts. In addition, World Bank and IDB specialists contributed their advice and experience in supervising the bidding process.

Through the site, which is the first of its kind initiated by DFAIT, Canadian participants gained insight and knowledge into the IFI procurement process and, as a result, now enjoy a distinct advan-

tage in bidding on World Bank- and IDB-financed projects.

Companies can find excerpts from the mission, such as selected reading materials and examples of the bulletin board discussion, on the OLIFI Web site, which can be accessed at www.canadianembassy.org/olifi

For more information, contact OLIFI at IFIWashington@dfait-maeci.gc.ca *

On the road to opportunities in Thailand

BANGKOK, THAILAND — November 23-26, 2000 — The Canadian Embassy is encouraging Canadian companies and organizations in the automotive sector to reconsider Thailand, and to participate in Asia Automotive (www.asiaautomotive.com), the second annual comprehensive international trade fair for the automotive industry. There are opportunities ready to be exploited by Canadian firms, with Thailand now on the road to recovery following the economic crisis.

The first Asia Automotive show took place in November 1999 and

brought together 176 vendors from Australia, China, Germany, India, Japan, Singapore, Taiwan, Thailand and the United Kingdom. It attracted 7600 local and international visitors. The Embassy will arrange suitable business programs for representatives of Canadian companies or organizations who attend the upcoming event.

The resurgence of the auto sector has been one of the most dynamic factors contributing to Thailand's current export-led recovery. With low production costs, investment incentives, and political stability, Thailand is an excellent place for companies to locate manufacturing plants. Thailand is positioning itself to be the "Detroit" of Southeast Asia by resisting the urge to develop a national car, but rather focusing on becoming a key location for auto part production, as well as a production and assembly centre for Japanese, U.S. and European vehicle producers.

Increased auto sales

Although the economic crisis of 1997-1998 had a devastating impact on Thailand's domestic sales, things are starting to get back on track. Domestic auto sales in 1999 reached 218,330 units, a 51.5% increase over 1998 sales. This upward trend is expected to continue in 2000, with

forecast growth of 30% to 40% and sales of 260,000-280,000 units. The high note in the automotive market has been the developing export market. There has been a steady increase in exports, from less than 20,000 units in 1996 to a high of 125,702 units in 1999.

Subsectors of opportunity

Opportunities for Canadian firms exist in the following subsectors:

- OEM (original equipment manufacturer) parts and components supplied to Japanese Assemblers, Ford, Chrysler and General Motors
- OEM high technology parts and components
- REM (replacement equipment manufacturer) parts, components and accessories with specifications designed for models of vehicles marketed in Thailand
- Automotive aftermarket (garage service equipment and tools, autobody repair products, machine equipment, engine diagnostics and waxes and pastes)

For further information, contact Carolyn Knobel, Third Secretary (Commercial), Canadian Embassy, tel.: (011-66-2) 636-0540 ext. 3352, fax: (011-66-2) 636-0568, e-mail: carolyn.knobel@dfait-maeci.gc.ca or Surin Thanalertkul, Commercial Officer, Canadian Embassy, tel.: (011-66-2) 636-0560 ext. 3356, fax: (011-66-2) 636-0568, e-mail: surin.thanalertkul@dfait-maeci.gc.ca ✪

WASTE MANAGEMENT TECHNOLOGIES EXPO

BANGKOK, THAILAND — January 25-27, 2001 — The Pollution Control Department (<http://www.pcd.go.th>) of the Ministry of Science, Technology and Environment is organizing a trade exhibition and conference on solid waste management technologies. Participating in the event are various public and private sector organizations, including 1130 municipalities, 75 provincial groups and 100 exhibitors. Over 20,000 visitors from countries throughout the region are expected to attend the exhibition. It will include many special activities to help support the solid waste industry in Thailand.

This high-profile event will allow Canadian companies to showcase their technologies, learn about the latest opportunities in the Thai solid waste market, and establish business relationships with government agencies and local private firms.

For more information, contact Surin Thanalertkul, Commercial Officer, Canadian Embassy, Bangkok, tel.: (011-66-2) 636-0560, ext. 3356, fax: (011-66-2) 636-0568, e-mail: surin.thanalertkul@dfait-maeci.gc.ca ✪

How to succeed at trade shows

Team Canada Inc (www.tcm-mec.gc.ca) is the newest national sponsor of Making Trade Shows Work (www.siskindtraining.com/seminars.html), a one-day workshop conducted by Barry Siskind of the Ontario-based International Training and Management Company. Offered across Canada, the workshop focuses on how to get the most out of trade shows. Participants learn how to prepare for shows, develop a show strategy, create a winning booth, promote

their exhibit and develop a follow-up program. They also learn the secrets of working a booth effectively.

Upcoming workshops:

Halifax — November 10
 Montreal — November 23
 Toronto — December 13

For more information, contact: International Training and Management Company, tel.: 1-800-358-6079 (toll-free), Web site: www.siskindtraining.com/seminars.html ✪

Rapid changes are occurring in the way food products are processed, distributed and marketed in Korea. Consumer tastes are becoming more Westernized, and Korean consumers are demanding more Western-style fast foods and prepared meals. This modern, industrialized nation has bounced back strongly from the 1997 economic crisis, and has "reopened" for business!

SEOUL, KOREA — March 20-21, 2001 — To help satisfy the Korean appetite for new and different food products by introducing Canadian suppliers to this burgeoning market, the Canadian Embassy in Seoul (<http://210.111.55.1/canada/>) is organizing a Canadian

The Korean appetite for Canadian food products heats up...

Food Show the week following the Japan Foodex Show (www.dfait-maeci.gc.ca/ni-ka/business/sectoral/ag/foodex2001-e.asp).

The Canadian Food Show, which will build on the success of the Millennium Food Show, held last March, is an excellent opportunity for Canadian companies to investigate the new market opportunities that are developing for all kinds of food products in Korea. Tours of local food retail outlets, wholesaler

and discount outlets will also be arranged.

The deadline for registration is November 30, 2000.

To register or for more information, check out the Canadian Food Show Web site (<http://ats-sea.agr.ca/public/htmldocs/e2682.htm>). Or contact:

- Murray Mitchell, Agriculture and Agri-Food Canada, International Marketing Bureau, tel.: (613) 759-7719, fax: (613) 759-7506, e-mail: mitchellm@em.agr.ca
- Agriculture and Agri-Food Canada's MISB Regional Office in your Province.
- Murray Pearson, Canadian Embassy, Seoul, Korea, tel.: (011-82-2) 3455-6056, fax: (011-82-2) 755-0686, e-mail: murray.pearson@dfait-maeci.gc.ca ✪

Women in Business Trade Mission

— Continued from page 2

- **Your Sector in the U.K.** — Industry-specific briefings for each sectoral group with a focus on information technology, service industries and consumer products.
- **Making Contacts (Matchmaking Event)** — Meetings with a guaranteed minimum of five firms, selected and prequalified as suited to each participant's marketing objectives.

The Forum

The Business Forum targets British and Canadian businesswomen heading small and medium-sized export-ready firms. Participants will meet with leading entrepreneurs, management and strategy experts, policy makers and advocates, professional organizations, academics, and the media. The program will strengthen bilateral networks and foster new partnerships among British and Canadian businesswomen, officials and academics.

The Women in Business Forum is the final conference in the Women Crossing Borders series that features prominent women in a range of high-

profile roles. The Forum will offer participants a combination of:

- Workshops and plenary sessions that examine business management practices.
- Keynote speakers on emerging policy issues within the knowledge-based economy.

The program is being developed by the Department of Foreign Affairs and International Trade (DFAIT) in conjunction with the British government's Department of Trade and Industry, the Cabinet Office Women's Unit, and the Foreign and Commonwealth Office.

For more information on this mission, visit our Women Crossing Borders Web site (www.infoexport.gc.ca/mission/menu-e.asp?mission=borders) or contact Joanne Hamilton, U.K. and Ireland Trade Desk, DFAIT, tel.: (613) 995-9766, e-mail: joanne.hamilton@dfait-maeci.gc.ca

For information on similar initiatives, visit our Businesswomen in Trade Web site www.infoexport.gc.ca/businesswomen/menu-e.asp ✪

The New England market

— Continued from page 6

including the Internet, industry associations, periodicals, trade publications, interviews, directories, and local regional government offices. Lists of legal industry associations and law firms in New England are provided to assist Canadians in locating legal counsel in New England or to access the legal services market.

To access these market studies on the Web, click-on www.infoexport.gc.ca

For a hard copy, contact the DFAIT Enquiries Service tel.: 1-800-267-8376 (Ottawa region: 944-4000), fax: (613) 996-9709. ✪

Worldexport.com

Worldexport.com has renewed its commitment to Canadian exporters by launching an award-winning, high-traffic gateway to over five million foreign buyers. It will also feature an e-commerce application to facilitate business-to-business transaction capabilities. For the last 10 years, Worldexport.com has published the *Canadian Exporters Catalogue*, the only export business-to-business multimedia program of its kind (it includes a printed book, a CD-ROM and a Web site).

This new cost-saving service will provide businesses with the ability to leverage technologies, applications and business relationships usually only available to large corporations.

To interact effectively with existing clients, reach new customers, generate new revenue, and increase your competitive advantage, visit www.worldexport.com/response ✪

Correction

Switzerland and Liechtenstein were inadvertently omitted from the list of countries for which DFAIT provides market access information to Canadian exporters, as published in the October 2, 2000, issue of *CanadExport*, p. 9. ✪

New Business Publication for Women

BusinessWoman Canada — the magazine about women, for women. It's about what women need to know in order to achieve and maintain success in business. It's about mentoring and role models, success stories, and sharing those secrets to success. It's about women in small and medium-sized businesses, women in international markets and women at the top.

BusinessWoman Canada celebrates these women through interviews, articles and insight.

For further information, contact Donna Messer, Managing Editor, tel.: (905) 337-9578, fax: (905) 337-9320, e-mail: dmesser@interlog.com Web site: www.businesswomancanada.com ✪

Canadians are quality employees

CANADA'S KNOWLEDGE WORKFORCE RANKED 1ST IN THE WORLD

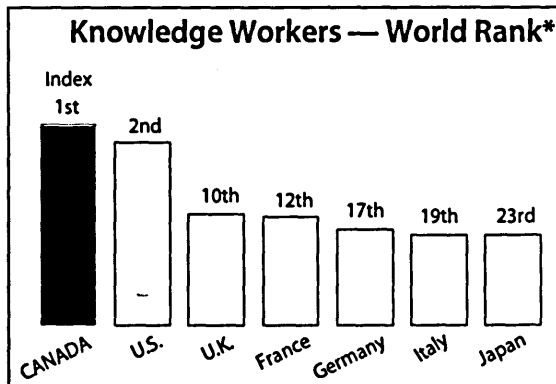
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For more information on investing and doing business in Canada, click on www.investincanada.gc.ca or call (613) 941-0354, fax: (613) 941-3796, e-mail: lanoy.louise@ic.gc.ca

** Source: *Education Quarterly Review*, Statistics Canada, Spring 2000, Vol. 6, No. 3 www.statcan.ca:80/english/indepth/81-003/feature/eq2000_v06n3_spr_a01_hl.htm

† Source: *The U.S. Gourman Report, Undergraduate Programs*, 10th Edition, 1998, www3.bc.sympatico.ca/info/ee-prog.htm

‡ Source: Data from Statistics Canada, the U.S. Bureau of Labor Statistics, and Domicity.com www.domicity.com/about/thinkpieces/canada.htm



* Source: Tertiary education enrollment standing among 59 countries, evaluated in the *Global Competitiveness Report*, 2000.

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling 1-800-267-8376 (Ottawa region: 944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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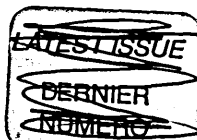
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FOCUS ON ITALY
(See supplement inside.)

Canada



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Min. des Affaires étrangères

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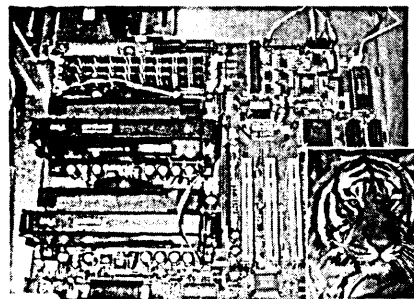
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Opportunities for wireless tech in Thailand

Wiring the Tiger

Thailand's recovering economy means business for Canadian firms. That was the message echoed by both Thai and Canadian delegates at a conference in Ottawa in September.

Presenters at Wiring the Tiger, an event organized by the Department of Foreign Affairs and International Trade (DFAIT) with support from



Industry Canada, had good news for Canadian high-tech companies. Pascale Prud'homme, Head of the E-commerce & Telecommunications

Group of Tilleke & Gibbins, a Bangkok law firm, told the crowd that Thailand must comply with a World Trade Organization requirement to deregulate its telecommunications sector by 2006. "The deregulation of the telecommunications and Internet sectors will create more opportunities for Canadian high tech," Prud'homme said.

Tyson Macaulay, Director of Public Key Infrastructure Solutions, of Jawz Inc. and David P. Kennedy of Alcatel — both located in Ottawa and doing business in Thailand — reiterated that the strongest opportunities in the Thai high-tech sector lie in wireless communications technologies and in the field of Internet Service Providers (ISPs).

Macaulay told those in attendance to take time to develop business relationships in Thailand. "You have to know someone who understands the

Continued on page 13 - Wiring

Chamber offers connections

Canada-Denmark

The Danish Canadian Chamber of Commerce (DCCC) is a non-profit organization serving the Danish-Canadian business communities and helping them to make profitable links with each other and to take advantage of opportunities in each country.

Founded in 1992, the Chamber aims specifically to:

- help promote business relations between Denmark and Canada.
- be an advisory and consultative body available to Canadian and Danish government representatives; and
- sponsor meetings on subjects of interest to its members, as well as other functions that will promote goodwill and harmony in Danish-Canadian relations.

Continued on page 2 - Canada-Denmark

Canada-Denmark Chamber of Commerce

— Continued from page 1

Business assistance

According to its Executive Director Knud Westergaard, the Chamber offers a whole host of services to its members. "We know Denmark very well, and besides it's a small country," he adds with a smile. "Therefore, we are very good at putting people in contact with each other."

Such contacts are increasing steadily, he reminds, as shown by the upsurge in bilateral trade in the last few years. "As a matter of fact," says Westergaard, "for the first time in as long as I can remember, the trade balance between our two countries is now in Canada's favour enhanced by the sales of Challenger and Dash 8 jet airplanes to Denmark."

Canadian exports to Denmark in 1999 increased nearly 47% over 1998. Due to the close proximity, there is also a developing trade with Greenland, with Canadian companies being involved in mining development and many consumer items being purchased from Canada.

"In addition," he says, "there is a strong list of Canadian-Danish joint ventures coming up, one activity that our Chamber is very good at."

Some of the services offered by the DCCC include commercial assistance to source goods and services or to find distributors/representatives. The DCCC can also provide information on local conditions, as well as facts, data and assistance to market surveys and business issues.

Another service is assistance in organizing meetings, promotions and products seminars, or business delegations visits. The Chamber also schedules participation in import/export trade matchmaking shows for the membership.

Other membership benefits

"Membership in the DCCC brings

much value-added," reminds Westergaard, "since our chamber is in contact with the other Danish Chambers of Commerce in North America and with the Danish Chamber of Commerce in Copenhagen. We are also a member of the European Union Chamber of Commerce in Toronto (EUCOCIT), which incorporates all European Union Chambers."

DCCC members, who enjoy a number of discounts — such as airlines and hotel — may be offered courtesy use of the facilities of these chambers.

"So join the DCCC and take advantage of its services," he suggests, "Be part of the Danish-Canadian business community and have your business concerns voiced through the Chamber and its close to 100 member companies."

Meetings, conferences, seminars

The DCCC offers regular luncheon meetings featuring prominent business and government speakers from Canada and Denmark. As an example, last month's luncheon meeting featured Canada's Ambassador to Denmark, Mary Simon, as guest speaker. "Her speech was very well received," recalls Westergaard, "and featured prominently the expanding trade relations between our two countries."

In the course of the year, joint meetings are arranged with the EUCOCIT in Toronto. "Participation in these activities," says Westergaard, "brings the added benefit of contact with fellow business people in the Danish-Canadian and European business community. In addition, we have an important social calendar as the DCCC offers an opportunity for the Danish-Canadian business community to get together on formal as well as informal occasions, acting

as host for visiting dignitaries and trade groups."

The Chamber's newsletter, *Memorandum*, covers different aspects of Danish-Canadian trade and commerce, membership news and activities, as well as other information of interest.

Located in Toronto, the DCCC and its board of directors is headed by chairman Jorgen Mouridsen, President of Danfoss Inc., Mississauga. Canada's former ambassador to Denmark, Brian E. Baker, of IGRG, Ottawa, is also on the board.

For more information on the Chamber, contact its Executive Director Knud Westergaard, tel.: (416) 923-1811, fax: (416) 962-3668, e-mail: dccc@netwave.ca *

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A surprise tender lead has swept Quebec-based Omnitronix Ltd. to the tropical rainforests of Guyana.

Bounded by the Atlantic, Venezuela and Brazil, Guyana is a lush equatorial landscape prone to heavy, often torrential rains. In 1999, through the El Niño Emergency Assistance Project, the government of Guyana issued a tender for flood-monitoring equipment. The International Business Opportunities Centre (IBOC) alerted Omnitronix, experts in the field of environmental monitoring, to the tender. Omnitronix used its technical strength to sway the Office of Hydrometeorological Service in Guyana and land a tender contract worth \$250,000.

Tender teamwork

The tender lead, delivered by commercial officer Lyris Primo at the Canadian High Commission in Georgetown, Guyana, to IBOC's sourcing officer Daniel Lemieux, presented an unex-

pected opportunity for Omnitronix. "It's our first step on South American soil," said Omnitronix President, Roger Teolis, who sees Guyana as a door to a whole new continental market.

IBOC works with Canada's Trade Commissioner Service around the

150 in Hong Kong and 150 in Mainland China with an order for 500 more. And now, Guyana has been added to the list.

"In many of the countries we deal with, water measurements are usually read manually with measurement rods. A person will typically ride his bicycle to a telex or fax facility and

Opening the door to South America
A winning tender

globe to match Canadian companies with international business opportunities. Sourcing experts use a variety of sources and databases to identify Canadian companies that meet the requirements of foreign buyers.

When the lead for Guyana popped up last November, Omnitronix quickly put together a bid and solidified it by teleconferencing with the client's technical people. "We developed a level of comfort with the client who eventually accepted our proposal as the best technical one," said Teolis.

Product development based on need

Omnitronix's success lies in its ability to meet evolving market demands. At the company's inception in 1971, it focused on electrical/electronic testing. In 1983, Omnitronix added a material-testing division. By 1989, an environmental-monitoring division was created after Hydro-Quebec and Environment Canada approached Omnitronix to develop a new instrument to replace the obsolete Leupold Stevens mechanical recorder.

In co-operation with Hydro-Quebec, Omnitronix designed and manufactured a state-of-the-art data logger, which is still in use today having been built to withstand severe environmental conditions. The company has more than 300 of these units installed throughout Quebec,

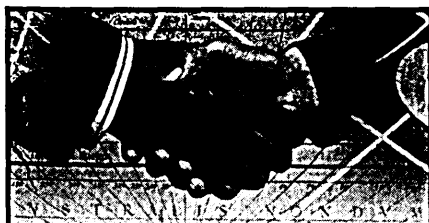
transmit the data to a central computer facility, often too late for any warnings," said Teolis. Omnitronix's solution is to automate this process, using specialized sensors and data-acquisition units interfaced with local communication systems. The company augments this process with applicable software programs and technology.

Integrated solutions

To bring this package of products and services to market, Teolis developed "Hydrometrix," a Canadian enterprise that regroups institutions and private industries, both locally and internationally, to provide complete solutions for its clients. The effort has paid off. Teolis and his company of 15 employees have networked their technical solutions across the globe to complete deals in Poland, China, Iran, Morocco and Hong Kong.

Omnitronix's specialties include importing and distributing precision test instruments, as well as the development, manufacturing and distribution of leading-edge sensors, data loggers and integrated telemetry systems. Its remote-monitoring products cover a wide range of applications, including flood warning systems, meteorology, dam safety, and water and air quality. In

Continued on page 13 - Omnitronix Ltd.



International Business Opportunities Centre

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.

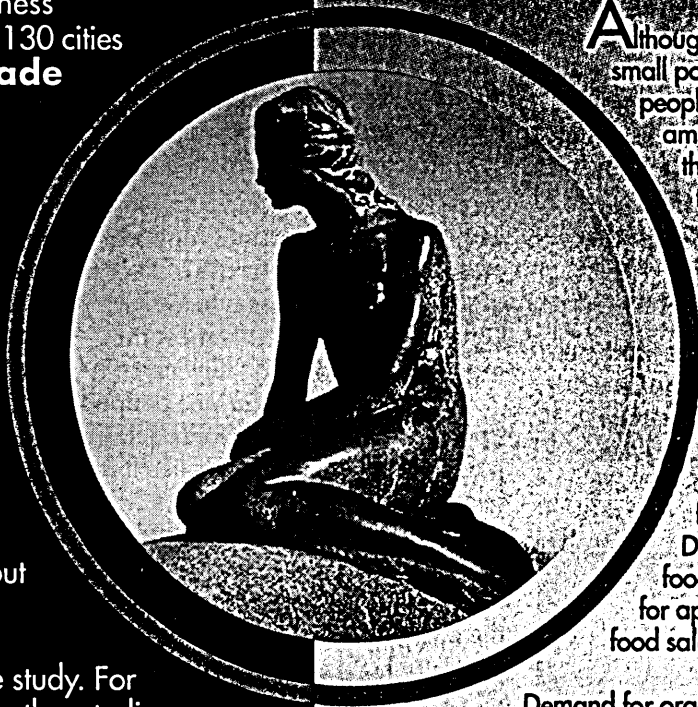
To pursue our international trade leads, check out our Web site at www.iboc.gc.ca (particularly our E-Leads® and Web-Leads®).

DENMARK — The Organic

With a team of 500 business professionals in more than 130 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 one study. For the full version of this and 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



Although Denmark has a relatively small population of 5.5 million people, its organic food sector is among the most developed in the world. However, due to the lack of precise tracking of organic food sales, the exact size of this market is difficult to determine. With an estimated value of between \$450 million and \$560 million in 1998, the organic food market accounted for roughly 3% to 4% of total food and beverage sales in Denmark that year. Organic foods are forecast to account for approximately 8% of total food sales in 2000.

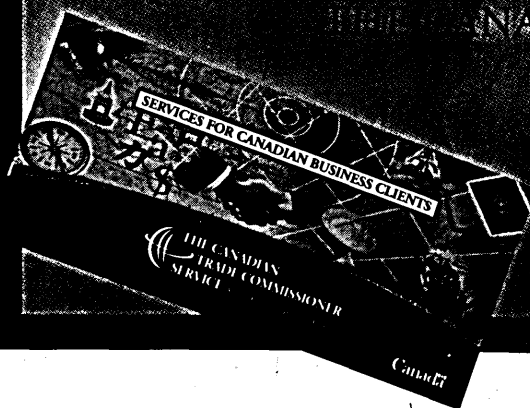
Demand for organic foods in Denmark has grown in recent years due to a increasing interest in healthier lifestyles, greater consumer skepticism toward genetically modified foods, and significant levels of government support for domestic organic food producers in Denmark. Despite high levels of domestic production, Denmark continues to be a net importer of organic foods.

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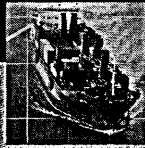
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Food Market



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Challenges

Relatively high prices remain the greatest hindrance to growth in organic food sales. As supermarkets begin to carry a wider variety of organic products by more producers, increased competition should lead to a decrease in price. Lower-priced organic foods will also contribute to market growth.

Danish consumers have a strong preference for domestically produced organic foods (carrying the government Ø logo, denoting domestic goods) or foods imported from other EU countries. Although consumers are slowly increasing their acceptance of organic foods from outside the EU, strong and sustained marketing efforts will be required to successfully promote Canadian organic foods in the country.

Opportunities

Currently, Canadian organic products do not have a strong presence in the Danish market. The most promising opportunities for Canadian manufacturers involve the sale of bulk or raw materials for further processing in Denmark, due to the high tariffs placed against imported foods from non-EU countries. Bulk and raw materials can then be processed and packaged to carry the important Ø logo, thereby receiving greater consumer acceptance. While dairy products and fresh vegetables are mainly supplied by domestic and EU



producers, there has been a steady increase in imports of products such as cereals, animal feed and dried goods over the past five years.

Organic vegetables account for the majority of produce imports. Of the 5,200 tonnes of vegetables imported in 1998, carrots, potatoes, onions, cabbage and cucumbers were the most widely imported products. Organic fruit imports totalled approximately 3,000 tonnes that year. Tomatoes (for processing), fruit juices, and frozen fruits and berries are a few of the products for which there is a significant demand.

The largest organic sector in Denmark is the dairy industry, which is also the most developed organic dairy industry in the EU. Organic milk has experienced the strongest growth, and currently accounts for 16-25% of total milk sales, with domestic production having increased 400% in the last five years. Organic cheese, butter and yogurt all account for between 2% and 8% of their individual markets.

Demand for bakery and cereal products has increased substantially in recent years. Although domestic producers

supply most of the market, Danish manufacturers and packers import significant quantities of breads and cereals. There are opportunities for the export of a wide variety of other organic foods to Denmark, although, generally, export quantities would be fairly small. Opportunities for Canadian producers include pulses, oilseeds/oils, tea, herbs/spices, sweeteners, chocolate and baby food.

See Potential?

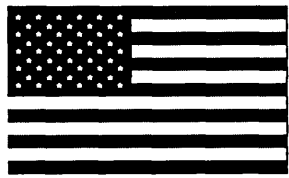
To learn more about these market opportunities, the competitive environment, and market entry strategies, please read the full report, *The Organic Food Market in Denmark*. The report, prepared by the Market Research Centre of the Trade Commissioner Service, is available on-line at www.infoexport.gc.ca

www.infoexport.gc.ca

Could this be your market?
Complete report at
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The Organic Food Market

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The U.S. Connection

The U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division (URT). For information about articles on this page, contact URT by fax at (613) 944-9119 or e-mail at commerce@dfait-maeci.gc.ca. For all other export enquiries, call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

An open invitation to "A Taste of Canada"

If you are an export-ready producer of fine specialty/gourmet food, wine or beverages, the Canadian Embassy in Washington, D.C. invites you to exhibit at an exclusive and upscale food trade show, *A Taste of Canada*, to be held at the Embassy, January 31-February 1, 2001. The registration deadline is December 20.

Approximately 250 retail, food service and institutional buyers, including brokers and distributors, are expected to attend *A Taste of Canada*. Guests will also include food and lifestyle editors from city and regional newspapers, and food trade publications.

The first day will be committed to store tours and presentations by U.S. industry speakers with the second day devoted to set-up and food preparation for the show, which will be supported by the Embassy's in-house

catering team, Sodexo-Marriott. The trade show will run from 4:00 to 8:00 p.m. on February 1 in the Embassy's Canada Room. Space is available for 22 exhibiting companies and will be assigned on a first-come basis. However, the Embassy will reserve first right of selection to ensure an appropriate mix of products.

This event builds on interest expressed in Canadian food products during our survey of 65 regional food brokers earlier this year. The company profiles and comments are contained in *The Food Brokers of the Mid-Atlantic United States*, which can be read with our companion report *Working with a U.S. Food Broker: A Guide for Canadian Exporters*. In addition, our *Overview of the Retail Grocery Market in the Mid-Atlantic United States* will give you useful information on business opportunities in

this market. You can view these at <http://ats-sea.agr.ca>

For more information, contact Cynthia Stevenson, Business Development Officer, the Canadian Embassy, Washington, D.C., tel.: (202) 682-7765, e-mail: cynthia.stevenson@dfait-maeci.gc.ca ✪

HEALTHY TURNOUT FOR NUTRITIONAL FOOD NEBS IN SEATTLE

The nearly \$20-billion-dollar natural/nutritional/organic/functional food market in the United States has grown 10% annually since the late 1980s and as much as 20% to 25% in recent years. This sub-sector is one of the more robust prospects for Canadian producers in the booming U.S. processed food market, even surpassing the home meal-replacement market as the hottest sub-sector within the food industry.

In response, the Canadian Consulate General in Seattle, and Agriculture and Agri-food Canada in Vancouver, recently organized a New Exporters Mission to focus on this sector. Twenty-four participants from British Columbia, Alberta and Saskatchewan attended a busy two-day seminar, September 8-9, in Seattle. This was the second event of its kind for the Seattle Consulate.

Continued on page 8 – Nutritional

What's in a name?

The Food and Drug Administration (FDA) has granted the California Prune Board (CPB) permission to use "dried plums" as an alternative name to "prunes" after research showed that the name "dried plum" offers a more positive connotation than "prune" and would encourage more people to try the fruit.

The CPB hopes that the name change will attract its target audience, women, aged 35 to 50. This group of 44 million people represents approximately 16% of the U.S. population and makes the majority of household purchasing decisions.

Check the Business Section of the Canada-U.S. Relations Home Page at www.dfait-maeci.gc.ca/geo/usa/business-e.asp ...for valuable information on doing business in and with the United States.

In an age where business partnerships are spanning the globe, it makes infinite sense to foster teamwork at home. In Ontario, that teamwork has just expanded with the

complement to CCC's government-backed guarantee of contract performance, its access to pre-shipment export financing, professional contract managers and expertise as an inter-

New CCC partnership helps Ontario exporters with world sales

signing of a new Memorandum of Understanding (MOU) between the Canadian Commercial Corporation (CCC) and Ontario's lead trade promotion agency, Ontario Exports Inc. This new important partnership will help Ontario exporters to access opportunities and win sales worldwide.

The MOU, signed on September 6, 2000, by CCC President Douglas Patriquin, and Ontario Exports Inc. President Len Crispino, is designed to let Ontario exporters know about opportunities in government procurement markets and how CCC can help them to close deals on better terms.

"This MOU reflects the value that both organizations bring to the table for Ontario's exporters," says Patriquin. "Ontario Exports Inc., with its knowledge of and access to Ontario companies, experienced sales force and expertise in world markets, is a natural

national prime contractor in government procurement markets."

The initiative will take the form of a two-year pilot project, beginning September 15, 2000, with emphasis on the marketing and delivery of CCC's pre-shipment financing program — the Progress Payment Program (PPP) — as well as other programs and services.

"This new partnership will help Ontario Exports Inc. to provide export sales expertise and facilitation to our clients through CCC's programs and services, such as the PPP," says Mr. Crispino. "Access to the PPP will help to bridge an important gap for small and medium-sized Ontario exporters. When all is said and done, this partnership is a smart move — it will provide our clients with a better, more efficient service."

The Canadian Commercial Corporation boasts many successes in selling to complex government markets with both large and small Ontario exporters. General Motors Diesel Division of London has worked with CCC to win sales of close to \$3 billion in light-armoured vehicles. Small companies such as In-Line Fiberglass, a Toronto-based fibreglass manufacturer, got its first China contract through CCC, and Pro-Safe Fire Training of Parry Sound has won over \$20 million in sales to the United States Department of Defense with CCC's assistance.

CCC and Ontario Exports Inc. are committed to helping Ontario exporters to capture a larger share of the \$5.3-trillion worldwide gov-

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, e-mail: info@ccc.ca Web site: www.ccc.ca

ernment procurement market. "I look forward to a productive partnership that will result in a larger number of Ontario exporters selling through CCC," adds Mr. Patriquin.

The Canadian Commercial Corporation is a federal Crown corporation that assists Canadian exporters to win sales on improved terms in foreign government procurement markets, and with international organizations and private-sector buyers worldwide.

Ontario Exports Inc. is Ontario's lead trade-promotion agency, providing a range of market intelligence, commercial advocacy, and trade support programs and services, to help Ontario exporters to compete in the global marketplace.

For more information on CCC services, visit its Web site at www.ccc.ca

For more information on Ontario Exports Inc., contact André Quenneville, Manager, Marketing and Communications, tel.: (416) 325-4676, fax: (416) 314-3995, e-mail: Andre.Quenneville@edt.gov.on.ca Web site: www.ontario-canada.com/exports

DOING BUSINESS WITH THE U.S. FEDERAL GOVERNMENT?

Find out more from the Canadian Embassy in Washington, D.C. (www.canadianembassy.org) under "Business Opportunities: U.S. Government Procurement."

Log onto opportunities via the General Services Administration (www.gsa.gov), which facilitates purchases by the U.S. government — the world's largest consumer — and the Electronic Posting System site (www.eps.gov).

When you're ready to pursue these opportunities, the Canadian Commercial Corporation (www.ccc.ca) can assist you with the interpretation of the U.S. procurement system or ensure that as a Canadian company, you are eligible to participate.

Last year, Canadian exporters and investors concluded more than \$40 billion in business using EDC trade finance and risk management services, a 15% increase from the previous year. Impressive results? What many people may not realize is that the

1996. Moreover, this estimate is conservative, as it excludes second-round effects on the economy of an increase in exports and ignores the possibility that EDC's participation in a transaction sometimes acts as a catalyst for other financial intermediaries

1999, 10% higher than the previous year, encompassing over 140 countries. As a result, a large share of the growth in EDC's portfolio was in speculative-grade assets. Meanwhile, EDC frequently facilitates transactions that are expected to produce research and development (R&D) spinoffs for Canada. By correlating the sectoral breakdown of EDC's business with a similar categorization of R&D spending in Canada, we calculate that the R&D intensity of EDC's transactions in 1999 was about steady at its 1998 level.

Finally, a significant by-product of facilitating export sales is the accompanying increase in employment, wages and salaries. The employment content of exports varies widely across sectors of the Canadian economy, and therefore across the various transactions that EDC participates in. But EDC estimates that the exports it facilitated in 1999 generated about 426,000 person-years of employment.

The bottom line is that EDC is generating extensive benefits to the Canadian economy, and those benefits are increasing rapidly from year to year. *

EDC activities benefit Canada

by Stephen S. Poloz, Chief Economist, Export Development Corporation

Canadian benefits that accrue from these activities cover a wide spectrum.

The most fundamental measure of EDC's impact on the Canadian economy is the GDP that is generated by the business it facilitates. This varies widely, depending on the nature of the transaction and the Canadian content of the exports. But by analyzing these transactions, we have estimated that EDC's business in 1999 contributed about \$27 billion to Canada's GDP. This amounts to nearly 4% of our total GDP (\$700 billion measured at factor cost), and is double the contribution made by EDC to the economy in

to participate in a larger project.

A number of secondary indicators of Canadian benefit are also of interest, given the unique nature of EDC. One is the number of small and medium-sized enterprises (SMEs) that take advantage of EDC services. Last year, EDC worked with 4,550 SMEs out of a total customer count of 5,182, a 16% increase over 1998. And about 1,200 of those companies used EDC services for the first time in 1999.

Another important dimension of EDC is its ability to undertake international risk. EDC's business volume in higher-risk markets was \$9.8 billion in



EDC's Stephen S. Poloz

Nutritional food NEBS — Continued from page 6

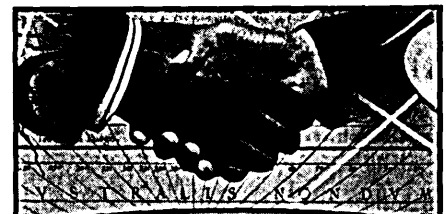
The mission covered a broad range of issues from customs, FDA and visa regulations to distribution and marketing, and included tours of health food stores and chains that are interested in health foods, then ended with a visit to the Natural Products Northwest 2000 food show.

Participants were encouraged by the relatively higher prices of competing products, and they look forward to becoming market-ready and making their first product presenta-

tions. The Consulate was pleased with the participation in this extremely targeted market niche, and there are plans to repeat the event next year.

For more information, contact Doug McCracken, Business Development Officer, the Canadian Consulate General, Seattle, tel.: (206) 770-4080, e-mail: doug.mccracken@dfait-maeci.gc.ca *

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Gear Up for the Italian Market!

Italy has huge commercial potential.

The statistics are impressive:

- a population of 59 million;
- an annual GDP twice that of Canada's;
- a per capita GDP comparable to Canada's;
- an economy ranked fifth in the world (behind the United States, Japan, Germany and France); and
- the highest per capita incomes in Europe earned in the industrial heartland of northern Italy.

On the other side of the ledger is the still high level of public debt, generated in the 1980s. But, in recent years, Italy has made a sustained push for fiscal austerity, as it sought to meet conditions for joining the European Monetary Union. The dividends have been a strong improvement in the country's economic outlook plus greater investor and consumer confidence.

In one respect, the statistics are a little disappointing. Among Canada's trading partners, Italy ranked only 11th in 1999. That year, Canadian exports to Italy (consisting mainly of raw and semi-processed materials) were worth only half of Italian exports to Canada (consisting of high value-added consumer and industrial products). But things have been changing. In recent years, Canadian firms have won sizeable export contracts in the sectors of telecommunications and information technology, aircraft and aerospace equipment, environmental equipment, auto parts, and health-care products. Now, to sustain and build on this trend, what's called for is a more vigorous focus on Italy.

Italy has a reputation for excellence in traditional areas, such as fashion, food, household products, cultural goods and industrial design. Perhaps less well-known is the fact that Italy is a world leader in the production of industrial robotics and engineering technology, machine tools, transportation equipment, automation and process control, energy-sector machinery, plastics and petrochemical technology.

Large Italian companies have restructured in recent years, while small and medium-sized enterprises (SMEs) have

Italian Market — continued on page 2

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Prepared by the European Business Development Division (RENB) and its trade offices in Europe



Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Canada

Italian Market — continued from page 1

moved aggressively into foreign markets. Whatever their size, Italian businesses are expanding and eager to take up the challenge of greater international partnering and investment.

Far from being saturated, Italy's consumer and industrial markets are notable for their vitality, offering considerable scope for Canadian exports. The government is privatizing the very large state-owned sector of the economy — everything from telephone and energy monopolies to manufacturing, banking and insurance. As deregulation and privatization quicken in pace, new prospects should open up for Canadian suppliers, especially those with proven track records in other markets of the European Union (EU).

Despite EU restrictions on agricultural and fish products, Canada's agri-food exports to Italy have risen steadily over the last three years. At the same time, opportunities have emerged in other areas. On the rise are imports of Cana-

dian value-added products, such as aircraft, and telecommunications and turnkey equipment. Increasing as well are joint ventures and technology licensing. More and more, Italian firms are recognizing the importance of outsourcing and value-added services, often from foreign suppliers.

The Italian market is large and wealthy, but it is also decentralized and often complex. One key to success here is forming strategic partnerships. Collectively, SMEs have been the real dynamo of Italian economic development since the early 1980s. These mostly family-run companies offer an excellent route for entry into the Italian market. Generally, they are looking to do business abroad, and they are also seeking new business opportunities and ideas that will give them a competitive edge in the Italian and European markets. Despite an unspoken bias toward the United States, SMEs increas-

ingly see Canada as providing access to new production methods and high technology in niche sectors. They also see it as a less risky test market and a bridgehead to the NAFTA region as a whole.

Canada's Trade Commissioner Service is ready to help Canadian companies interested in taking advantage of the plentiful opportunities in the Italian market.

To learn more about some of these, read on!



THE AUTOMOTIVE INDUSTRY In the Fast Lane

In 1998, falling demand brought a significant slowdown in vehicle production in Italy. The cause was the removal of government incentives that had encouraged replacement of older, polluting cars with newer, more environmentally friendly models.

Demand and production both began to recover in late 1999, and the year closed with an overall sales increase of 0.6% to 1,410,317 units. The upward movement was reinforced in the first four months of 2000, with production increasing by 10.6% over the same period of 1999. The situation reflected Europe-wide growth in new car demand — a trend boosted in Italy by the launch of Fiat's Nuova Punto and Lancia Lybra (replacing the Fiat Punto and Lancia Dedra) and the Alfa sport wagon.

The new models helped Fiat to improve its position against foreign manufacturers in the Italian and European markets. Since October 1999, Italian car exports have been rising steadily, reaching 45% of total production by April 2000.

The medium-term outlook is also promising. Demand should be sustained by the impact of an EU directive that prohibits the use of lead gasoline starting in 2002. This will force Italian drivers to replace 15 million cars that lack catalytic converters.

Commercial vehicle production grew by 14.5% in 1998 to a record level. In 1999, with a further increase of 0.2%, total production amounted to 290,797 units.

Overview

Fiat

In 1999, Fiat Auto sold 2,328,000 vehicles worldwide, down from 2,397,000 in 1998. The 2.8% decline was caused mainly by lower sales in South America.

In the first quarter of 2000, the downward trend reversed, and total sales increased to 626,600 units, up 11%. Behind the sharp rise was good performance in Western Europe — particularly a healthy increase in Italy, where sales were up 19%.

In its globalization strategy, Fiat Auto has focussed on consolidating its share of the home European market and

Fiat Group Activities

Company	Focus
Fiat Auto	Passenger Vehicles
Iveco	Commercial Vehicles
New Holland Equipment	Agricultural and Construction
Teksid	Metallurgical Products
Magneti Marelli	Components
Comau	Production Systems

expanding aggressively into seven foreign markets offering the highest growth prospects: Brazil, Argentina, Poland, Turkey, Russia, India and China. This "Europe plus seven" strategy has not been affected by the Fiat/General Motors strategic alliance announced in March 2000.

The deal called for dedicated joint ventures in procurement and powertrain production in the European and Latin American markets. Fiat and GM expect extensive savings from both the alliance and joint ventures. Further priorities for joint action include the integration of costly advanced R&D programs, especially for engine emissions and consumption, alternative fuel systems, new materials, and safety components and solutions; and development of a joint platform for the next generation of automobiles (Punto, Palio, Seicento, Corsa, Agila).

Automotive Parts and Components

An estimated 885 auto parts manufacturers are in business in Italy. Of these, 185 are first-level suppliers (with the best known being Magneti Marelli and Teksid), 250 produce sub-systems and single parts, and 450 supply spare parts and accessories. At least 4000 SME

sub-suppliers support the parts' producers. Almost half the companies and employees in this sector are concentrated in Italy's northwestern Piedmont region.

In the market for automotive parts, components, accessories and service equipment, turnover reached almost 41,000 billion lire (approximately \$36 billion) in 1999. The original equipment manufacturer (OEM) market accounted for 64% of total production, and the aftermarket for the remaining 36%.

In Italy's component industry, exports represented 43% of 1999 turnover, or \$15.5 billion, with OEM exports accounting for 39% and aftermarket exports for 61%. Some 67% of exports went to the EU, 11% to non-EU European countries, 6% to South America, 8% to NAFTA, and 8% to the rest of the world.

Despite strong export performance, Italy's positive trade balance in this sector fell slightly in 1999 as a result of a marked increase in aftermarket imports. Total 1999 imports amounted to \$8 billion. Some 82% of imports came from the EU, 4% from other European countries, 3% from North America, 1.7% from South America and 9.3% from the rest of the world.

Challenges

Components and Systems for the OEM Market

Traditionally, Fiat has had a fairly consolidated base of suppliers, but now its outsourcing policies are adopting a global perspective. It is looking for technologically advanced and competitive partners that are willing to co-operate with its tier-one suppliers. In view of the new Fiat/GM alliance and the start of a dedicated procurement joint venture, Canadian companies with established relationships with GM should find that they have a step up in pursuing new opportunities with Fiat.

Canadian businesses with cost-saving, weight-saving sub-systems, or environmental or safety components, have the best chances of supplying Fiat production in Italy. Prospects are brightest for firms specializing in the following:

- **car safety features:**
 - preventive* (seat belts, ergonomic seats, climate-control systems, anti-pollen filters);
 - active* (suspensions, fire-prevention systems, air bags);
 - passive* (braking systems, ABS, energy-absorbing steering wheels);
- **energy-saving features:**
 - alternative fuels, advanced propulsion systems, catalytic converters;
- **recycling systems:**
 - recovery of recyclable elements, transformation of waste into inert matter, recovery of energy from waste; and
- **new materials:**
 - plastics, high-strength steel, magnesium components.

In the last three years, a growing number of foreign component producers have established themselves in Italy through greenfield investments or acquisitions. Most of the main U.S. and European component and system suppliers are already present in Italy, and most have

production facilities and established business relationships. Italy is thus hardly an unexplored market, and those looking for business opportunities here may have to be willing to build strategic alliances with local partners.

Parts and Accessories for the Aftermarket

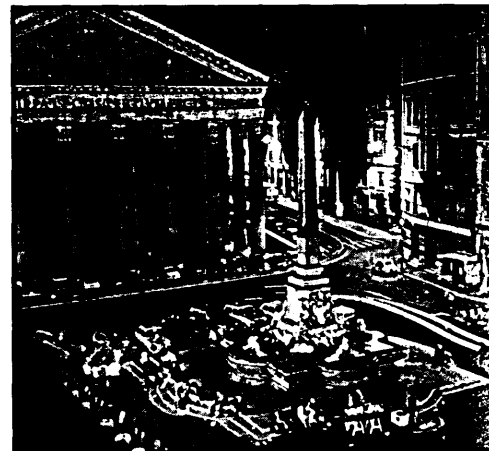
Italy's market potential may be larger for Canadian companies in the aftermarket business. According to the latest data, in 1998, Italy had 31 million passenger

cars in circulation, putting it second in Europe in number of cars and fourth in the world (after the United States, Japan and Germany). And, on average, vehicles are much older in Italy than in other European countries.

Since the mid-1990s, private spending on car maintenance and repair has been growing strongly. In 1999, the sector had a turnover of 38,000 billion lira (\$32.2 billion).

Until recently, one of the main constraints on entering the Italian market

was the very fragmented structure of the distribution system. This is now changing. The system is rapidly consolidating, and large foreign distribution chains are entering the market, creating more space for foreign imports in almost all product categories. But, given the early weakness of the euro, price competitiveness is crucial.



Piazza della Rotonda in Rome at night
(Photo courtesy of the Italian Government Tourist Board)

Upcoming Events to Assist Canadian Firms

Canada's Consulate General in Milan organizes initiatives to raise the profile of Canadian industry in Italy and to identify business opportunities for the Canadian automotive sector. It also offers individual assistance and market intelligence to Canadian companies interested in the Italian auto market (e.g., business contacts at Fiat and its suppliers, updated market trends, profiles of Italian parts producers, assistance with strategic alliances and partnering). Following are activities planned for 2001:

- **March 2001, Windsor, Ontario**
Mission for Italian companies to the *Windsor Automotive Conference*
Aim: to promote partnerships between Italian and Canadian component producers with common interests.
- **May 23-27, 2001, Bologna**
Assistance to Canadian companies interested in participating at *Autopromotec* as visitors or exhibitors.
Aim: to promote Canadian businesses and products at this important exhibition.

Resources

Web Sites

<http://www.anfia.it>

Associazione Nazionale fra Industrie Automobilistiche, or ANFIA (Association of Italian Producers of Vehicles and Components)
Site contains directory of ANFIA associates.

<http://www.fiatgroup.com>

Fiat Group
Gives financial information, news and details about the Group; link to Fiat Auto.

<http://www.acea.be>

European Automobile Manufacturers Association (ACEA)
Information about the European industry; links to European producers and national associations.

Publications

Directories of producers and importers of spare parts and accessories can be ordered from the following publishers:

Annuario Accessori Auto
(biannual directory of car accessories, in Italian)
Editori Associati / Edigest
Via Brenta 13/13a
00198 Rome
Tel.: (011-39-06) 8535-2431
Fax: (011-39-06) 8845-585

Catalogo Motoristico

(annual directory of Italian producers and importers of spare parts, accessories and supplies for autos, motorcycles and commercial vehicles; in Italian, English and French)
Edizioni Collins
Via Giovanni Pezzotti 4
20141 Milan, MI
Tel.: (011-39-02) 8372-897
Fax: (011-39-02) 5810-3891
Web site: <http://www.netcollins.com>
(The data base is partially accessible through the Web site.)

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AEROSPACE AND DEFENCE

A Role for Canadians in Supply

In terms of the size of its aerospace and defence sector, Italy ranks fourth in Europe, behind Britain, France and Germany. At the end of 1998, the industry, which is linked with European alliances, employed some 36,700 people. However, defence spending in Italy has dropped by 40% since 1990.

Two conglomerates — Finmeccanica and Fiat — control most of the aerospace and defence market in Italy. Finmeccanica has 30% public and 70% private ownership; Fiat is entirely family-owned. Typically, the preference is to purchase locally, but this may not apply in the case of major European projects. Italian firms might take on contracts exceeding their capacity and expertise, and Canadian suppliers could make up the deficiencies.

Overview

Airports and Airlines

Civil aviation is a growth market in Italy in terms of airport management (gradually being privatized) and passenger airlines. In 1999, the number of passengers climbed by 6.7% over 1998, and the number of airplanes by 12%. The increase outstripped the International Air Transport Association's prediction that passenger numbers in Europe would rise by an average of 5% per year. No such growth occurred in air cargo, however, which has to compete with the well-connected European rail system.

Historically, Alitalia has dominated domestic flights, but, this year, foreign airlines, most recently British Airways, encroached on the market. All over Italy, airports report increases of up to 40% in passenger traffic in 2000. With more flights in European and Italian skies,

traffic-control systems are due for upgrading — a market opportunity for Canadian companies.

Regional Aircraft

Similar growth is taking place in the regional aircraft business in Europe, with strong competition to supply low-cost 40- to 100-seat commuter planes. Italian business interests in this market are represented by Alenia, which participates in the Avions de Transport Régional (ATR), a joint venture with France's Aerospatiale Matra (see table on page 6). ATR competitors include Bombardier, Embraer and Fairchild Dornier. At present, the joint venture's future is unclear. ATR products (ATR42 and ATR72 turboprops) use Pratt & Whitney Canada's PW series of engines. Embraer has made its mark in the Italian market by winning an Alitalia order for 12 regional jets. But Italy's most active purchaser of regional aircraft is Venice-based Air Dolomiti, which recently ordered six CRJ regional jets from Bombardier and three turboprop ATR42-500s from ATR.

Super Jumbos

The much-discussed **A3XX** super jumbo (passenger capacity 555) now looks slated to go into production. Air France has placed firm orders for the craft from Airbus. Virgin Atlantic, among others, is also interested. Alenia's possible participation in the project could mean business for Italy and opportunities for Canadian component suppliers.

Military Aircraft

The **A400M** military transport is designed to meet NATO requirements. This is a massive project, involving orders for 244 planes throughout

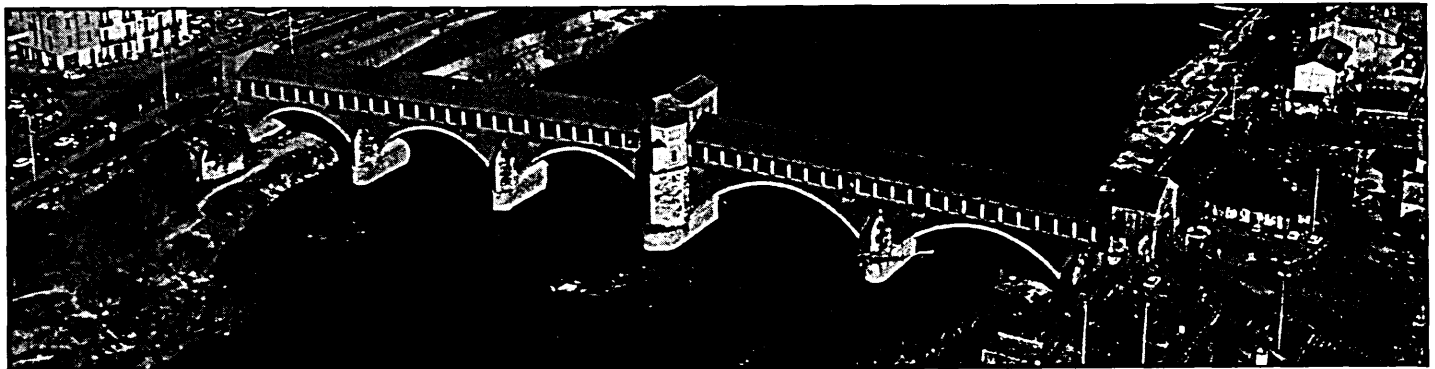
Europe. Alenia's participation could translate into significant business opportunities in Italy.

The European Fighter Aircraft (**Eurofighter**) project involves several countries and companies, including both Finmeccanica and Fiat. The goal is to provide a new fleet of fighter aircraft to be operational by 2006.

The **Maritime Patrol Aircraft (MPA) Replacement** program targets the existing fleet of "Atlantique" craft. Italy and Germany have signed a Memorandum of Understanding to produce the replacement; specifications are expected to be ready early in 2001. France will only update the onboard avionics systems for its existing Atlantique craft, sharing the innovations with the other participants.

Maritime Military

Fincantieri controls most of the maritime military market in Italy and is working on several projects at the moment. The biggest plans are to build two frigates for the Italian navy under the joint French/Italian **Eurofrigate** program, plus a new 25,000-tonne aircraft carrier. Of potential interest to Canada are plans to build four superfast patrol craft for the Guardia di Finanza (Italy's customs service), and four anti-pollution craft for the Ministero dei Trasporti e della Navigazione (Ministry of Transport and Navigation); both projects are in the final stages of negotiation. Most of the contracts for these projects are likely to go to Italian suppliers, but opportunities exist for cutting-edge Canadian technology firms. Fincantieri will also market a 1500-tonne patrol boat for general duties, such as traffic control and anti-submarine or anti-aircraft patrols. Among the target customers are countries in the Southern Hemisphere.



View of bridge in Pavia from the air. (Photo courtesy of the Italian Government Tourist Board)

Italy's Participation in Major European Aerospace and Defence Projects

Euro Projects	Participating Aerospace Companies		
	Worldwide	Finmeccanica	Fiat
Eurofighter	Aerospatale-Matra (13%) CASA DASA	Alenia (19%)	Fiat Avvio (Euroturbo-EJ200) FIAR (Euroradar)
A400M Military Transport (NATO ESR)	Airbus Industrie Aerospatale Matra CASA Daimler-Chrysler BAe FLABELTAI	Alenia	Fiat Avvio (22% associate for M138 engine proposal)
A3XX Jumbo Passenger Jet	EADS (Airbus Industrie)	Alenia (to be confirmed)	
EH101 Military Helicopter	Westland Lockheed Martin	Agusta	
NH90 Naval Frigate Helicopter	Eurocopter France General Electric Stork Fokker	Agusta	Alfa Romeo (with GE for Italian units)
Eurofrigate Italy: 2 France: 2		Fincantieri	
Galileo Satellite Navigation Program	RADARSAT	Alenia Spazio (60%)	
ATR Regional Aircraft	Aerospatale Matra (50%) Pratt & Whitney Canada	Alenia Aerospazio (50%)	
Maritime Patrol Aircraft Replacement	Italy Germany France	Alenia is certain to participate since Italian orders are involved.	

Rescue Services

The Dipartimento della Protezione Civile (the government agency for emergency preparedness) has taken delivery of 13 CL-415 Canadair water-bombers from Bombardier. Among the tools used by Italy's rescue services to fight forest fires are Russian helicopters, also with water-bombing capabilities. Like France, Italy is one of the European countries most affected by forest-fire problems. Agusta (a company 100% owned by Finmeccanica) is producing the Cormorant helicopter, jointly developed with Westland in a program managed through European Helicopter Industries. Canada is purchasing 15 Cormorant search-and-rescue craft, while Italy has ordered 16 military versions (EH101) for delivery later this year. In Agusta's sights is a contract for marine patrol craft, which would offer excellent offset opportunities to Canadian companies.

Satellites

Canada is the only country outside Europe to have a quasi-associate relationship with the European Space Agency. Alenia Spazio is a key player in the space industry, and could offer a point of entry for Canadian advanced technology companies interested in technology/software partnerships.

Strategic Focus

The biggest opportunities in the aerospace and defence market are at the second- and third-tier supply levels. At the top level, the emphasis is on partnerships between European firms to develop finished products. Canadian businesses should look instead for openings in the less high-profile but still lucrative supply business. There is tremendous activity in Europe at present, and Italian companies, mainly in the Finmeccanica group, participate in most of the major European alliances. A recent example is the project to build the NH-90 military helicopter designed by Agusta, Eurocopter and Stork Fokker. Italy has placed an initial

order for 196 units, with supply contracts lined up for Alenia and Fiat Avvio. This is a very European affair, but it should not be ignored by Canadian businesses.

Offsets from the Cormorant and other potential projects are an important consideration in military and civil aircraft contracts. There are no regulations on offsets in Italy, but the issue is a government concern, because, depending on its size, any deal has a local or national economic impact. For this reason, offsets are taken as a matter of course and are used as a bargaining point in business negotiations.

Airports are being privatized in Rome (Aeroporti di Roma) and Milan (Società Esercizi Aeroportuali). Factors rumoured to complicate the situation are strong unions and protectionist sentiments. Officially, however, the competition is open to all. Once again, the best opportunities may be in supply, notably of airport traffic-control systems.

High-tech onboard avionic satellite and air traffic-control systems are being updated by the Ministry of Defence and civil aviation authorities. While European companies are strong competitors, Canada has expertise in specific areas of this sector.

Challenges

- **Information:** To compete on tenders and projects in Italy, Canadian companies must obtain information in a timely manner. The Trade Commissioner Service can offer some help, but Canadian companies themselves must create long-term relationships with Italian agents and firms to ensure that they are in the right place at the right time to do business.
- **Cash Flow:** Italy's notoriously bureaucratic system slows payment times. In the aerospace industry, typical payment cycles can be up to a year. Careful drafting of contracts is advised.

- **Ministry of Defence:** Dealing with the Ministry of Defence in Italy (or any country, for that matter) may involve threading a labyrinth of contacts. The best way to proceed is through an agent who is locally based, already knows the Ministry and is more likely to get an audience with decision makers.

- **Hi-tech:** In the hi-tech avionics market, the successful competitors have unique attributes with a proven track record. Generally, companies want to see a working prototype before considering a business relationship; they have little faith in conceptual projects.

Resources

The best tools are **contacts** with industry agents in Italy and companies themselves. The main association in Italy is the **Italian Industries Association for Aerospace, Systems and Defence**, with which the Embassy has a relationship. It is also important to have contacts with the **European Association of Aerospace Industries**. The mission will report on opportunities for SMEs that arise from a project run by the Association. In 2000-2001, the mission will target Canadian SMEs, offering news reports on Italian opportunities in their sector. Canadian partners of the Trade Team Canada Sector are important players in the aerospace and defence industry; the mission maintains communication and co-ordinates programs with their assistance.

Canada's Strategic Action Plan

The Government of Canada can help Canadian firms to do business in Italy, by:

- improving timely **communication** of business opportunities to Canadian companies;
- maximizing **offsets** for Canada from Italian deals; and
- ensuring that Canadian hi-tech companies are represented by **agents** in Italy.

The Next Steps

The commercial officer in Italy will identify the agents that best represent commercial opportunities in particular sectors of aerospace and defence. At the same time, an information network on the Italian market will be created.

In early 2001, the Embassy's commercial officer will visit Canada to find new, competitive hi-tech companies that are ready to target Italy.

Web Sites

www.aiad.it

Associazione Industrie per l'Aerospazio i Sistemi e la Difesa
(Italian Industries Association for Aerospace, Systems and Defence)

www.aiac.ca

Aerospace Industries Association of Canada

www.aecma.org

European Association of Aerospace Industries

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AGRI-FOOD

A Modernizing Market

Italy is a net exporter of traditional Mediterranean agricultural products, such as fruits, vegetables, olive oil, wine, pasta, cheeses and cured meats. It is a net importer of Continental products, such as beef, pork, cereals, oilseeds and special crops. The country has a growing population as well as large food-processing and tourism industries, and so it must import raw materials in increasing volumes for processing. As a European Union (EU) member, Italy meets most of its agri-food needs from EU sources. It imports from elsewhere, only if the cost differential offsets high EU duty rates.

Up to now, EU customs' barriers have restricted major imports from North America largely to such items as high-quality blending wheats, oilseeds, pulses, horsemeat, fish and seeds. Duties are currently being lowered under World Trade Organization rules, but various EU and national non-tariff barriers remain in place; these effectively limit imports from outside the Community.

Overview

Traditions and Beyond

Although decidedly export-oriented, Italy's manufacturing and distribution system is fragmented and complex. With few exceptions, standardization and rationalized food distribution are confined to northern Italy. The shift to new methods is moving south but doing so quite gradually. There have been slow

inroads on the outskirts of major cities, but small merchants still dominate inner-city markets. Practically all major supermarket chains and buying consortiums are located near Milan, as are all major food fairs. Relatively small, specialized importers/wholesalers still control most of the imports of foreign products, even from the EU.

The Italian food market has always been highly traditional, marked by intense consumer pride in local diet and food products. Italians have been slower than most other Europeans to embrace North American-style food products or snack foods. However, the situation is now rapidly changing, as major European multinationals, supermarket chains and fast-food franchises establish their presence in the market. In restaurants too, Italians are experimenting with non-traditional foods. Ethnic restaurants serving non-Italian food are opening at a rate of over 50 every month. Only two or three years ago, ethnic restaurant owners reported that they rarely served Italians. Now, they say, Italians make up more than half their clientele. Supermarket sales of ethnic foods and ingredients



*A hillside in the wine region of Barolo.
(Photo courtesy of the Italian Government Tourist Board)*

increased by 33% in 1999, and 2000 sales are expected to be much higher.

Canada-Italy Trade

Italy and Canada have a substantial two-way trade in agri-food products, despite a sharp downturn in 1999 as a result of the bankruptcy of the Italian grain

company and sole agent, Italgrani. In that year, Canadian exports to Italy stood at \$154.6 million, down from \$252 million in 1998.

Canada is a crucial third-country supplier of raw materials and inputs to Italy's diversified and export-oriented food-processing sector. It competes with

Italy's northern EU partners, offering comparable quality and pricing plus high reliability and unequalled quality guarantees.

The outlook is promising for expanded exports of special wheat varieties, hormone-free beef, pork, game, pulses, organic and non-GMO produce, and pet foods.

In contrast to the situation in northern Europe, importers in Italy are usually small to mid-sized companies. They import on a smaller scale and usually in a broader range than their larger north European counterparts. To succeed in this market, Canadian exporters should be able to offer a wide range of products or to assist in consolidating shipments from other Canadian sources. Less likely to be successful are single-item exporters, especially of products without a Canadian domestic market.

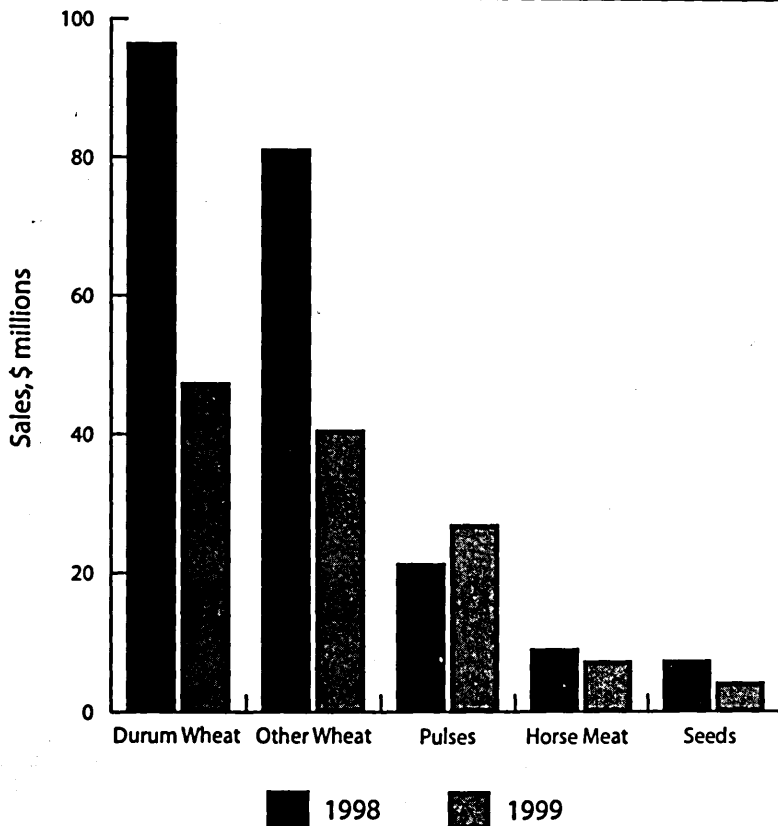
Italy is noted for the complexity of its bureaucracy, food legislation and import operations. For the agri-food sector, this has created access problems, both issue-related and operational. Canada's Consulate General in Milan deals with agri-food promotion, while the Embassy in Rome deals with access issues.

An Ideal Fit for Partnerships

The Italian agri-food industry is realizing that globalization means having a physical presence in key international markets. The robust North American agri-food market appears particularly attractive as a complement and counterweight to Europe's single market, where many Italian agri-food companies are already well-established.

As Italian entrepreneurs develop their expansion plans for North America, Canada's challenge is to position itself as a competitive base from which to develop the NAFTA market, and eventually to target third-country markets in Latin America or Asia. Since the signing of the NAFTA a decade ago, Canadian firms have accumulated ample experience and a proven track record. They are

Canada's Agri-food Exports to Italy



Non-tariff Barriers on Agri-food Exports to Italy

Product	Type of Barrier
Meat	The EU currently recognizes only a handful of Canadian meat-packing establishments and refuses to permit imports of meat from hormone-treated animals.
Canola	The EU limits imports of GMO crops.
Seed Potatoes	There are cumbersome EU plant health restrictions.
Bovine Semen	The Italian Holstein Association applies zootechnical restrictions on imports from North America.

ideal partners for Italian entrepreneurs who want to assess and exploit the North American potential for Italian agri-food products and technologies.

Resources

Web Sites

<http://www.ismea.it>

Istituto per Studi, Ricerche e Informazioni sul Mercato Agricolo, or ISMEA (**Institute for Study, Research and Information on the Agricultural Market**).

Up-to-date news on agricultural products in Italy, including wholesale and retail prices (in Italian).

<http://www.inea.it>

Istituto Nazionale di Economia Agraria, or INEA (**National Institute for Agricultural Economics**).

Information on agricultural economics, statistics, publications, bulletins and research (in Italian).

<http://www.inea.it/links/index.cfm?lang=en>

Managed by INEA, this is the site of **ITAGRIWEB** — a database on Italian agriculture on the Internet.

It includes over 435 listed Web sites, including industry associations, regions, farms, companies, co-operatives, government, research institutes and universities.

<http://www.politicheagricole.it>

Ministero delle Politiche Agricole e Forestali (**Ministry of Agriculture and Forestry**) (in Italian).

<http://www.politicheagricole.it/MiPA/LinksUtili>

Link to Istituti di Ricerca e Sperimentazione Agraria (**National Institutes for Agricultural Research and Experimentation**) (in Italian).

<http://www.foodarea.it>

Official site of the **Italian food industry**. (in Italian)

http://www.foodarea.it/index_associazioni.html

Link to Associazione Industriali delle Carni, or ASSICA (**National Association of Meat Producers**) (in Italian).

<http://old.confagricoltura.it>

Confagricoltura (**Italian agricultural confederation**) regional and national offices (in Italian).

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BIOTECHNOLOGY

A Good Fit for Canadian Firms in Pharmaceuticals

The Italian pharmaceuticals market is the fifth-largest in the world. With combined public and private expenditure at \$23 billion, it is currently growing at a rate of 5% per year. Imports account for 35% of all sales. The largest pharmaceutical multinationals all have local manufacturing facilities, often as a result of acquiring an Italian company. Particularly well-entrenched are European firms.

The sector's weakness is in research and development. In 1999, Italy invested only 1.1% of its GDP in pharmaceutical R&D, lagging with Spain behind all other EU countries. National policies have been unsupportive, and R&D incentives have been lacking.

The biotechnology sector related to health care had a turnover of \$1.4 billion

in 1998. Imports dominated sales, since the local industry's capabilities are confined mainly to diagnostics and vaccines.

Overview

Exports, Partnering and Licensing

Canadian companies looking for export opportunities should consider over-the-counter products. In 1999, sales of these rose by 5.1% from the previous year, accounting for 4% of the entire Italian market value. Also rising steadily is the demand for nutraceuticals and natural remedies as interest grows in alternative medicine, especially herbal or homeopa-

thic remedies and weight-control products. The market share of generic products is still very small, and the outlook for the next couple of years is not positive.

The largest Italian manufacturers are Menarini, Recordati, Bracco, Sigma-Tau, Chiesi, Alfa Wasserman and Dompé. All these medium-sized companies are committed to globalization, and they seek to acquire small pharmaceutical firms abroad. Having consolidated their position within the EU, some of them are beginning to look to the affluent North American market. They may be interested in partnering and licensing ventures, and in contracting out R&D and clinical trials. In terms of dimensions and profile, Canadian SMEs might offer a far better fit than much larger multinational companies.

Businesses wishing to enter the Italian market should have an agent or distributor who is well-connected and active throughout the country.

Registration Procedures

Pharmaceuticals must be registered with Italy's Ministry of Health. Product-licensing applications are based on centralized or national procedures, or mutual recognition. The latter method is the easiest way to obtain registration in the European Union, since it involves a relatively short waiting time, usually around 150 days. This method also allows drugs that are registered in a Member State to be registered anywhere in the EU.

Canada and the EU have signed a Mutual Recognition Agreement (MRA) on Good Manufacturing Practices (GMP) for medical/drug products. When fully implemented, it could help Canadian firms to export pharmaceuticals to Italy. During the operational phase of the MRA, the manufacturer's certification on the conformity of each batch will be accepted during importation.

Resources

Market Reports

Survey of the Italian Pharmaceutical Sector, 1999. For copies, WIN-registered Canadian companies may apply directly by e-mail to: milan_td@dfait.maeci.gc.ca

The Nutraceutical Market in Italy, 2000. Available on the Web at: <http://www.infoexport.gc.ca/main-e.asp?act=2>

Web Sites

<http://www.hc-sc.gc.ca/hpb-dgps/therapeut/htmleng/intagree.html>

Relevant Canada-EU agreements.

http://www.canada.it/en/tra_com_ser/life_sciences/pharm-reg.html

Registration procedures for pharmaceuticals in Italy.

<http://www.italytech.com/htc/Directories>

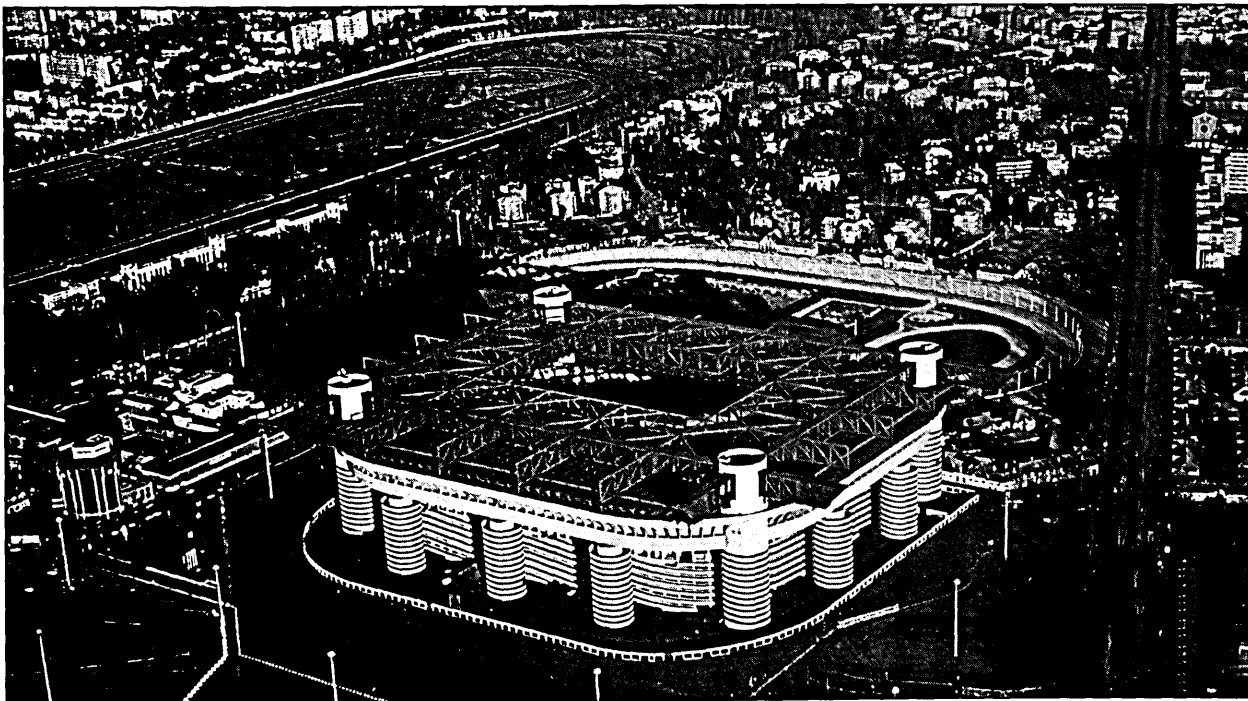
Associazione nazionale per lo sviluppo delle biotecnologie, or **Assobiotec** (National Association for the Development of Biotechnology).

<http://www.servizi.farindustria.it>

Associazione Nazionale dell'Industria Farmaceutica, or **Farindustria** (Italian Association of Pharmaceutical Industries) (in Italian).

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Stadio Meazza in Milan (Photo courtesy of the Italian Government Tourist Board)

MEDICAL DEVICES

Strict Requirements, Plentiful Opportunities

In 1999, Italy's market for medical devices — including aids and assistive devices — was valued at \$8 billion, ranking third in Europe (behind Germany and France) and fifth in the world. Imports, mostly from multinationals, accounted for 70% of this amount.

The local industry consists of some 700 manufacturers located mainly in northern Italy, with expertise in X-ray equipment, ultrasound and magnetic resonance imaging (MRI), cardiology, dialysis and implantables, anesthesia and respiratory equipment, and dental products. All major multinational manufacturers are present in Italy, and most have established local subsidiaries.

Overview

CE Marking

Most medical devices sold in the EU must bear the CE mark indicating compliance with the European Commission's Medical Devices Directive (No. 93/42). The mark is issued by a Notified Body — i.e. an agency duly authorized by a local government. Once obtained, the CE mark is valid throughout the European Union. If you wish to export to Italy but have not yet obtained a CE mark for your products elsewhere in the EU, you should apply to a Notified Body in any EU member state. Two examples are TÜV in Germany (<http://www.tuvps.com/home.cfm>) and the British Standards Institution in the U.K. (<http://www.bsi-global.com/group.html>).

Often, an exporting manufacturer hires a consulting firm specializing in regulatory issues to act as intermediary between it and the Notified Body, and to speed up bureaucratic procedures. For further information, contact the Consulate General in Milan.

Public-sector Sales

Public hospitals account for 70% of purchases, and the private sector for 26%. Hospitals issue public tenders, and any company wishing to bid must be registered and qualified as a supplier or service provider to the public health-care system. Bidding is open to foreign firms, but most would need an Italian representative or subsidiary to deal with the various complex systems and the intricate bureaucratic procedures involved.

Pricing is an extremely important factor, as hospitals and clinics have been forced to cut all costs to a minimum. From disposables to electrical devices, all purchases are now screened on a point system, with significant weighting given to price.

Public health-care organizations are known for very slow payment; in 1999, the average delay was 277 days.

Opportunities for Exporters

Previously, most sales went through regional dealers. Now the trend is for manufacturers (especially multinationals) to employ staff for direct sales, particularly in the north. The result is that many independent distributors are actively looking for new and alternative suppliers or product lines to replace those they have lost.

Export opportunities exist for literally any medical device, provided it meets EU standards, and can compete in terms of quality and price. Strongly in demand are: diagnostic equipment; cardiovascular, orthopedic, rehabilitation, intensive care, respiratory or dialysis devices; and aids for the disabled.

A local agent or distributor is strongly recommended.

Resources

Market Reports

The Italian Medical Devices Market: A First Approach for Canadian Exporters — Insight and Opportunities, 1998. For copies, WIN-registered Canadian companies may apply directly by e-mail to: milan_td@dfait.maeci.gc.ca

The Telemedicine Market in Italy, 1999. Available on the Web at: <http://www.infoexport.gc.ca/main-e.asp?act=2>

Web Sites

<http://www.assobiomedica.it>

Associazione Nazionale per la Tecnologia Biomedica e Diagnostiche, or **Assobiomedica** (Italian Association for Biomedical and Diagnostic Technology).

The Association organizes matchmaking events for Canadian companies in co-operation with the Consulate General in Milan.

<http://www.eucomed.be>

EUCOMED (European Non-pharmaceutical Medical Technology Industry Association)

Contact

Sandra Marchesi
Business Development Officer
Consulate General of Canada
Milan

Tel.: (011-39-02) 6758-3351

Fax: (011-39-02) 6758-3900

E-mail: sandra.marchesi@dfait-maeci.gc.ca

Web site: <http://www.canada.it>

THE ENVIRONMENTAL SECTOR: Italy Means Business

Italy's environmental market is growing rapidly. Environmental awareness is increasing in the country, and more and more money is being spent on environmental efforts. The 1998 Ministry of Environment budget was approximately \$82 million, of which 45% was spent on water treatment, 30% on nature conservation, and 13% on pollution and air quality. In 1997, (the latest year for which figures are available), Italy produced 63.6 million tonnes (Mt) of waste. Of this, over 1.4 Mt was recovered by mandatory recycling consortia — double the amount for 1990.

Italy currently recycles 70% of its glass, 90% of its aluminum beverage cans, 98% of its used engine oil, 65% of plastic used in agriculture (greenhouses) and 85% of its lead-acid batteries. Most of the recycling is handled by the mandatory recycling consortia, financed by a levy on producers and importers of recyclable materials. The consortia were recently

reorganized and a National Packaging Consortium was created (Consorzio Nazionale Imballaggi, or CONAI). The system is top-heavy and will probably be at least partially privatized.

Overview

Legislation is driving the expansion of the Italian environmental industry. In 1997, the Italian government passed a law converting the existing tax on urban solid waste into a tariff, applying the "polluter pays" principle. The law took effect at the beginning of 1999.

The most important innovation in the waste sector is a 1997 law that incorporates a number of EU directives on waste, hazardous waste and packaging. The law sets new general regulations for all waste, and rationalizes and simplifies waste management. It calls for adoption of a standardized definition of waste, introduction of clean technology, streamlining of recycling

procedure authorizations, and construction of an integrated network of disposal plants. The law also provides for a special joint public- and private-sector program to create real opportunities for waste recycling.

Canadian companies could be players in this rapidly growing market, particularly in recycling, water treatment, pollution-monitoring systems, and disposal of special and hazardous waste. Italy can benefit from industrial co-operation arrangements with Canadian firms that are leaders in these areas.

Resources

Web Sites/Information

<http://www.meteo.cesi.it>

Servizi Specialistici Meteo Ambientali (in Italian)

<http://www.regione.piemonte.it/ambiente>

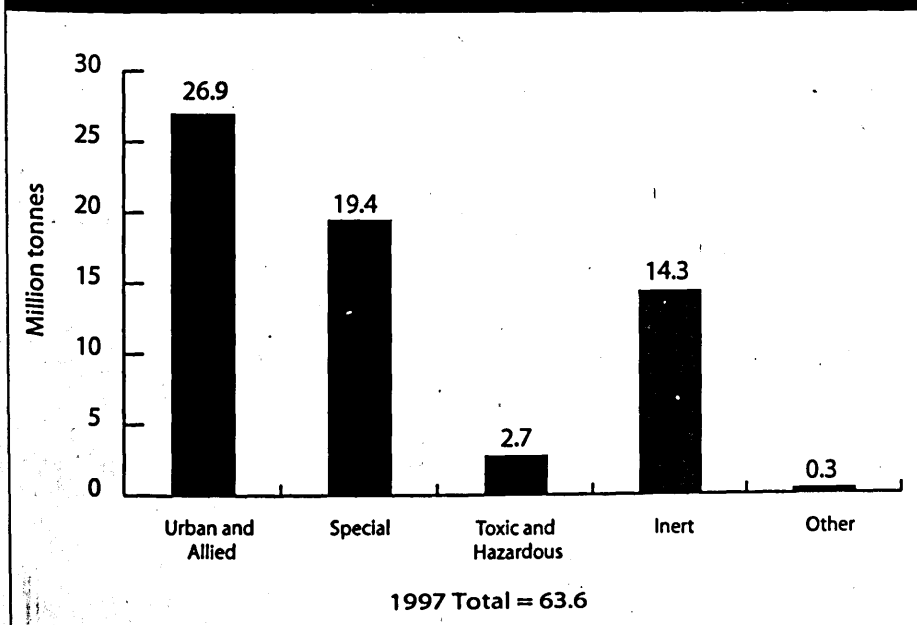
Governo dell'Ambiente e Informazione Ambientale (in Italian)

Ambiente Italia: Istituto di Ricerche

Tel.: (011-39-02) 277-441

Fax: (011-39-02) 2774-4222

Waste Generated in Italy



Contact

Patrizia Giuliotti
Business Development Officer
Canadian Embassy
Rome
Tel.: (011-39-06) 44598.3352
Fax: (011-39-06) 44598.754/752
E-mail: rome-td@dfait-maeci.gc.ca
Web site: <http://www.canada.it>

INFORMATION AND COMMUNICATION TECHNOLOGIES

Italy is Increasingly Connected

Overview

The Italian information and communications technologies (ICT) market, which is experiencing sensational growth, is driven by three main areas of development:

- **mobile services**, where Italy is consolidating its leadership in Europe;
- **fixed voice and data services**, where there is growing competition and the emergence of numerous new operators offering high speed voice and Internet connectivity to businesses; and
- **on-line services**, where free Internet offers helped to create a 280% increase in Internet users in 1999.

In spite of this growth, Internet penetration in Italy has not caught up to North American rates and those of other EU countries. As well, Italy continues to lag in the transition to e-commerce and a knowledge-based economy. However, the country has undergone a dramatic "awakening" regarding the importance of connectivity and the Internet, and of catching up with what is now recognized as global competition toward a new economy. Italy's "Internet

Awakening" offers unprecedented opportunities for Canadian companies. Italy cannot fulfil its enormous needs alone, and has sought out a partnership with Canada, since our expertise in this sector is world-renowned. Recognizing Canada as a leader in this field, the Italian government signed a Memorandum of Understanding with Canada last March to promote joint Internet projects. Sectors offering the greatest opportunity include on-line education and training; e-commerce applications; community networking; and wireless access portals and services.

At the same time, the advent of a myriad of new private-sector telecom operators, service companies, and new .com ventures modelled on North American examples offer exciting partnership and investment opportunities for Canadian companies looking to enter or expand both in Italy and in the greater European market.

Challenges

Canadian companies must show a commitment to the Italian market by working with Italian allies to provide solutions for that country's problems, and by giving the impression that they are there for the long haul.

Canadian companies must realize that, although Italy can provide big payoffs, it is a complex and sophisticated market that requires patience, careful preparation, and a good understanding of local idiosyncrasies and the political/regulatory environment.

Italy must be made more aware of Canada as a world supplier and developer of ICT solutions and equipment, on a par with the United States, France, Germany, the United Kingdom and Japan.

Resources

Visit our Embassy Web site at <http://www.canada.it>

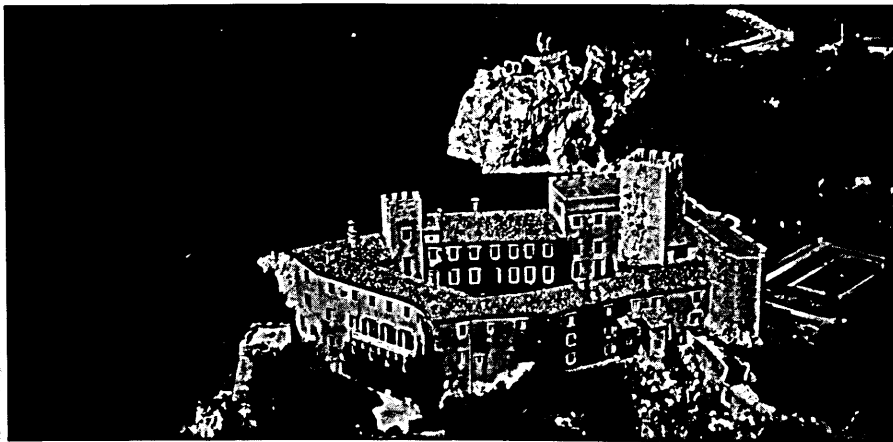
Canada had a national stand at Italy's largest ICT trade fair, SMAU, October 19-23, 2000 in Milan. Although many of those who participated at SoftWorld were not at SMAU, the Web site for the show is excellent and is well worth a visit, as it provides excellent profiles and links: <http://www.smau.it>

Visit the Web site of the Italian Institute for Foreign Trade at <http://www.ice.it> (in Italian)

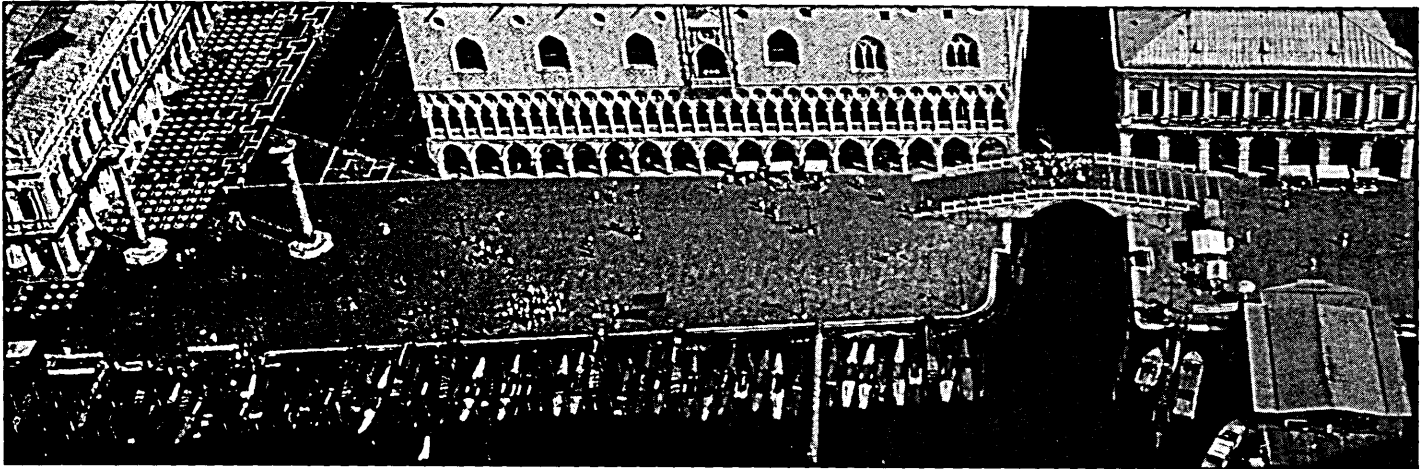
Contacts

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 Fax: (011-39-02) 6758-3900

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 Business Development Officer
 Canadian Embassy
 Rome
 Tel.: (011-39-06) 44598-1
 Fax: (011-39-06) 44598-754



Picturesque Castello Duino in Trieste. (Photo courtesy of the Italian Government Tourist Board)



Gondolas outside the Palazzo Ducale in Venice (Photo courtesy of the Italian Government Tourist Board)

ITALIAN CHAMBERS OF COMMERCE ACROSS CANADA

Canada has a vibrant Italian business network, with four Italian Chambers of Commerce (ICCs). Their main mandate is to facilitate trade and investment between Italy and Canada. These non-profit Canadian corporations are recognized by the Italian government and belong to a larger, worldwide network of 62 ICCs (Web site: www.italchambers.net).

For Italian clients coming to Canada and Canadian clients interested in the Italian market, the four ICCs in Canada offer a variety of business services, including market research, market-entry assistance, business matchmaking, direct marketing, promotions and assistance at trade shows. The ICCs also help to organize missions to Italy and to Canada, and participation in trade fairs in both countries.

For more information, contact:

Italian Chamber of Commerce of British Columbia

206 - 850 West Hastings Street
Vancouver BC, V7L 1X9

Tel.: (604) 682-1410

Fax: (604) 682-2997

E-mail: iccbc@iccbc.com

Internet: www.iccbc.com

Italian Chamber of Commerce of Manitoba

1055 Wilkes Avenue, Unit 113
Winnipeg MB R3P 2L7

Tel.: (204) 487-6323

Fax: (204) 487-0164

E-mail: amt.manitoba@italchambers.net

Italian Chamber of Commerce of Toronto

901 Lawrence Avenue West,
Suite 306

Toronto ON M6A 1C3

Tel.: (416) 789-7169

Fax: (416) 789-7160

Internet: www.italchambers.net/toronto

Italian Chamber of Commerce of Montreal

550 Sherbrooke Street West
Montreal QC H3A 1B9

Tel.: (514) 844-4249

Fax: (514) 844-4875

Internet: www.italchamber.qc.ca

TRADE SHOWS

Automotive

- **MOTORSHOW**, International car and motorcycle exhibition, Bologna, December 8-17, 2000
- **AUTOMOTOR**, International exhibition of automotive components, spare parts and accessories, Turin, March 28 - April 1, 2001
- **AUTOPROMOTEC**, International Exhibition of Equipment and Products for the Servicing of Means of Transport, Bologna, May 23-27, 2001
Web site: <http://www.autopromotec.it>

Agri-food

- **FIERAGRICOLA**, International Agriculture and Livestock Fair, Verona, February 2001
- **MIA - Mostra Internazionale dell'Alimentazione**, International Food and Catering Show, Rimini, February 2001
- **Expo Food**, 34th edition of the International food and beverages exhibition, Milan, April 20-24, 2001
- **CIBUS TECNOLOGIE**, International Food-processing Equipment Show, Parma, October 2001

Bio-Technology and Medical Devices

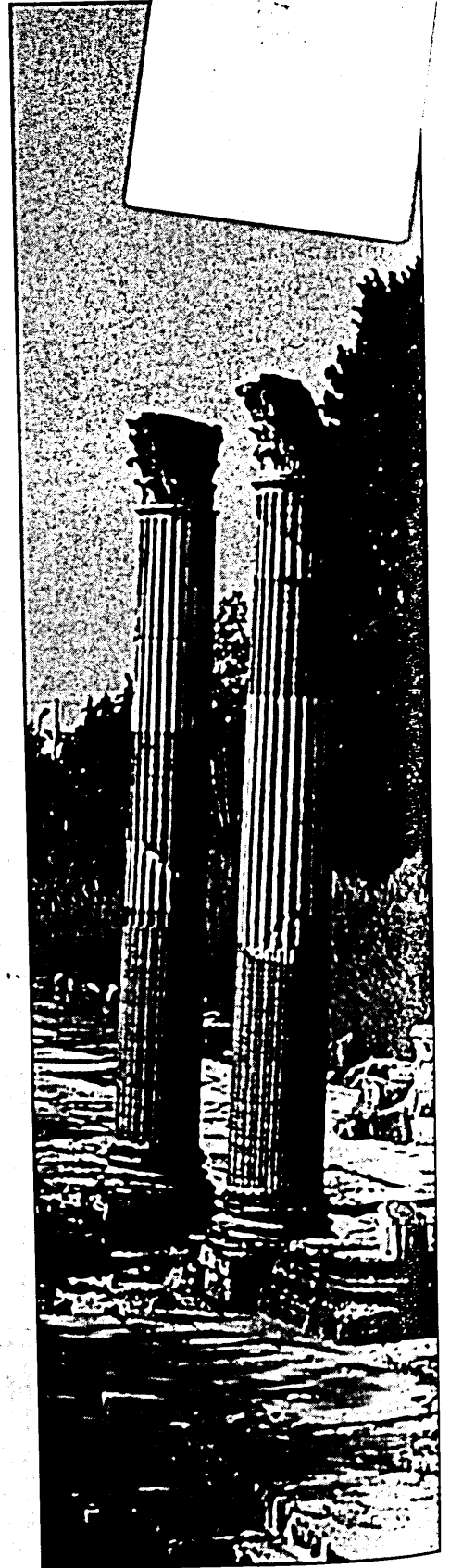
- **EUROSALUTE**, Exhibition of analytical and scientific equipment and biotechnology products, Milan, Fall 2001.
- **International Fair and Exhibition for Chemistry and Biotechnology**, Milan, October 2 - 6, 2001
- **International Expodental - Expotecnodental**, International Exhibition of equipment and materials for dentistry and dental technique, Milan, Fall 2001
- **MAC MOSAN**, Exhibition of chemicals, pharmaceuticals and personal care products, Milan, Fall 2001
- **SANA**, International Health Food, Health & Environment Exhibition, Bologna, Fall 2001

Environment

- **Urbania—Città e ambiente (City and Environment)**, Padova, February 28-March 3, 2001; Web site: <http://www.padovafiere.it/su>
E-mail: info@padovafiere.it/su
- **International Exhibition for Environmental Technology**, Milan, March 14 - 17, 2001
- **Bridging Minds and Markets**, Venice, April 5 - 7, 2001



- **SMAU** | IGT International exhibition, Milan, October 2001



Columns in the forum at Aquileia
(Photo courtesy of the
Italian Government Tourist Board)

The Yangzi River Delta, which is home to over 200 million people, is China's fastest-growing economic region and one of the most concentrated markets in the world. According to official Chinese statistics, there are more cities in the Yangzi Delta that have populations exceeding one million people than in all of North America. The Delta leads the country in market size, economic output, regional GDP per capita, foreign investment and trade, and consumer spending.

The Yangzi Delta Region includes the City of Shanghai and the neighbouring provinces of Jiangsu, Zhejiang and Anhui. The impact of the lower Delta reaches inland, influencing consumption patterns all the way into Chongqing and Sichuan province in the upper reaches of the Yangzi River.

New consumer markets

Consumers in the Region have experienced rapid increases in personal wealth in recent years. Shanghai residents are among the wealthiest in the country, earning 70% more than the average Chinese. Most residents live in low-cost, subsidized housing, and are all subject to China's one child policy, which results in more disposable income. Fast growth and increases in disposable income have translated into major improvements in living standards, a burgeoning middle class and increases in consumer spending.

In all new consumption habits, Shanghai leads the way. Shanghai-ese are diverse in their tastes and preferences. The younger generation is willing to try new products and purchasing methods, while the older generation tends to be more conservative. Younger Shanghainese also prefer to shop at new Western-style department stores rather than the state-run department stores and wet markets. This trend has spread to other retail areas, including supermarkets. Today, there are over 1200 super-

markets in Shanghai, and Shanghai's consumers are known to be acutely brand-conscious, giving great attention to Western-style packaging, advertisements and brand names.

Local Chinese already have a perception of Canada as a vast country with clean air, fertile land, mountains and friendly people. To enhance success in the processed-food sectors,

China's Yangzi River Delta Region worth cultivating

Huge agri-food business\$\$

by Gregory Chin and Laurie Pinard, China and Mongolia Division, DFAIT

As real GDP growth in China continues at an average annual rate of 10%, and the purchasing power of urban consumers increases,

Chinese consumers are demanding higher quality and more variety in the food they buy.



Opportunities for Canadians

As China draws nearer to joining the World Trade Organization, trade practices are being liberalized, and Canadian exporters accessing the growing China food and agri-business market will have fewer restrictions.

Canadians are encouraged to take part in exhibitions and trade shows in China to introduce, advertise and promote their products to local Chinese consumers. They should also make contact with local agents to assist them in importation, promotion, marketing and distribution. There are tariff barriers, and underdeveloped distribution and infrastructure networks, that inhibit food exports to the Region, but despite these restrictions, there are significant opportunities available to qualified Canadian companies.

Canadian importers are encouraged to build on this reputation by being creative, and paying close attention to diverse local market needs, and local consumer preferences in pricing, tastes, and packaging and labelling requirements. The major markets for Canadian producers are:

- **beverages:** soft drinks, tea-based drinks, fruit juices, beer, wine, liquor;
- **bottled water:** enormous demand for drinking water;
- **confectionaries:** growing snack food market;
- **dairy products (still novel):** egg, butter, cheese, fresh milk, ice cream (niche opportunities), yoghurt;
- **ginseng:** world's leading consumer;
- **grains, oilseeds and canola oil:** wheat, malting barley, process alfalfa products;
- **agricultural technologies:** joint ventures and strategic alliances in hog farming, swine genetics, development of beef cattle; advanced meat-processing equipment and meat-slaughtering technology;

Continued on page 12 - China

An EU member, Denmark is a relatively small country with a population of 5.1 million. In terms of information and communications technology (ICT), however, it is a major player, ranking fifth in the world in ICT penetration.

On the cutting edge

Denmark — ICT

Centrally positioned between the Scandinavian peninsula and continental Europe, it is one of Europe's best locations for product distribution. It has a large international airport and well-developed transportation and telecommunications infrastructure. Taking advantage of these are 10,000 companies active in its information technology and telecom business sector.

Denmark is a net importer of ICT. According to the European Information Technology Observatory (www.eito.com), the Danish informatics and telecom market had a turnover of US\$9.2 billion in 1998 and US\$9.5 billion in 1999. The market accounts for 2.92% of Denmark's GDP — well above the West European average of 2.26%. The annual growth rate of the ICT market in Denmark is 8%, again above the West European average of 7.15%.

With its high labour costs and dependence on international trade, Denmark is always looking for information technology solutions and tools aimed at improving efficiency, automation and communications. At the same time, both Danish-based telecom carriers and distributors of data communications/connectivity products are very open to new product enquiries and novel datacom solutions.

Information technology

Approximately 60% of Danish households are equipped with personal computers. Most firms offer their

employees powerful home computers for free or at low cost; in return, employees must upgrade computer skills by taking a training course. Denmark has 33 PCs per 100 inhabitants — almost double the average of Western Europe.

The Danish Internet market is dynamic and growing rapidly. Some 68% of Danish companies have Internet access. By late 1998, some 25% of Danish households were able to connect on line. Last year, Danes paid US\$142 million for access. Estimates put annual growth rates in the country's Internet market at 20% to 30% through the year 2002.

Virtually every type of software can find a market here, with the exception of administrative software packages for businesses — a niche dominated by the Danish companies of Damgaard/Axapta and Navision.

The largest information technology product distributor in Denmark is the U.S. firm of Ingram Micro. Following it are CHS Electronics and Scribona (Sweden), Computer 2000/Tech Data (Germany/U.S.A.), Arrow (U.S.A.), and EET, Blucecom, Kijaka and Datagrossisten (all Danish).

Business prospects

As in other European markets, the trend in Denmark is toward fewer but larger information technology distributors, each carrying fewer products that have higher brand name recognition. Recent years have seen strong growth in foreign ownership and/or foreign acquisitions of Danish firms. The result is that small to medium-sized vendors (including Canadian firms) have a harder time finding well-established Danish distribution channels.

To overcome the problem, larger international vendors have often cho-

sen to establish their own sales/support offices in Denmark (Canadian examples are Corel, Newbridge and Eicon). Other suppliers focus on Internet business-to-business sales and/or target national end-users, whom they approach directly. Contacting one of the larger "broad-line" distributors may pay off on occasion. Otherwise, the Canadian Embassy (www.canada.dk) can help Canadian information technology product vendors locate smaller but more specialized Danish distributors — e.g., companies that specialize in distribution of technical software, tools, Internet-related software, communications software or imaging software.

Many Canadian software firms find doing business in Denmark relatively simple, perhaps because most Danes speak and write quite fluent English. Among the Canadian software firms that have succeeded here are ACL, Corel, JetForm, Softimage and Alias.

Datacom and telecom

Denmark has one of Europe's most advanced telecommunications infrastructures. With its nationwide fibre-optic backbone, the country is an ideal hub for international networks, both for voice and data. Several transatlantic communications cables, including the Canadian CANTAT3, have their European landing point on the western coast of Denmark. Via a variety of carriers, there is access to all current technologies, including ATM, Frame Relay, ISDN, GSM and Caller-ID. ADSL is being offered under a pilot project. Within the next few years,

Continued on page 11 — Denmark



Norway has a small population of only 4.4 million, but it is a world leader when it comes to the use of information and communications technologies (ICT). In fact, the World Times Information Society Index (www.worldpaper.com/ISI/country.html) for the year 2000 ranks Norway in fourth place in ICT, behind Sweden, the United States and Finland.

According to the European Information Technology Observatory (www.eito.com), the Norwegian market for ICT products was worth 6.9 billion euros (\$8.9 billion) in 1998 and 7.7 billion euros (\$9.9 billion) in 1999, with the figure for 2000 projected to reach 8.4 billion euros (\$10.8 billion). The ICT sector accounts for approxi-

A leader

Norway — ICT

mately 5.5% of the country's GDP. Some 43 out of 100 inhabitants, or more than 60% of households, have personal computers. PC sales reached 500,000 units in 1998 and 650,000 in 1999. In late 1999, an estimated 45% of the population had Internet access, either at home or at work

Norway ended 1999 with mobile phone subscribers outnumbering fixed-line subscribers — 2.75 million to 2.45 million. About 60% of Norwe-

gians have mobile phones, putting Norway in second place in the world (after Finland) in mobile phone penetration. Norway started 2000 with only two mobile operators: Telenor and NetCom, both of them operating on GSM and DCS 1800 standards. This fall, four UMTS licences were to be awarded.

Continued convergence

In coming years, technologies will continue to converge. WAP for mobile phones is already available. Soon to follow is replacement of regular TV by the Internet, plus use of television for e-mail and other tasks now performed by PC. ADSL will be a strong competitor to fibre optics. Some 70% of Norwegian homes are expected to be ADSL-connected within the next two years.

E-commerce got off to a much slower start in Norway than in other Nordic countries, but it is projected to explode. The Linux wave is gaining momentum.

Business prospects

Doing business in Norway comes easily to Canadian companies. English is widely spoken, and the market is highly accessible, with little red tape. Norwegians are very straightforward and direct in their business dealings.

Excellent opportunities exist for wireless solutions (both for mobile and local area networks), ASP, data-warehousing solutions, e-commerce and Linux applications.

For more information, contact Bjorn J. Hanssen Commercial Officer, Canadian Embassy, Oslo, tel.: (011-47) 2299-5300, fax: (011-47) 2299-5301, e-mail: bjorn.hanssen@dfait-maeci.gc.ca Web site: www.canada.no ✪

Denmark — ICT

— Continued from page 10

Denmark plans to introduce one or several secure radio systems based on the Tetra standard. Cellular phones based on the GSM (dual band) standard are extremely popular. Some 1.6 million cell phones are now in use.

While some restrictions may remain, Denmark is officially a fully deregulated telecom market. The formerly state-controlled post, telephone and telegraph service, Tele Danmark, is now controlled by Ameritech (U.S.A.). Other large telecom carriers are Great Northern/Sonofon (Denmark), Tele2 (Sweden), Telia (Sweden) and Mobilix (France).

Many of the carriers/operators offer Internet services. For instance, Tele Danmark is the country's largest Internet service provider.

Tele Danmark owns most of the telecom infrastructure in Denmark, but the Danish Rail Authority and Danish power utilities have long had their own national fibre-optic networks capable of carrying datacom

traffic. In partnership with commercial carriers, the Authority and utilities intend to offer services competing with Tele Danmark's.

New telecom services are constantly being offered in both corporate and consumer markets. Among the latest are wireless solutions for corporate and institutional applications. On the hardware side, the market is dominated by large vendors such as Cisco, 3Com, Nortel/Bay/Matra, Newbridge and Eicon.

For more information, contact David Horup, Commercial Officer, Canadian Embassy, Copenhagen, tel.: (011-45) 3348-3258, fax: (011-45) 3348-3221, e-mail: david.horup@dfait-maeci.gc.ca Web site: www.canada.dk

Other Web sites:

- Danish IT Industry Association (www.itb.d)
- Danish Ministry of Research and Information Technology for information on ICT penetration in Denmark (www.fsk.dk) ✪

This year, 200 Canadian and Japanese companies met together on October 5, in Toronto, to discuss business opportunities in Japan's burgeoning IT sector.

The event was part of a week-long mission of Japanese IT small and

the main organizer of the mission in co-operation with the Canada-Japan Industrial Co-operation Forum (ICF) — said that Team Canada "showed us how high tech Canada has become. Up until then, we saw Canada as a country of forest industry, resources and beauty."

Canadian companies were very enthusiastic about the mission and the opportunities that it presented. "I witnessed the closing of a significant deal between a Canadian and a Japanese company with actual money changing hands. I suspect that dozens of other deals will evolve out of this event," said Rob Tran, Co-founder of VirtualExpat.com.

The mission received extensive media coverage, including several television reports on CBC Newsworld on October 11 and coverage by CHRO TV, Ottawa, on October 4. As well, there was an article by William Boei in the Vancouver Sun on October 3 and another by Tyler Hamilton in the *Toronto Star* on October 6.

The Japanese mission members were also keen to return, with 11 out of 47 companies saying that they would definitely come on the next mission to Canada, and 32 out of 47 saying that they would under certain conditions. Obviously, they were suitably impressed with Canadian technology and are looking forward to doing business with Canadians.

For further information, contact David Bostwick, Japan Division, DFAIT, tel.: (613) 996-2460, fax: (613) 944-2397, e-mail: david.bostwick@dfait-maeci.gc.ca

Highly successful visit to Canada

Japan's information technology mission

medium-sized companies that came specifically to Canada to find out what the country has to offer in IT. The mission stopped in Vancouver, Ottawa and Waterloo as well, where similar IT business forums were held. The mission also made a series of site visits to such places as Nortel, the National Research Centre and the University of Waterloo.

The mission was a direct response to last year's Team Canada Mission to Japan. In a CBC Newsworld interview on October 5, Mr. Noboru Hatakeyama, Chairman and CEO of the Japan External Trade Organization (JETRO) —

Japan's IT sector is now booming with the market expecting to expand to US\$1,160 billion by 2004 from US\$850 billion in 1997. The IT revolution is expected to make a great impact on other sectors, given the way goods are distributed in Japan. It is also seen as crucial to the Japanese economic recovery, since Japan aims to become the world's most advanced information communications nation in five years.



Le Canada au Japon
Canada in Japan

China's huge agri-food business\$

— Continued from page 9

- **meat and poultry** (one of the largest markets in the world): pork, beef (still considered a luxury), chilled and frozen meat and edible by-products;
- **live seafood**: very popular.

For more information, contact Gregory Chin, China and Mongolia Division, DFAIT, tel.: (613) 996-7256,

fax: (613) 943-1068, e-mail: gregory.chin@dfait-maeci.gc.ca

The Canadian Embassy in Beijing and the Consulate General in Shanghai can also help Canadian firms to obtain current information on the status of food and agri-business projects, and to identify and contact the appropriate local authorities. For local commercial officers, contact

Henry Deng, Senior Commercial Officer, Agriculture and Agri-food Section, tel.: (011-86-21) 6279-8400, fax: (011-86-21) 6279-8401, e-mail: henry.deng@dfait-maeci.gc.ca or Stella Lui, Commercial Advisor, Agriculture and Agri-food Section, tel.: (011-86-21) 6279-8400, fax: (011-86-21) 6279-8401, e-mail: stella.lui@dfait-maeci.gc.ca

(For the unabridged version, see www.infoexport@dfait-maeci.gc.ca)

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Internet site at www.iboc.gc.ca/leads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown Corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

IRELAND — Uniforms — (Notice received from the Canadian Embassy in Dublin, Ireland.) The Government Supplies Agency has sent out a notice to all contractors for the supply of Garda Uniforms — Ref. No. G/0600. A tax clearance certificate will be required before the tender is accepted. Closing date: February 16, 2001. Contact IBOC, fax: (613) 996-2635, e-mail: eleads@dfait-maeci.gc.ca quoting case no. 001013-04048. Web site: www.iboc.gc.ca/webleads.asp?=&1328en

UNITED ARAB EMIRATES — Joint Venture with Wheelchair Manufacturer — (Notice received from the

International Business Opportunities Centre

Canadian Consulate in Dubai, United Arab Emirates.) One of the largest importers of wheelchairs would like to joint venture with a Canadian company to manufacture wheelchairs locally. The local market imports more than 2000 chairs per year. Feasibility studies indicate that local manufacturing would compete favourably with imported products. Also, the locally manufactured wheelchairs could be exported to the Gulf neighbouring countries. Contact IBOC, fax: (613) 996-2635, e-mail: eleads@dfait-maeci.gc.ca quoting case no. 001016-04061.

NIGERIA — Digitalization of 18 exchanges — (Notice received from the Canadian High Commission in Lagos.) Nigerian Telecommunications Ltd. (NITEL) has issued an invitation to tender for the digitalization of 18 exchanges nationwide and of various sizes. Interested bidders are advised that both a Certificate of Incorporation and a Tax Clearance Certificate must be presented before obtaining tender documents. The non-refundable fee for tender documents is N500,000.00. Closing date: December 28, 2000. Contact IBOC, fax: (613) 996-2635, e-mail: eleads@dfait-maeci.gc.ca quoting case no. 001002-03905. Web site: www.iboc.gc.ca/webleads.asp?=&1226en *

IBOC trade opportunities — find out more at www.iboc.gc.ca

Omnitrix Ltd.

— Continued from page 3

the international market, Teolis sensed quite early that pushing his product was simply not enough. Instead, he concentrated on delivering what his clients were looking for — a totally integrated solution.

"Capturing the tender for Guyana has fit nicely into our export plan," said Teolis. "IBOC has given us a foot in the door to future growth in South America. We've set a positive relationship in motion with Guyana, which makes future contracts in this end of the southern hemisphere a definite possibility." *

(For the unabridged version, see www.infoexport@dfait-maeci.gc.ca)

Wiring the Tiger

— Continued from page 1

culture and the business environment," he said. "And appreciate that it will pay off in the long run."

While Canada's total exports to Thailand slowed during the Asian economic crisis, today they are showing growth. Canadian exports from January to July 2000 were up over 13%, over the same period last year. But with this modest forecast comes a warning to get a jump on the competition. "If you don't get into the market early enough, you're going to be steamrollered by other companies," said Ron Pasternak, Assistant General Manager with the Bank of Nova Scotia in Bangkok

Peter van Haren, president of the Thai-Canadian Chamber of Com-

merce, repeated the general consensus that the Thai economy is well on the way to recovery. With the Thai government implementing pro-business policies, the forecast looks especially bright for Canadian high-tech companies interested in Thailand.

For further information on the information and communications technology market in Thailand, contact Carolyn Knobel or Veena Ngaocharoenchitr, Canadian Embassy, Bangkok, tel.: (011-66-2) 636-0540, ext. 3352, fax: (66-2) 636-0568, e-mail: carolyn.knobel@dfait-maeci.gc.ca e-mail: veena.ngaocharoenchitr@dfait-maeci.gc.ca

Also keep an eye out for the March 1 edition of *CanadExport* for a special feature on the Thai market. *

New Zealand is a multi-niche market, with air links and shipping services that offer highly convenient connections to many destinations, including Canada. The country has a small population of 3.8 million, but

New Zealand Sunny skies for business

its proximity to Australia (pop. 18 million), just like Canada's proximity to the United States, is a real advantage.

Canada-New Zealand ties

New Zealand and Canada are joined by close ties of culture and kinship, a shared inheritance of parliamentary democracy, and similar social values. Diplomatic relations date back over 60 years, and both countries are members of the Commonwealth and APEC.

In 1999, Statistics Canada estimated total Canada-New Zealand bilateral trade at \$570 million, while Statistics New Zealand estimated 1999 imports from Canada at \$269 million.

As of March 1999, Canada ranked sixth as a source of equity investment in New Zealand, with investments of \$1 billion; New Zealand investments in Canada amounted to \$2.1 billion. Canada was the second most popular destination for foreign investment from New Zealand — behind Australia but ahead of Britain and the United States.

Opportunities

New Zealand is highly attractive to Canadian companies, because it has similar business practices, and tariff preferences on selected items give Canadian businesses a definite advantage over competitors. The country is an ideal fit for the capacity of Canadian companies, particularly small and medium-sized enterprises, in that they are on a scale that is similar to New Zealand firms.

There are strong opportunities in food products, consumer goods, environmental equipment and technology, communications equipment and technology, software, forestry equipment

and technology, power-generation equipment and technology, and a wide range of industrial machinery. Equally strong opportunities exist in the service sector, including business services and tourism.

Partnering arrangements with New Zealand firms can provide a springboard to Asian and South Pacific markets, and Canadian companies can facilitate entry to the North American market for New Zealand enterprises and be ideal partners for firms seeking to expand their North American sales.

Services for Canadian businesses

The Canadian Government Trade Office in Auckland concentrates on the priority sectors of agriculture, agri-food, forest industries, information and communications technologies, and consumer products. At the same time, the Office will assess the potential of the sectors of biotechnology, cultural industries, marine industries, service industries and capital projects.

Upcoming trade exhibitions in New Zealand

- National Agricultural Field Days, Hamilton, June 13–16, 2001
- Autotex-Autospeed, Auckland, July 20–22, 2001
- Buildex (architectural, building, construction and hardware), Auckland, August 12–14, 2001
- World Conference of Surgical Patient Care and Exhibition, Christchurch, Sept. 2–7, 2001
- Christmas Stocking Fair, Auckland, Sept. 30–Oct. 3, 2001
- Forest Industries Exhibition Rotorua or Taupo, February or March 2002

For further information and assistance, e-mail the Canadian Government Trade Office in Auckland: akInd@dfait-maeci.gc.ca

The Trade Office has a close alliance with the Canada-New Zealand Business Association, which seeks to promote closer economic co-operation between the two countries. For details on the Association's services and activities, as well as membership information, contact: ibanz@extra.co.nz

(For the unabridged version, see www.infoexport@dfait-maeci.gc.ca)

The Talsint Oil Field

The Moroccan-U.S. firm Lone Star Energy Corporation discovered an oil field in the Talsint region in southeastern Morocco, which might provide reserves of 1.5 to 2 billion barrels, once exploitation is begun in 2003 or 2004. The pool is estimated to contain 50 to 100 million barrels.

In addition to enabling Morocco to save on its annual oil bill, which amounts to about \$1.5 billion, this field could help the country to improve its trade balance and balance of payments, to have a larger gross domestic product and to lower the costs of production for its industries.

Morocco's expanding oil exploration should provide opportunities, particularly in the services sector, and,

if the economic viability of the field is confirmed, the construction of an oil or gas pipeline to transport hydrocarbons from the field to a seaport or refinery would be considered. Canadian companies with the necessary expertise and experience might also supply engineering and surveying studies, and infrastructure construction.

For more information, contact Leopold Battel or Zouhair Kanouni, Canadian Embassy, Rabat, tel.: (011-212-7) 68 74 36, fax: (011-212-7) 68 74 15, e-mail: leopold.battel@dfait-maeci.gc.ca or zouhair.kanouni@dfait-maeci.gc.ca

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Puerto Rico, located in the Antilles island chain, has a population of 3.9 million. It is a bilingual, bicultural commonwealth whose people have enjoyed U.S. citizenship since 1917. Puerto Ricans, who are self-governing, share the U.S. currency, military and postal system but do not vote in presidential elections. They are instead represented in the House of Representatives by a Resident Commissioner who has a voice, but no vote.

Puerto Rico also provides a bridge linking North America to the Latin American world of trade in the Caribbean,

An overview

Puerto Rico

Central America and South America. As such, it offers great opportunities for Canadian exporters in construction, utility projects, transportation, municipal projects, tourism, housing, post-hurricane reconstruction, retail, health-care facilities, U.S. government projects and industrial construction.

To request a more complete report, contact William B. Stolz, Business Development Officer, Canadian Consulate General, Atlanta, tel.: (404) 532-2017, fax: (404) 532-2050, e-mail: william.stolz@dfait-maeci.gc.ca *

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IDEX 2001

ABU DHABI, UNITED ARAB EMIRATES

— March 18-22, 2001 — IDEX 2001

is the fifth in a series of defence exhibitions begun in 1992. IDEX 1999 received widespread media coverage as the century's biggest, most comprehensive defence exhibition. Over 800 companies from 41 countries participated; attending were 40,000 defence professionals from around the world and 80-plus official defence delegations, including defence ministers and chiefs of staff.

With the emphasis on upgrading post-Gulf War equipment purchases, IDEX 2001 will serve the crucial emerging markets of the Middle East, particularly the Arabian/Persian Gulf, as well as India, Pakistan and other Asian countries. IDEX focusses on Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (U.A.E.) — countries continually making new defence purchases or upgrading their existing equipment, including naval vessels, helicopters, armoured personnel vehicles, mechanized infantry combat vehicles, main battle tanks, communications equipment, land/sea anti-mine systems, radar, ordnance, electronic warfare systems, small arms, air-to-surface missiles, trucks and artillery.

A national stand at IDEX 2001 will showcase Canada's defence and aerospace offerings, and will provide participants the opportunity to interact with regional decision-makers.

IDEX 2001 is organized by General Exhibitions Corporation in co-operation with the Abu Dhabi Chamber of Commerce and Industry.

For more information, contact Naeem M. Siddiqui, Fouress InterCon

Limited, Ajax, Ontario, tel.: (905) 427-9364, fax: (905) 427-9762, e-mail:

fouress@total.net, or Dr. Maher Abou-Guendia, Counsellor (Commercial), Canadian Embassy, Abu Dhabi, tel.: (011-971-2) 456-969, fax: (011-971-2) 458-787, e-mail: maher.abou-guendia@dfait-maeci.gc.ca *

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EXPO COMM

MEXICO CITY — February 6-9, 2001 —

Canada is hosting a national stand at Mexico's most important telecommunications trade show, EXPO COMM.

Telecom opportunities abound in Mexico, driven by strong economic growth, deregulation, increasing integration into the North American and global economies, and growing demand for Internet and e-commerce applications. The sector is undergoing major development and capital investment, and is attracting growing numbers of foreign telecom service providers. Specific areas of opportunity include:

- **wireless market:** The low teledensity rate and the proximity of the United States make Mexico an extremely attractive market. With

cellular penetration rates below 8% (8 million subscribers), there is plenty of room for growth, and Mexico's cellular penetration will probably surpass wireline by 2001. Indicators point to scorching growth and fierce competition in both 2000 and 2001. Pyramid Research predicts that Mexico's mobile market will climb to 11 million subscribers by 2001 and to nearly 15 million in 2002.

- **Internet service providers and e-commerce:** Mexican telecommunications companies and ISPs are racing to offer new Internet services such as IP telephone, e-commerce and virtual private networks (VPNs). With deregulation of value-added services, service provider and end-user numbers have surged, particularly in the Internet sector. Mexican e-commerce will reach US\$2 billion

Continued on page 16 - EXPO COMM

Distance education in Mexico

At the 10th International Congress of the Mexican Association of Continuing Education in September, Canada had a strong contingent. Canadian presentations covered key topics. A Canada Business Room facilitated matchmaking between Mexican and Canadian institutions and companies; and a Canadian Information Booth promoted Canadian education programs.

The Mexican market for continuing and distance education is large, growing and lucrative. Among the opportunities: non-credit courses; course partnerships; human resources development; postgraduate studies; exchange programs; distance education technology; and corporate distance education programs.

The Ninth International Distance Education Summit takes place at the University of Guadalajara, November 27-30. Participating: over 100 educational institutions and 250-plus individuals. An excellent opportunity to learn about Mexican continuing and distance education, and to network!

For more information, contact Ted Mackay, Trade Commissioner, Mexico Division, DFAIT, tel.: (613) 995-0460, e-mail: ted.mackay@dfait-maeci.gc.ca

(For the unabridged version and photos, see www.infoexport@dfait-maeci.gc.ca)

EXPO COMM — Continued from page 15

in annual revenues by 2003, according to IBM Mexico President Alfredo Capote Sanchez.

The Canadian Embassy in Mexico City is seeking market-ready Canadian companies to take space in a national stand at EXPO COMM. The show is an excellent venue for introducing a company to the Mexican market; gaining market information and intelligence; and identifying potential clients, partners and distributors.

Companies can also take part in seminars organized by the Embassy during the show. These will give a

unique platform to each company to present itself, and its products and services, to a well-informed Mexican audience.

For more information, contact Marco Rodriguez, Canadian Embassy, Mexico City, tel.: (011-52-5) 724-7900, e-mail: marco.rodriguez@dfait-maeci.gc.ca, or Ted Mackay, Mexico Division, DFAIT, tel.: (613) 995-0460, fax: (613) 996-6142, e-mail: ted.mackay@dfait-maeci.gc.ca, Web site: www.dfait-maeci.gc.ca/mexico

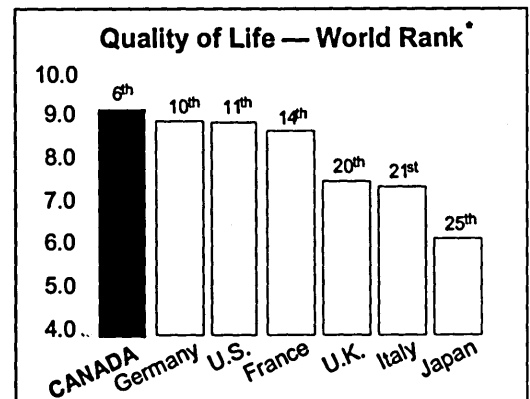
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- **A safe and just society:** Canada tops the G-7 as a safe place to live and conduct business, and ranks 6th in the world at providing equal opportunities for individuals (the US comes in at 35).**
- **Lowest cost of living:** Canada has the lowest cost of living in the G-7.*

For more information on investing and doing business in Canada, click on www.investincanada.gc.ca or call (613) 941-0354, fax: (613) 941-3796, e-mail: lanoy.louise@ic.gc.ca

** Source: World Competitiveness Yearbook, 1999
Prepared by the International Institute for Management Development, Lausanne, Switzerland - <http://www.imd.ch/wcy/wcy.cfm>



* Source: World Competitiveness Yearbook, 2000
Prepared by the International Institute for Management Development, Lausanne, Switzerland - <http://www.imd.ch/wcy/wcy.cfm>

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling 1-800-267-8376 (Ottawa region: 944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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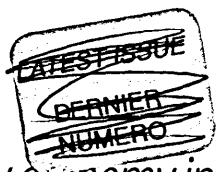
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Vol. 18, No. 20—
December 1, 2000

FOCUS ON SOUTH ASIA
(See supplement inside.)

Canada



The new economy in China

China High-Tech Fair 2000

Dept. of Foreign Affairs
Min. des Affaires étrangères

NOV 30 2000

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Recognizing the emergence of an important high technology economy in South China, Canada recently participated in the second China High-Tech Fair, held October 11 to 17, in Shenzhen, Guangdong province. This followed the successful 1999 event in which Canada had been among the first foreign governments to establish a national stand presence.

Despite its relatively short existence, the China High-Tech Fair is already one of the principal exhibitions on advanced technologies in China.

In fact, it is China's only nationally sanctioned show for high technology, in recognition of Shenzhen's strategic

position in the Chinese economy and the important foreign investment the region has attracted in recent years. China High-Tech Fair Web site: www.chtf.com) The six-day fair, which attracted almost a quarter of a million visitors, produced business deals worth US\$8.54 billion. It also provided valuable opportunities for Canada and the other 21 exhibiting countries to display their high-tech products and technological achievements, and to participate in various forums on the high-tech industry.

The Fair was hosted jointly by China's Ministry of Foreign Trade and Economic Co-operation, the Ministry of Science and Technology,

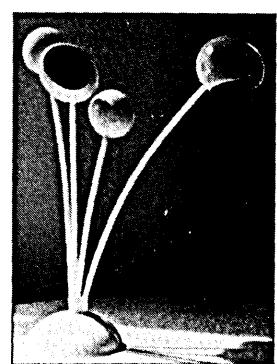
Continued on page 9 - China

Winnipeg furniture designer delivers

Solid tips lead to New York

Curved-top coffee tables, two-legged chairs, rocking book shelves, funky lamps (see photo) — such are the paradoxes inherent in Craig Alun Smith's unique furniture designs. It's no surprise that a man who can embrace such seeming impossibilities can see gold in the market information his company received from Canadian trade representatives in the spring.

Continued on page 2 - Plastic Buddha



—Continued from page 1

Such vision — and “gold” — has taken Plastic Buddha Design Inc. from a small unknown Winnipeg company with no financial backing to a hot new exporter making its first sale in the sophisticated New York market.

Plastic Buddha

Although Plastic Buddha was established in 1998, it wasn't until March 2000 that Smith swung into marketing action. He needed two years to perfect his avant-garde designs (no mean feat — defying appearances, each piece is fully functional).

Targeting the U.S.

From the beginning, the United States was Smith's target market. As he explains, “The U.S. has a larger overall market base than Canada, and consumers have more disposable income and are generally more willing to take risks.”

His exporting instincts were sound. Within a month of putting up its Web site and beginning to contact U.S. retailers, Plastic Buddha began to attract attention — notably from Terminal NYC. The “funky gallery-boutique” in Soho contacted Smith looking to be his New York agent, as well as to present his company at New York's International Contemporary Furniture Fair (ICFF) in May 2000.

Seeking financial assistance to offset the costs of attending the trade fair led Smith to the International Trade Centre (ITC) in Winnipeg — and to Trade Commissioner Charles Hatzipanayis. Although not eligible for financial assistance, Smith nevertheless benefited from the meeting. “Charles said he could give us information,

and he did. He explained what we needed to do to enter the U.S. market, and recommended that we visit the Canadian Consulate General in New York.”

Striking gold at the Consulate

It was at the Consulate that Smith and business partner Tara Walker

struck gold. From Business Development Officer Leila Thibault, they received information specific to the Tri-state furniture market, including demographics, potential customers, and average selling price of furniture items.

Fortified with this gold mine of information, Smith spent the next six weeks rewriting the company business plan and took it to his credit union. “They said, ‘Great business plan,’ and they refinanced the company.”

Smith credits the assistance of the Canadian trade representatives with putting his company in the financial and market position it is today. “Looking back at the difference between the few hundred dollars we were originally asking for and the information we received — the information has proved to be infinitely more valuable.”

First ever export sale

At the ICFF in May, Plastic Buddha, a Win Exports-registered company (see box on page 3), made its first sale — through its New York agent. And with the new financing, the company has been able to go into larger-scale manufacturing, as well as develop a new, professional-looking catalogue. “One of the things I believe in most strongly in business is marketing,” explains Smith. “You may have a great product, but if you don't present it in a professional

manner or get the word out about it, no one's going to buy it.”

Eager for his new catalogue, retailers from other U.S. regions, particularly California, are beginning to call. The designer has understandable confidence when he declares: “We're going to go full steam into the U.S. market and see what happens.”

For more information on Plastic Buddha, contact company owner Craig Alun Smith, tel.: (204) 452-3131, fax: (204) 943-5346, e-mail: info@plasticbuddha.com Web site: www.plasticbuddha.com *

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canadexport

There is a huge ripple effect in the pool when one of Survival Systems Limited's Modular Egress Training Simulators (METSTM) is submerged during an underwater escape training session. The Dartmouth producer of safety training products and services continues to feel an equally dramatic reverberation from its participation in three Team Canada trade missions — even four years after the first.

It was his own survival of a serious helicopter crash in 1981 that spurred former Canadian Armed Forces pilot Albert Bohemier (now company president and CEO) to create Survival Systems. His 60-employee company provides safety survival and underwater escape training to military organizations and commercial companies. It also develops and manufactures mobile and fixed-base emergency training simulators, including the Mobile Industrial Rescue Trainer (MIRT) and the METSTM — recognized as the most realistic underwater escape trainer in the world.

To date, the company has done business in 11 countries, with negotiations underway in half a dozen more.

Team Canada results

The success of the 1995 Canada Export Award winner has been considerably

attaché to the Canadian High Commission in Kuala Lumpur, accompanied Bohemier to meetings with the Royal Malaysian Air Force. And it was through the facilitation of trade commissioners at the Embassy in Seoul

Dartmouth company benefits from Team Canada Ripple effect

enhanced by its participation in three Team Canada trade missions: India, Pakistan, Indonesia and Malaysia in 1996; Korea, the Philippines, and Thailand in 1997; and Mexico, Brazil, Argentina and Chile in 1998.

Among the direct results of its participation were a \$1-million contract for the sale of a METSTM system to the Korean Royal Navy, the establishment of an industrial safety training subsidiary in Brazil, and the appointment of agents in Malaysia and Korea.

Continuing reverberations

These immediate sales are only the beginning of the story. "There's a very long-term benefit that occurs after a mission," explains Bohemier.

He should know. Along with current negotiations under way for continued business in Korea and Brazil, in July 2000 the company signed a US\$100,000 contract for the sale of a METSTM system to a Malaysian offshore safety training centre — a full four years after the mission to that country.

Trade commissioners ease the way

Bohemier credits Canadian government support with helping seal the company's international deals. Most contracts would not have been possible without insurance from the Export Development Corporation, while registration on Win Exports gives Survival Systems extra credibility and exposure.

As for the Canadian trade commissioners, "they facilitate meeting the right people." In Malaysia, Lieutenant Colonel Michael Murphy, then military

that the company hired the agent who subsequently helped it outbid three international competitors for the Korean navy contract.

Presence and persistence

His advice to other Canadian exporters? "Pack your bags and go do it."



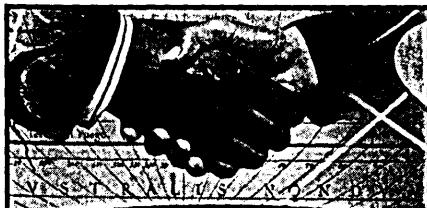
Survival Systems Limited's Modular Egress Training Simulator (METSTM).

You don't sell internationally from your home base. Your eventual success is a result of repeated visits and face-to-face presentations."

While penetrating the Korean market was relatively easy, Brazil, says Bohemier, was quite a different story. But even difficult markets don't put him off: "I never give up."

The words are a fitting motto for the survivor of an air crash and the owner of a thriving business that has earned a well-deserved name — and dollar — for itself around the world.

For more information on Survival Systems, contact President and CEO Albert Bohemier, tel.: (902) 465-3888, ext. 130, fax: (902) 465-1271, e-mail: albertb@ns.sympatico.ca Web site: www.survivalsystemsgroup.com *



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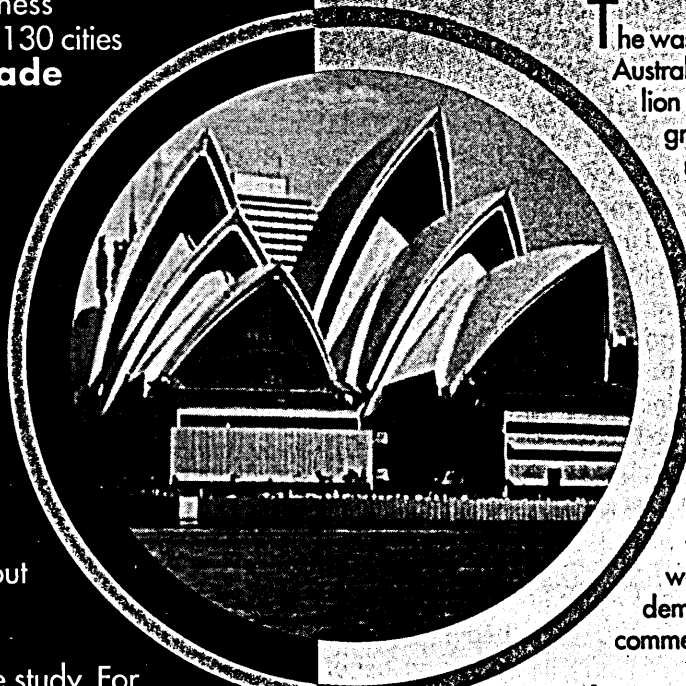


AUSTRALIA — The Waste M

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The waste management market in Australia is estimated at \$61.3 million for 2000 and is forecast to grow at an average annual rate of 2% from 1998-99 to 2001-02. This growth rate — which is faster than that of the general economy — is largely due to growth in the demand for waste management services and a recent transfer of activity from the government to the private sector. The waste management industry deals with municipal waste, construction and demolition (C&D) waste, and commercial and industrial waste.

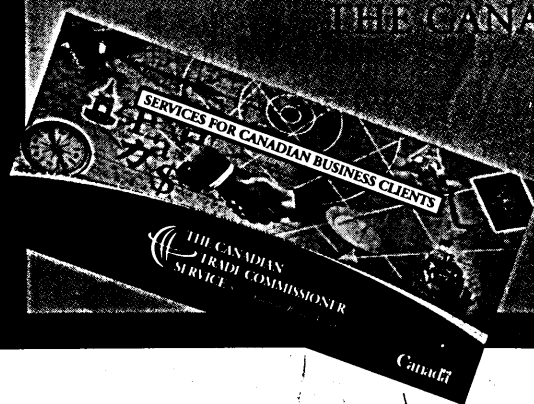
Market Overview

In 1990, the Australian and New Zealand Environment Conservation Council (ANZECC) set a goal of reducing waste sent to landfill to 50% of 1990 levels by the year 2000. A number of initiatives, including the Packaging Covenant, have been successful in diverting waste from landfill. However, population growth and the growth in domestic waste generated per household,

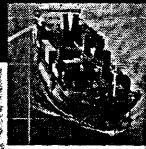
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combined with the lack of markets for recyclables, has lowered the value of recyclables. At the same time, a decreased amount of land available for landfill sites has resulted in higher costs for existing landfills. Public concern over pollution has resulted in protests over prospective landfill sites being built in or around communities.

operation of transfer stations and landfills. Initially, private sector participation in the waste management industry is likely to be in the form of contracts for the provision of services, including providing new landfill sites and equipment. Increasingly, waste management systems will be owned and operated by the private sector.

for new technologies that have been proven effective.

Canadians wishing to enter the Australian market should work with an agent or distributor, or consider entering via joint ventures or other strategic alliances.

Australia also makes a good base for ventures into the growing Asian market because of its proximity and industry expertise in the area.

Australian Market Size for Solid Waste Recycling Equipment (\$ millions)

	1998	1999	2000	Projected Avg. Annual Growth for 2001-02
Import Market	41.2	42.0	42.9	2%
Local Production	18.8	19.0	19.4	2%
- Exports	-1.1	-1.0	-1.0	3%
Total Market	58.9	60.0	61.3	2%

Source: U.S. & Foreign Commercial Service and U.S. Department of State, *Australia: Solid Waste Recycling Equipment* — ISA990401, April 1, 1999.

See Potential?

To learn more about this market, please read the full report, *The Waste Management Market in Australia*. The report, prepared by the Market Research Centre of the Trade Commissioner Service, is available on-line at www.infoexport.gc.ca

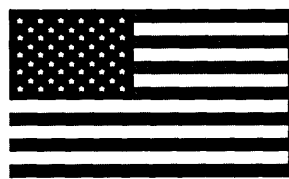
The involvement of local governments in the treatment and disposal of waste varies from state to state. For example, in New South Wales the state government is responsible for 29% of waste management activities, the Victoria state government 38%, Queensland 75%, South Australia 54%, and Western Australia 66%.



While local governments are the main customers for the collection and transportation of household and municipal waste, recent outsourcing by all levels of government has led to a growth in private industry involvement in the

Opportunities

Exporters will find Australian companies receptive to Canadian environmental goods and services. Best prospects currently lie in new technologies for green waste (lawn clippings, flowers, leaves, twigs, and branches), recycling equipment, automated separation systems and components, and rubber and tire shredding equipment. Australians will be looking



The U.S. Connection

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Mermaid Theatre of Nova Scotia

Mermaid Theatre of Nova Scotia ranks among North America's most respected theatres for the young, introducing literature through theatre to more than 2.5 million children worldwide. Based in Windsor, in the Annapolis Valley, the company regularly tours Canada and performs in U.S. cities from Anchorage to Orlando, and from New York to Honolulu. In fact, the company has toured more extensively in the United

States than in Canada!

This season — its 28th — Mermaid Theatre will continue touring its adaptation of the children's classic *The Very Hungry Caterpillar* by Eric Carle, and the "sequel" *The Very Quiet Cricket*. Since the production's launch in 1999, it has received international acclaim, with its unique combination of Carle's colourful collages and Mermaid Theatre's masterful puppetry and original music.

Close to 164,000 spectators saw the show during its first year of touring, with equal numbers expected this season when it will travel to 22 U.S. states, Japan, Singapore, and Hong Kong, as well as to Ottawa and Toronto. Due to popular demand, the company will mount a third U.S. tour of the production in spring 2002, and will have a simultaneous U.S. tour of *The Night Opus* during the 2001-2002 season.

For more information, contact Sara Lee Lewis, Co-founder and Managing Director, Mermaid Theatre of Nova Scotia, Windsor, Nova Scotia, tel.: (902) 798-5841, fax: (902) 798-3311, e-mail: puppets@mermaidtheatre.ns.ca Web site: www.mermaidtheatre.ns.ca ★

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

Born to Believe

In January 1999, Cynthia Martin and Deborah McGowan had never heard of a crossover dribble or defensive tackle. Numerous cups of coffee and as many meetings with bank managers later, they can (almost) explain the finer points of each move. That's because as the partners of Full Wits Publishing Inc. (which they run from a boathouse near Peggy's Cove in Nova Scotia), they are the independent publishers of *Born to Believe*, an inspirational book written by Toronto Raptors former head coach Butch Carter and his brother, Minnesota Vikings wide receiver, Cris Carter.

Cynthia approached Butch Carter about writing a book on youth devel-

opment after hearing him deliver an inspiring and motivating speech about racial harmony to students at a local high school where there were racial problems.



Cris Carter (left), Cynthia Martin and Butch Carter at the June 2000 launch of *Born to Believe* at Barnes & Noble, Mall of America, in Minnesota.

Born to Believe was launched in Canada in May 2000, and in the U.S. a month later.

Using sports as a hook, the authors

write about the obstacles they faced in their single-parent, low-income family, and their aspirations for a better life. Aimed at people facing hard times, the book's unique flip-format style allows readers to follow the voice of each author. In the words of Butch and Cris Carter, "[We] felt that we'd been through a lot and we try to use these lessons to encourage people..."

The book is available at selected bookstores, Amazon, Chapters, Indigo or direct from the publisher.

For more information, contact Cynthia Martin, Full Wits Publishing, Halifax, Nova Scotia, tel.: (902) 857-1123, fax: (902) 857-1771, e-mail: fullwits@fullwits.com Web site: www.borntobelieve.com ★

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

Check the Business Section of the Canada-U.S. Relations Home Page at www.dfait-maeci.gc.ca/geo/usa/business-e.asp ... for valuable information on doing business in and with the United States.

The Canadian Commercial Corporation (CCC) is proud to join the prestigious Ontario Global Traders Awards as a new sponsor this year. The CCC is sponsoring the Innovation Category for the 2000 Awards. The Awards, now in their third year, celebrate the export success of Ontario's top

Corporation's services to access the international government procurement market. (See "New CCC Partnership Helps Ontario Exporters with World Sales," *CanadExport*, November 15, 2000, p.7.)

"Exports support 1.6 million jobs in Ontario and account for over half

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 preshipment 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, e-mail: info@ccc.ca Web site: www.ccc.ca

which will be presented May 17, 2001, in Toronto.

Award categories

- **Innovation** — recognizing excellence in the application of existing or new technology in developing new products or services, and/or improving existing products or services that contribute to export growth and job creation.
- **Market Expansion (Two Awards: Product and Service)** — celebrating the pioneering spirit of Ontario SMEs that have significantly increased their export sales to one or more geographic markets and created jobs.
- **Partnership (Shared Award)** — honouring key partnerships between goods and services suppliers and their exporting SME partners.
- **Leadership** — paying tribute to individuals acknowledged by their peers for championing the cause of exporting by Ontario SMEs.

Continued on page 13 - CCC

Honouring the best of Ontario's exporters

CCC: A proud sponsor of the 2000 Ontario Global Traders Awards

small and medium-sized exporters (SMEs), industry leaders and students. Presented by Ontario Exports Inc. — the province's lead trade agency — and the Bank of Montreal, in association with the Canadian Commercial Corporation (CCC) and several supporting sponsors, the awards have attracted over 400 impressive submissions from all parts of Ontario in its first two years.

"CCC is especially pleased to be one of this year's sponsors," says President Douglas Patriquin. On September 6, 2000, CCC and Ontario Exports Inc. signed an agreement to help Ontario exporters benefit from the

of its economic productivity," adds Patriquin. "Outside of the United States, however, there is not a significant amount of activity. This is where CCC can help — through its guarantee of contract performance and by signing contracts with foreign governments on behalf of Canadian exporters.

"Worldwide, the government procurement market is estimated at \$5.3 trillion," notes Patriquin. "Through our increasingly close relationship with Ontario Exports Inc., CCC is committed to helping Ontario exporters capture a larger share of this very lucrative market."

Along with CCC, the awards are supported by: Deloitte & Touche; Export Development Corporation; the Institute of Chartered Accountants of Ontario; United Postal Service Canada Ltd.; *PROFIT*; *Canadian Business*; *Business Sense*; and *Le Lien Économique*. The Canadian Manufacturers & Exporters; the Young Entrepreneurs Association; and the Ontario Chamber of Commerce also assist with support and advice.

Regional presentations lead to top honour

Each spring, presentations are made at four award ceremonies in northern, central, southwest and eastern Ontario. Regional winners then compete for the ultimate distinction, the Ontario Global Traders Provincial Awards,

DOING BUSINESS WITH THE U.S. FEDERAL GOVERNMENT?

Find out more from the Canadian Embassy in Washington, D.C. (www.canadianembassy.org) under "Business Opportunities: U.S. Government Procurement."

Log onto opportunities via the General Services Administration (www.gsa.gov), which facilitates purchases by the U.S. government — the world's largest consumer — and the Electronic Posting System site (www.eps.gov).

When you're ready to pursue these opportunities, the Canadian Commercial Corporation (www.ccc.ca) can assist you with the interpretation of the U.S. procurement system or ensure that as a Canadian company, you are eligible to participate.

With over US\$16 billion of potential contracts available, the world's largest railway, India Railways (IR), symbolizes massive opportunities in diverse areas of the railway sector for countless Canadian companies.

Get on track in India

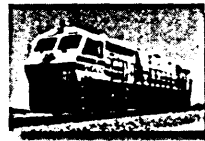
Rail opportunities

by Shawn Dalrymple

These opportunities range in scale and scope: from freight cars and locomotives to fibre optic communication systems; from train collision avoidance systems to signaling equipment and system modernization; from simulators to axle load improvements.

Moreover, subsidiaries of IR also have projects presently under consideration, and all are well suited for many Canadian companies. In particular, IR and its subsidiaries are interested in working with Canadian suppliers as a means of general and safety-related

projects technology transfer.



Opening doors for Canadian rail suppliers

In recent years, Export Development Corporation (EDC) has developed a strong relationship with IR and many of its subsidiaries. "We recognize the

excellent potential prospects that exist in the Indian rail sector, and we have undertaken major initiatives to assist Canadian companies in their efforts to work with IR," explains Anis Karim, EDC Regional Manager, South Asia.

A "team" approach, where the team consists of interested Canadian exporters and relevant Canadian governmental agencies, has been used to maximize Canadian efforts in India. Karim notes that all team members are working towards one goal — winning contracts for Canada's railway industry.

EDC has already established an operational line of credit for IR through its financing arm, Indian Railway Finance Corporation, making the choice to "buy Canadian" more efficient, and therefore more attractive. In addition, EDC is currently in discussion with various directorates of IR to expand EDC financing facilities to accommodate large-scale rail projects.

GM makes tracks in India

GM Canada is one of several companies that has already had the chance to reap the rewards of EDC's efforts, with IR, in particular.

In addition to the traditional automotive aspect of its business, GM also manufactures and distributes locomotives worldwide. To date, IR has purchased 21 freight cars from GM, through EDC's line of credit facility. Attesting to the strength of the relationship, IR is now considering purchasing an additional 10 locomotives from GM.

Kevin McKittrick, Manager of Public Relations and Human Resources with GM Canada, says of GM's relationship with India, "This has been a great opportunity for a Canadian manufacturer to assist in the upgrading of railroad technology and help in the modernizing of fleet requirements in India."

EDC is committed to helping Canadian rail companies access India rail opportunities.

For more information, contact Anis Karim, EDC Regional Manager, South Asia, at akarim@edc-see.ca

(Reprinted from EDC's *Export Wise*, Fall/October 2000)

India travel and trade tips

Before boarding the plane to do business in India, consider the following trade and travel tips.

TIPS FOR MEETINGS

Business interaction

- Conservative and traditional business attire is appropriate.
- Your host will expect you to be on time or early for a meeting. Despite this expectation, it is common to be kept waiting.
- In general, men do not touch women when meeting, not even to shake hands. Instead, you may use the greeting "namasté" (pronounced nam-a-stay).
- Do not be offended if your host interrupts your meeting to take telephone calls; this is a common occurrence.
- Simple gifts are frequently given after the first business meeting. Use formal salutations such as Mr. or Madam, even after several meetings.
- Business negotiations take patience

and sustained follow-up activity is required.

Social interaction

- Religion, language, caste and politics create barriers in India. It is wise to avoid these topics.
- A Western wave of the hand can be interpreted as "no" or "go away" in Indian culture.
- The left hand is considered unclean, so use the right hand to touch someone, pass money or pick up merchandise.
- Never point a single finger at someone; point with your chin or entire hand.
- Bring plenty of business cards even at social functions.
- When invited to dinner, you should return the favour with a meal of comparable value. ★

(Source: *Wall Street Journal*, www.public.wsj.com)

(Reprinted from EDC's *Export Wise*, Fall/October 2000)

SOUTH ASIA SUPPLEMENT

canadexport

Fall 2000

What's the Region Like?

On a land mass half the size of China, a quarter of humanity resides. This area, referred to as South Asia, includes the countries of India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives and Nepal. Together, they constitute a formidable market for the supply of Canadian goods, services and technology. For a more complete report on India, go to www.infoexport.gc.ca/canadexport

During the last decade, this area has experienced an exciting and historic transformation. Domestic markets have opened to international trade, and the standard of living has risen dramatically, which, in turn, has generated a growing middle class with a disposable income. Not only have new markets opened up for Canadian goods and commodities, but there is a growing demand for a range of services.

With a rapidly expanding capacity for and interest in exporting, many prosperous firms in South Asia are seeking foreign expertise and partnerships to upgrade their operations to international standards. This also provides exciting new opportunities for Canadian firms.

Who Can Help Me Get Started?

Canadian firms wishing to explore and take advantage of this vast export market are, fortunately, not on their own. The Trade Commissioner Service of the Department of Foreign Affairs and International Trade (DFAIT) at www.dfait-maeci.gc.ca maintains 11 trade offices in the region, staffed by professional trade commissioners or commercial officers who are available to assist new, potential or experienced exporters.

DFAIT's Program for Export Market Development (PEMD) helps Canadian exporters new to the region to enter a specific market in the region or to take advantage of opportunities that are identified in the region. Specific information on the PEMD program is available at www.infoexport.gc.ca/pemd-e.asp

There are other agencies active in the region as well: the Export Development Corporation, the Canadian International Development Agency, Industry Canada, Natural Resources Canada, Canada Mortgage and Housing Corporation, and Agriculture Canada.

The Region of South Asia

Country	India	Pakistan	Bangladesh	Nepal	Sri Lanka	Bhutan	Maldives
Population	1 billion	138 million	127 million	22 million	19 million	2 million	300,000
GDP	US\$466.1 billion	US\$64.0 billion	US\$36.6 billion	US\$84.7 million	US\$15.7 billion	US\$2.1 million	US\$310 million
GDP Growth Rate	6.0%	4.5%	5.2%	3.3%	4.3%	7.0%	6.3%
Canadian Exports-1999	\$414.8 million	\$81.2 million	\$121.5 million	\$3.9 million	\$51.5 million		\$12.6 million
Contact	delhi@dfait-maeci.gc.ca	isbad@dfait-maeci.gc.ca	dhaka@dfait-maeci.gc.ca	delhi@dfait-maeci.gc.ca	clmbo@dfait-maeci.gc.ca	delhi@dfait-maeci.gc.ca	clmbo@dfait-maeci.gc.ca

Prepared by the South Asia Division (PSA) and its trade offices in South Asia

 Department of Foreign Affairs and International Trade

Ministère des Affaires étrangères et du Commerce International

Canada

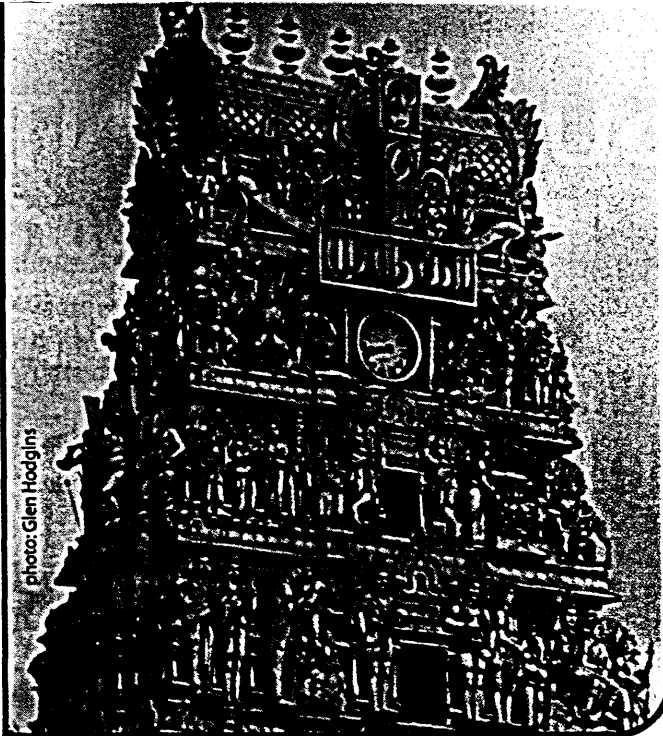


Photo: Glen Hodgins

Can I Get Financial Help?

Both the World Bank and the Asian Development Bank have large lending programs for South Asian countries, particularly India and Pakistan, and, to a lesser extent, Bangladesh and Sri Lanka. These programs cover sectors such as energy, telecommunications, transport, social infrastructure, agriculture, environment and natural resources. Canadian companies are encouraged to pursue the many consultancy and goods contracts funded by these banks. For further information, contact edward.wang@dfait-maeci.gc.ca or pierre.delorme@dfait-maeci.gc.ca

What are the Opportunities?

Telecommunications and Information Technologies

Making Waves

This sector is expanding rapidly.

The South Asian region is acquiring new and advanced telecommunications and information technologies. This acquisition brings many opportunities for Canadian suppliers. For example, **India**, with a projected growth rate of 40% annually in this sector, has opened up the market in national long-distance operations, reduced customs and excise duties on imports of all IT hardware, allowed Internet service providers to uplink directly to foreign satellites on both K_u and C bands, and auctioned third-generation licences to increase their foreign direct investment. Opportunities include Internet applications and services, telecom software, banking and insurance, multimedia and

animation, distance education, IT-enabled services and wireless communications technologies, spectrum management, radio-wave monitoring, and rural telecommunications. **Pakistan** has converted the state-owned telephone enterprise into a limited company and will end its monopoly over fixed-line domestic and international telephones in 2002. This will guarantee opportunities in rural telecommunications, wireless local loop projects, consulting services and manufacturing of telecom equipment.

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Sri Lanka: chris.pullenayegem@dfait-maeci.gc.ca

Bangladesh: tanweer.islam@dfait-maeci.gc.ca

Canadian Successes

► **Nortel Networks** is going to spend up to US\$350 million over the next three years in **India** to provide high-performance Internet, by improving the infrastructure, amplifying the workforce, stimulating technology exports, and allocating a percentage of network bandwidth to educational and social activities. **Nortel, Teleglobe, Eicon, Entrust, Newbridge** and **Teklogix** have actively pursued marketing and distributor arrangements, which will generate more than \$150 million in sales, according to industry estimates.

► **WaveRider Communications Inc.**, Toronto, a leading global provider of fixed wireless Internet-access products, has successfully made an initial sale of its products to **Grameen Cybernet**, one of the leading Internet service providers in **Bangladesh**.

► **Nortel Networks**, Mississauga, has signed a turnkey contract with the **Bangladesh Telephone and Telegraph Board** for the supply, installation and

commissioning of a telephone transmission network in four different regions in **Bangladesh**.

► **EFA Software Services Ltd.**, Calgary, has supplied automated trading and exchange management software systems to the stock exchanges in **Karachi** and **Lahore**, as well as to **Pakistan's** new Central Depository Company.

SOUTH ASIA

Power and Energy

Fuelling Growth

Tremendous commercial opportunities exist in the areas of power generation, transmission and distribution; modernization and renovation of old power plants; small and mini hydro projects; captive power-generation plants and alternate energy; electronic power equipment; and allied services. The South Asian region is already suffering power shortages, and future demand will be even higher.

In **India**, for example, the vast electricity market offers many opportunities for private operators, since the government is committed to reforming the power sector, by developing their hydro power, allowing foreign firms 100% equity in power-generation projects, providing tax concessions and granting concessional rates of custom duties. The Central Electricity Authority puts peak power requirements at 207,000 megawatts (MW) in the next 12 years, against the existing peak generating capacity of 93,000 MW. In its quest for more electricity, the country has adopted a blend of thermal, hydro and nuclear sources. Of late, emphasis is also being laid on non-conventional energy sources. **Pakistan**, which is facing an increase in power demand of 6% per year, expects a power shortage in the next two to three

years. The government is implementing a restructuring program to corporatize and later privatize the generation, transmission and distribution network of the utilities. Power-generation shortages will require investments in thermal and hydro power-generation projects in the future. **Sri Lanka** and **Bangladesh** will both face similar power shortages in the immediate future, providing significant opportunities for Canadian exporters to these countries for the types of products and services previously mentioned.

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Bangladesh: tanweer.islam@dfait-maeci.gc.ca

Canadian Successes

▶ **SNC-Lavalin**, Montreal, with Jaiprakash Industries Ltd., are leading an Indo-Canadian hydro consortium, which has been awarded a contract with the National Hydroelectric Power Corp. for turnkey construction of the Chamera II hydro electric power project in Himachal Pradesh, **India**.

▶ **B.C. Hydro**, Vancouver, has entered into an alliance with DSCL Energy Services Company in **India** to work on energy-conservation projects. The alliance will begin with projects in the building sector — specifically hotels, hospitals and commercial complexes — and then work on projects in the power-intensive paper and sugar industries.

▶ **SNC-Lavalin**, Montreal, has successfully collaborated in a private-sector joint venture, to set up a 115 MW diesel-fired power plant in **Pakistan**, near Lahore.

▶ **Hydro Quebec International**, Montreal, signed a contract with the **Bangladesh** Power Development Board for the upgrading of the Central Load Dispatch Centre located near Dhaka.

MALDIVES

The economy of the Maldives is one of the world's smallest but should, nonetheless, not be overlooked. Canadian exports to the Maldives consist mainly of helicopters and aircraft, but, with tourism increasing,

the focus of the industry has been on sustainable tourism, centred on island resorts. Opportunities should be pursued in this sector.

SOUTH ASIA

Oil and Gas

Looking Ahead

Both India and Pakistan have implemented policies to permit foreign involvement in the exploration and development of indigenous natural gas resources, and associated infrastructure, equipment and technologies.

India, the world's ninth-largest consumer of oil, is expected to become the fifth-largest consumer in the next 20 years, but present production is sufficient to meet only 34% of its total demand. Thus, India has opened its retail market to the private sector for investments through joint ventures and strategic alliances for both on-shore and off-shore exploration. **Pakistan** is only capable of producing 20% of its requirement. The indigenous gas production of 2.2 billion cubic feet meets all domestic gas requirements. It has allowed the

government to push forward the policy of conversion of fuel-based power plants to gas, and automobiles to compressed natural gas (CNG). The government expects to increase the current 125 CNG stations to 300 CNG stations by the end of 2002.

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Canadian Successes

▶ **Global Thermoelectric**, Calgary, was awarded a follow-up contract in 1999 with the Gas Authority of India Limited for the supply of thermoelectric generators, which provide power for communications and instrumentation located beside pipelines. This follows an initial contract in 1997 for the supply of generators that convert gas into electrical energy.

▶ **Presson Manufacturing Ltd.**, Calgary, (process engineering equipment) has signed a contract with a local engineering firm in **Pakistan** to produce a dehydration plant and to supply other equipment.

▶ **Yugo-Tech Gas Conversions Inc.**, Mississauga, working with Environment Canada, has developed and perfected a new technology to convert a two-stroke engine to use CNG. Field demonstrations are planned by the end of this year, and

will be carried out in **India, Pakistan** and **Bangladesh** on autorickshaws, a typical mode of transportation in these countries. The new technology will not only reduce vehicular emissions, but will reduce operating costs. The savings potential of this new technology is tremendous, as all three countries currently depend on oil imported from abroad, while their domestic natural gas resources are abundant.

NEPAL

In Nepal, commercial opportunities are mostly linked to development projects, with funding normally supplied by bilateral donors such as the World Bank and the Asian Development Bank. The paper products market is currently the most important sector for Canadian exporters. However, there is opportunity in Nepal for Canadian expertise in power development and related consulting engineering services, transportation, communication

equipment, agriculture, and water and sewage-treatment facilities. In addition, there is potential for private investment in the power sector, if Nepal can be connected to a South Asian power grid. While the market is small, current development of the infrastructure can draw on the strengths of many Canadian firms. Canada has a long and positive relationship with Nepal, and this will be of considerable benefit to Canadian firms in the market.

BHUTAN

In Bhutan, the government limits the number of "foreign visitors" to minimize foreign influence, but Canada has been active in helping to establish a modern education system. Despite being one of the world's poorest countries, opportunities exist in Bhutan for Canadian firms in education and training,

tele-health, distance learning, telecommunications, and Internet equipment and services. The priority sectors on which Canadian companies should focus include power (hydro), transportation (roads), aviation, housing and tourism.

SOUTH ASIA

Transportation

Wheels in Motion

In South Asia, there is a good match between regional requirements and Canadian capabilities in the consulting engineering areas of port design, highway design, urban transit systems and railway safety systems, communications, signalling equipment and rolling stock.

Railways need safety systems, rolling stock, signalling equipment, passenger locomotives, fibre optic and communications systems, and management information systems. Recognizing this, the Export Development Corporation is committing a \$300-million funding package to support Canadian railway suppliers for various improvement projects in India. **Urban Transit** needs are seen in the multiphase Delhi Metro Rail project and the Rapid Transit System in Karachi. Throughout the region, construction of **highways** will require the services of consulting engineers, as well as heavy construction equipment, tunnelling, traffic and toll road systems, and paving technologies. **Transportation** needs aircraft, and navigational and training aids; airport design and management; consulting engineering and design of ports; specialized cargo-moving and -handling equipment; expertise in inter-modal transportation networks; and subway, tram cars and overhead rail systems. Upgrading of the major

airports, privatization of national carriers, major port expansion, and planning to revitalize the inland waterways as part of an inter-modal network for cargo and passengers are all major projects either under way or in the planning stages in virtually every nation throughout the region.

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Bangladesh: tanweer.islam@dfait-maeci.gc.ca

Canadian Successes

- ▶ **Industries Océan (Île aux Coudres, Québec)** secured a contract to supply two pilot boats to the Karachi Port Trust in **Pakistan**. The firm is now well-positioned to secure a follow-up order with Port Qasim, Karachi's second port facility.
- ▶ **Chalmers Suspension International Inc., Mississauga**, entered into a partnership with Jaycee Coach Builders, Chandigarh, **India**, for the manufacture of hi-tech rubber suspension for trailer and coach applications.

SOUTH ASIA

Mining

Digging Wealth

Both India and Pakistan in this South Asian region have opportunities for Canadian mining companies.

India has a flourishing mining industry that produces over 84 minerals and contributes around 11% of India's total industrial production with the potential of increasing to 20%. With major changes in the ownership laws of mines and expanding opportunities of foreign direct investment, the Indian mines, minerals and metals market has become extremely attractive to foreign companies. Improved corporate taxation, private and foreign participation in ventures, and the removal of bureaucratic hurdles are all combining to make this one of the most attractive sectors. The Indian and Canadian mining sectors are complementary, given Canada's capabilities in technology in mining, coal and steel production, and metal processing. Areas of potential

growth include mineral exploration and mine development, sale of minerals and coal, mineral (including steel making) and coal processing, mining equipment (including large mine equipment and small components such as drill bits), technical services (including consulting, engineering, laboratory and airborne surveying) and management services (including privatization, venture capital and investment advice). In **Pakistan**, the production of steel has created a demand for the importation of coal, which is being supplied by Canadian producers.

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Pakistan: ali.khan@dfait-maeci.gc.ca

Canadian Successes

► **Met-Chem**, Montreal, recently signed an agreement with Kudremukh Iron Ore Company Limited (KIOCL), India's largest 100% export-oriented company located in Karnataka State, for the preparation of a detailed

project report to establish the feasibility and economic viability of mining a primary ore deposit. This contract will enable KIOCL to extend its mining operations for an additional 17 years.

► **Fording Coal**, Calgary, has renewed a multimillion dollar multi-year contract to supply coal to **Pakistan's** Steel Mill Corporation in Karachi.

Housing and Construction

Building Confidence

The South Asian region not only needs homes for their populace but also highways and overpasses, ports and airports, and urban transit. Other potential areas include hi-tech security systems for hi-rise buildings, energy-saving measures, windows and doors, and decorative products for building facades.

In **India**, the government has provided significant support in the past few years to increase housing starts. Increased tax write-offs and other incentives are expected to result in an increased demand for housing, and ambitious project plans have been announced for mass housing. Meanwhile, in **Sri Lanka**, the government is still committed to the Housing for All by 2000 Program. There are projects in hand for the

construction of 100,000 houses, at low cost, with the potential to triple in a year's time, if the appropriate technology-to-cost ratio can be identified. Both countries require low-cost housing and are searching for cheaper alternatives to the traditional brick and cement houses.

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Canadian Successes

► **Mascon Engineering Ltd.**, Ontario, signed a contract with M.S. Khurana Engineering, of Ahmedabad, **India**, to supply the Mascon construction system, which is based on reusable

aluminum formwork, coupled with highly organized scheduling procedures, for the construction of 1,408 housing units. The system is very cost-effective and highly suited for use on mass housing projects.

► **Edwards International**, Mississauga, placed several orders for fire-detection systems and equipment in **India**. In conjunction with Radiant, their authorized distributors, Edwards obtained the contract for **M/S Indian Oil Petronaz Ltd.**

SOUTH ASIA

Agriculture and Food Products

Crying out for Foreign Investment, Ideas and Innovation

Agriculture is big business in these populous countries of South Asia.

In **India**, agriculture accounts for one third of the GDP as well as one third of the workforce. The government is committed to remove all the quantitative restrictions on imports of consumer goods by April 01, 2001, and to lower import tariffs, which will make India a very enticing market for Canadian suppliers of processed-food products and beverages. Food processing is one of the country's most underexploited opportunities. The industry is small, and the Indian market for value-added food products is likely to triple to US\$55 billion by 2005. In **Pakistan**, further investment is being encouraged in

the agrifood business, notably for specialty fruits and horticulture. In addition, Canada is a major supplier of peas, lentils and pulses to **India, Pakistan, Bangladesh** and **Sri Lanka**, and is considered the supplier of choice in many of these countries. The potential exists to increase market share beyond the current estimated 20% to 30%, to over 50%.

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Sri Lanka: chris.pullenayegem@dfait-maeci.gc.ca

Bangladesh: tanweer.islam@dfait-maeci.gc.ca

Canadian Successes

► **Seagram Ltd.** has entered into an agreement with Mr. K.S. Dhillon and Associates in **India** to form a new company, Rocky Distilleries, to augment their bottling and distillation capacity. The plant will have an initial bottling capacity of 5,000 kilolitres and is expected to be upgraded to

10,000 kilolitres in the second phase. Total cost of the project is \$1.3 million.

► **McCain Foods**, a major Canadian food company, has set up a wholly owned subsidiary in **India** to import from Canada and market frozen french fries, fruit juice

concentrates and potato flakes. McCain has exported about a million dollars worth of these items from Canada.

► **Parrish and Heimbecker**, Vancouver, have also made a sale of wheat to both **Sri Lanka** and **Bangladesh**, as a result of an incoming mission.

Environment

A Clean Wind of Change

Canadian companies should discover how they can fit into this South Asian market.

In **India**, this sector is currently growing at a rate of 20% to 25% per year, with total opportunities amounting to around US\$3.1 billion, with US\$2.1 billion for water and wastewater-treatment equipment, US\$75 million for environmental equipment and US\$650 million for air-pollution equipment. Similarly, **Pakistan, Sri Lanka** and **Nepal** also have opportunities in the fields of wastewater treatment, solid waste management, hazardous waste management and clean fuel technologies.

Contacts:

India: viney.gupta@dfait-maeci.gc.ca

Pakistan: ali.khan@dfait-maeci.gc.ca

Sri Lanka: chris.pullenayegem@dfait-maeci.gc.ca

Nepal: ranjan.banerjee@dfait-maeci.gc.ca

Bangladesh: tanweer.islam@dfait-maeci.gc.ca

Canadian Successes

► **R.V. Anderson**, Toronto, active since 1994 when they won a World Bank project in **India** to study the Mumbai sewage system, recently won a contract to operate a common effluent treatment plant for the industrial park located in Vapi, Gujarat, and are involved with trunk-sewage and water-sanitation requirements of behalf of the Municipal Corporation of Greater Mumbai.

Look for our new **South Asia Trade Action Plan** to be released on the DFAIT Web site in early 2001. The strategy will provide more in-depth market intelligence on priority sectors, and will include a list of activities in which the **South Asian** officers in DFAIT and our posts in the region will be involved in the coming year.

 THE CANADIAN
TRADE COMMISSIONER
SERVICE

SOUTH ASIA

Message from the High Commissioner in India, Mr. Peter Sutherland:

As a recent arrival to India, I am struck by the market energy and business forces that are pushing the economic reform process. Not an easy job in the twelfth-largest economy in the world (based on GDP) and the fifth-largest in purchasing power parity. But we are witnessing a sea-change in attitudes led by areas such as information and communications technologies, privatization of public-sector enterprises, and an even more open and liberal investment climate. With strong growth prospects in the West, NW and South India, and ongoing reforms touching infrastructure development, financial and other sectors, India is not to be overlooked. If you have not considered this market before, consider it now as the

"new frontier." If you have not been to India in the last three years, the timing is ideal for a return visit. The global appetite and attention for emerging markets is focussing on India like never before, as acknowledged by the IMF, the UN Conference on Trade and Development, and the Asian Development Bank. To quote successful entrepreneurs, "This is where the growth is." We are also seeing a renewed presence and determined expansion into India by our competitors. Drawing on Canada's multifaceted relationship with India, come and be part of the exciting metamorphosis of a country that will be among the leaders of a group of countries destined to be the future hub of world trade.



Message from the High Commissioner in Pakistan, Mr. Ferry de Kerckhove



Largely bypassed, this South Asian market of 138 million has experienced an economic growth rate of 4.8% this year. Business taxes have been reduced from 35% to 9%, the tax system has been simplified, privatization has been accelerated, and foreign investment is being stimulated.

The financial sector is both solid and vibrant, and banks are doing well. There are excellent investment opportunities in the IT and telecommunications

sector, and the Pakistan Telecommunications Company Limited will be privatized soon. Minority shares of government ownership of oil and gas fields are being offered to the market, and, in the mineral sector, titanium, gold and other precious metals await further development.

I would summarize the outlook for Pakistan in one sentence: "Pakistan is not for the weak, but for those who persist, the rewards are great."

Message from the High Commissioner to Bangladesh, Mr. David Preston

I welcome this CanadExport Supplement on South Asia. It is timely, since progress is being made in broadening the relationship with Bangladesh beyond our traditional focus on development co-operation. This derives from the extensive needs in Bangladesh for infrastructure development.

The Bangladesh market offers promising niche opportunities for the Canadian private-sector in high-technology sectors, including



telecommunications, transportation, power, oil and gas, as well as agrifood.

Pressures are growing from the private sector for increased regional co-operation, and this could lead to further opportunities in infrastructure development.

Message from the High Commissioner in Sri Lanka, Ms. Ruth Archibald



Sri Lanka offers tremendous opportunities in telecommunications, transportation, power and other infrastructure developments, particularly to those who are prepared to look toward the medium and long term. Agrifood exports have increased dramatically and still have great potential. Sri Lanka's open economy, commitment to privatization and promotion of regional free trade, including the recently implemented agreement with India, makes it a logical doorway to the whole South Asian market.

—Continued from page 1

the Ministry of Information Industry, the Chinese Academy of Sciences, and the Shenzhen Municipal People's Government. Chinese senior leadership participants included Chen Siwei, Vice-Chairman of the National People's Congress and China's "father of venture capital," as well as Vice-Premier Wu Bangguo.

The main themes for this year's event were "Venture Capital in the High-Tech Industry"; "Information Technology in the 21st Century"; and "Biotech and Medicine in the 21st Century." The highlights included a presentation at the forum on "Information Technology in the 21st Century" — "Building High-Performance Internet" — by Wilkin Chan, Vice-President of Nortel Networks China Limited.

The Canadian delegation at this event was a reflection of both the breadth and the depth of Canada's high-tech sector involvement in China. Some 18 companies participated, including Nortel Networks, Nordx, Mitel, VIVE Synergies, Eicon Technology Corporation, the Billion Group, Harris Corporation, Zi Corporation, Supermaster, E-Commerce Partner Inc., WISE Info Tech, BioBasic, Convion, Entrust Technologies, and others. The more than 120 individuals promoting Canadian interests included 25 Chinese students pursuing their doctoral studies in Canada. The Canadian stand became a landmark and favourite meeting spot for participants at the Fair, and in recognition of its well-designed presentation and promotion of Canada-China high-tech relations, the Canadian Consulate in Guangzhou received the Award for Excellent Organization from the Chairman of the Fair.

A main component of trade shows in China is focused networking, and the Shenzhen Fair was no exception. The Canadian Consulate in Guangzhou organized five networking business forums with Chinese provincial authorities, at which local governors, vice-governors and mayors attended together with key officials

and decisions makers. Participating Canadian companies, whether registered or ad hoc delegates, considered the networking sessions to be of tremendous value, and a number reported new deals on the spot.

China High-Tech Fair 2000



The China High-Tech Fair is a strong example of Canada's International Business Development programs in action. Our missions in China work closely with the Canadian exporting community to promote Canadian information and communications technologies in dynamic and expanding Chinese markets.



The Canadian Pavilion at the China High-Tech Fair in Shenzhen.

Business highlights

Canadian companies distributed over 50,000 information brochures, and the Consulate General handed out 60,000 copies of promotional material. The following companies reported productive discussions:

Nortel Networks and Henan Unicom and Jiangxi Telecom; as well, Guangdong COFERT is to accelerate the governmental approval for Nortel GMS technology transfer to Guangdong Nortel.

Supermaster signed an agreement with Jiangxi province to sell on-line banking and to investigate the possibility of setting up on-line

securities trading application software worth US\$3 million.

Billion Group signed a letter of intent with Jiangxi Xinhe Technology Limited for e-commerce technologies and software.

The Hebei Information Industry Department agreed to help **Big Sky Network Canada Ltd.** (China Broadband Corp.) penetrate the local market.

Wise Info Tech was introduced to a number of potential distributors and plans additional discussions with Henan Unicom and Hefeng Industrial Group Ltd.

VIVE Synergies Inc. was introduced to three potential distributors for their Internet access solutions.

Nordx has several potential purchasers and one possible co-operator lined up for their cable system.

The Alberta government made useful contacts with Chinese IT (information technology) companies and the Chinese government.

The Consulate General in Guangzhou built on its current relationships with ICT (information and communication technology) specialists in the Chinese provincial governments by introducing them to Canadian ICT experts.

For more information on how you can participate in the 2001 China High-Tech Fair or other ICT events in China, contact Marcel Belec, Trade Commissioner, the China and Mongolia Division, tel.: (613) 995-6962, e-mail: marcel.belec@dfait-maeci.gc.ca or Cathy Yao, Commercial Officer, Canadian Consulate, Guangzhou, tel.: (011-86-20) 8666-0569, fax: (011-86-20) 8667-2401, e-mail: cathy.yao@dfait-maeci.gc.ca *

Kansai is the western half of Japan's main island of Honshu. It includes the Osaka-Kobe-Kyoto-Nara metropolis and has a population of 22 million. Located in the centre of Japan, Kansai is at the heart of national and international industrial

and there is considerable demand in the Kansai for concrete measures to preserve the environment.

Limitless R&D potential

The Kansai is home to about 1,000 private research institutes attached to universities and colleges, with limit-

extending through Osaka, Kyoto and Nara prefectures. About 70 cultural, scientific and research institutes have already been established on the site. They include both private and public laboratories, such as the Research Institute of Innovative Technology for the Earth. Among the many companies that have set up research laboratories and centres there are Kyocera, Matsushita Electric Industrial, Nippon Telegraph and Telephone, Omron, Canon, Bayer Yakuin and Sumitomo Metal Industries, and more will soon join them. The institutes employ about 4,000 researchers, approximately 150 of whom are foreign residents.

A vast environmental market

Japan's Kansai region

transportation and telecommunications. Its gross regional product is larger than the GDPs of South Korea, Taiwan, Hong Kong and Thailand combined. In fact, if Kansai was a separate country, it would have the seventh largest GDP in the world. The region's role in the Japanese economy is surpassed only by that of the Tokyo metropolitan area. Large-scale projects under way include the Kansai Science City and Osaka Bay area developments; these promote balanced growth and help solve problems resulting from over-concentration in the Tokyo area.

Japan is showing increasing environmental awareness and concern about ecological deterioration. Canada is known as having a clean and natural environment, and it can easily capitalize on this reputation in the Kansai. For example, Japanese companies are strongly interested in new technologies for cleaning up PCBs and dioxins. Canadian and Japanese organizations have already formed several partnerships involving the transfer of Canadian technology. Significantly, the only Canadian environmental engineering firm with an office in Japan has chosen to locate in Osaka. Global environmental problems are mounting day by day,

less R&D potential. Kansai boasts many world-class technologies, including photo-quantum, biochemi-



cal and environmental technologies. It also has research institutes dealing with electronic parts and devices.

Aside from private research centres, there are roughly 350 national, prefectural, and municipal experimental and research institutes in the Kansai region. These conduct a wide variety of experiments in various fields. To local enterprises, the institutes provide technical training as well as testing and experimentation services, in order to solve any technical problems that may arise with those businesses' products and production processes.

Kansai Science City

Kansai Science City is a conglomeration of research organizations and institutes focusing on culture and science. It is being built on 15,000 hectares of land in the scenic Keihanna hills

Web sites

- International Institute for Advanced Studies
www.iias.or.jp/top/home_e.html
- Kansai Science City
www.keihanna-plaza.co.jp/KRI/gaken/gktobi_e.htm
- Nara Institute of Science and Technology
www.aist-nara.ac.jp
- "Ni-Ka On-line" (Web site on Canada-Japan relations)
www.dfait-maeci.gc.ca/ni-ka
- Research Institute of Innovative Technology for the Earth
www.rite.or.jp

For more information, contact Jean-Pierre Petit, Trade Commissioner, tel.: (613) 996-2467, fax: (613) 944-2397, e-mail: jeanpierre.petit@dfait-maeci.gc.ca or Yoshio Horiuchi, Commercial Officer, Canadian Consulate General, Osaka, tel.: (011-81-729) 52-4628, fax: (011-81-6) 6212-4914, e-mail: yoshio.horiuchi@dfait-maeci.gc.ca ✪

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The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Web site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown Corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

ALGERIA — International Licensing for Oil and Gas Exploration — (Notice received from the Canadian Embassy in Algiers, Algeria.) The Ministry of Energy and Mines, and Sonatrach (State Oil Company) have announced the international licensing round for oil and gas exploration opportunities, in partnership with Sonatrach. The selected potential block offers are located in the following Algeria petroleum basins, where the expected upside undis-

International Business Opportunities Centre

covered petroleum resources are very high: Berkine Basin; Illizi Basin; Ahnet Basin; Timimoun Basin; and South East Constantine Basin. For more details about these basins, see Web site: www.sonatrach.dz.com/fra_mem.htm The data package for the selected blocks will be available for review during a data room session in Algiers, from November 20 to December 20, 2000. For more information on the first licensing round, visit the Ministry of Energy and Mines Web site: www.mem-algeria.org Closing date: February 14, 2001. Contact IBOC, fax: (613) 996-2635, e-mail: eleads@dfait-maeci.gc.ca quoting case no. 001024-04209. For details: www.iboc.gc.ca/webleads.asp?=&1441en

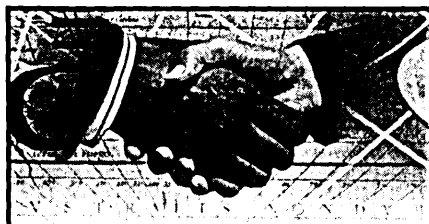
CYPRUS — MPEG2/DVB Equipment for TV Transmission — (Notice received from the Canadian Consulate in Nicosia, Cyprus.) The equipment to be supplied is for four MPEG2/ DVB systems for point-to-point TV transmission across the Authority's PDH, SDH or ATM networks links. Each system comprises DVB-compliant encoders, decoders, two DVB modulator for satellite transmission, a PDH G.703 network interface (8 Mbit/s) as well as E1 and ATM interfaces. A three-year Supply Agreement may be considered by the Authority for the provision of an additional 10 DVB point-to-point links. The tenders must be accompanied by an unconditional guarantee issued in favour of the Authority by one of

the banks operating in Cyprus authorized by the Central Bank of Cyprus to issue such guarantees for an amount equal to CYP 10,000 covering the period of the validity of the tender. No partial tenders will be considered. Closing date: January 12, 2001. Cost of bid documents: C£20 plus VAT. Contact IBOC, fax: (613)996-2635, e-mail: eleads@dfait-maeci.gc.ca quoting case no. 001027-04268. For details: www.iboc.gc.ca/webleads.asp?=&1478en

THAILAND — Construction of Klongmai Substation — (Notice received from the Canadian Embassy in Bangkok, Thailand.) The Purchases and Stores Department of the Metropolitan Electricity Authority has issued a public tender for the Construction of the Klongmai Substation: Bid no. CF3-9004-WBX. Closing date: January 31, 2001. Cost of bid documents: US\$210. Contact IBOC, fax: (613)996-2635, e-mail: eleads@dfait-maeci.gc.ca quoting case no. 001019-04153. For details: www.iboc.gc.ca/webleads.asp?=&1398en

ETHIOPIA — Abay River Bridge Maintenance Project — (Notice received from the Canadian Embassy in Addis Ababa, Ethiopia.) The Federal Democratic Republic of Ethiopia has allocated sufficient funds for the Abay River Bridge Maintenance Project. The Ethiopian Roads Authority, on behalf of the government of Ethiopia, invites sealed bids. Closing date: January 23, 2001. Cost of bid documents: Ethiopian Birr 500 (non-refundable). Contact IBOC, fax: (613) 996-2635, e-mail: eleads@dfait-maeci.gc.ca quoting case no. 001026-04258. For details: www.iboc.gc.ca/webleads.asp?=&1473en *

IBOC trade opportunities — find out more at www.iboc.gc.ca



International Business Opportunities Centre

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®).

Switzerland has a strong environmental industry. Due to the country's small size and high population density, it has been forced to confront environmental problems long before many other larger countries. Consequently, the environment industries have become a substantial factor in the overall Swiss economy.

Sector profile

Environmental industries in Switzerland

The Swiss industries' strengths are in the fields of wastewater treatment and water purification, waste recovery, recycling and incineration, air pollution control, noise abatement, integrated pollution control processes, soil treatment and sewage sludge disposal, instrumentation/monitoring, environmental safety and impact assessment analysis. The stringent Swiss environmental laws and regulations have been the driving force behind many of the innovative environmental concepts and top-flight technology products that have found their way to world markets.

Small country, big on environment

Switzerland, a small country of approximately 40,000 square kilometres, has approximately 120 manufacturers and 80 engineering consultants directly active in the environment sector. As well, an additional 300 companies, mostly small and medium-sized enterprises (SMEs), supply components to this relatively young and highly specialized industry sector. The Federal

Office for Economic Policy estimates this sector's total annual turnover at 5 to 6 billion Swiss francs, and its workforce at approximately 20,000. The environmental technology division of the Swiss Association of Machinery, Electrical and Metal Industries (SWISSMEM) alone comprises 40 firms, with an annual turnover of

approximately 900 million Swiss francs. Over 50% of this turnover is generated by exports. In Switzerland, 99.6% of all companies are considered to be SMEs, and they employ 75% of the country's total workforce.

Environmental protection measures cost Switzerland — population 7 million — approximately 6 billion Swiss francs annually (1.7% of the GDP). Of this, 35% goes to managing waste, 28% to protecting water resources, and 23% to improving air quality. The funding comes from both public and private sectors; federal, cantonal and municipal governments are closely involved in the decision-making processes. The Swiss government's ecological tax reform proposals are presently under parliamentary review and decisions are expected soon on issues such as an energy tax, a tax on carbon dioxide emissions, and various proposals for an "incentive" tax that would increase the price of fossil fuels. To date, hundreds of Swiss companies have obtained

ISO 14001 environmental standards certification.

The Environmental Protection Law and subsequent updates have reinforced the close co-operation between environmental research institutes and the commercialization of new technologies. Swiss government agencies support pilot and demonstration plants for "green" technologies and can specifically promote projects which contribute significantly to the solution of environmental problems.

Environmental technology research is producing increasingly sophisticated filtration systems, as well as wastewater and exhaust air treatment equipment, in order to reduce industry's emissions. In sectors such as the chemical and metallurgical industries, new integrated production processes are being developed, in collaboration with universities. The Swiss Federal Laboratory for Materials Testing and Research (EMPA) investigates the environmental impact of substances and processes, develops methods of life cycle assessment, and conducts environmental reviews of companies.

Key facts about sub-sectors:

Waste

In Switzerland, 370 kg of mixed municipal waste accumulates, per person, each year. In general, Swiss municipalities use various forms of "bag and tag" systems to collect household waste. In addition, 240 kg, per person, per year, of used material is collected separately through a sophisticated network of drop-off points and recycled, adding up to 610 kg in total. Close to 40% of municipal solid waste is recovered (e.g. glass, polyethylene, paper, tinplate, etc.).

Increasingly, waste-to-energy technologies are being used to incinerate 80% of mixed municipal waste and non-utilizable sewage sludge, while the remaining 20% is land filled. As of 2000, Swiss law prohibits land filling of combustible waste. The legislation identified

14 categories of "special waste" (toxic waste), divided into 172 sub-categories, which must be burned in special incinerators.

Water

Switzerland's drinking water comes mainly from spring water and ground-water. On average, the Swiss population — including industry — consumes approximately 425 litres per inhabitant daily. Switzerland has wide expertise in using biotechnology for wastewater treatment. Today, 97% of the population and all factories are connected to wastewater treatment plants.

Air

In Switzerland, 90% of private cars are equipped with catalytic converters. In order to reduce the emissions of carbon dioxide, the government program "Energy 2000" was launched in 1990, aimed at maintaining 1990 levels of emissions and fossil fuel usage over the next decade. The program also foresees by the end of 2000 an increase of 3% in the use of renewable forms of energy for heat production, and an increase of 0.5% for electricity generation. Among other measures, the use of heat pumps is widely encouraged; 55,000 heat pumps can replace 110 million litres of fuel oil per year. (For more information, see www.wpz.ch)

Biotechnology is also increasingly used for removing various gaseous emissions and odours.

Soil

A number of Swiss firms specialize in advanced remediation methods (in situ and ex situ) for soil and for older landfills, including monitoring equipment and data-collection devices.

Cleaner Production Centres (CPCs)

Switzerland is not a member of the European Union (EU). It has its own laws, legislation, norms and standards, which, though often in line with those of the EU, are in many cases more stringent. Despite existing bilateral trade agreements with the EU, the isolation of Switzerland within Europe sometimes has a limiting effect on

Swiss companies' efforts to increase their exports in the environment sector and in others. Swiss firms must often rely on licensing agreements to market their products and services, or on joint ventures with partners in the European Union or from overseas.

CPCs were set up in Switzerland to foster international co-operation by enabling corporations from around the world to share new ideas and technologies in the environment industry. In Switzerland, these centres focus on creating long-term technology co-operation agreements, promoting "eco-efficient" production processes, and helping to improve recycling and disposal methods.

Partnership opportunities

Opportunities exist for partnering with Canadian companies in the following areas:

- waste management — collection, sorting, recycling, treatment, incineration
- resource recovery and recycling technologies
- wastewater, fresh water, sewage treatment
- composting, biowaste, sludge

- soil protection, geology and tunnelling
- air pollution control
- noise abatement and ventilation
- monitoring and introduction of clean process technology; environmental impact
- assessment studies and life-cycle analysis
- corporate environmental management systems
- sustainable energy conservation and new energy technologies

For more information, contact Werner Naef, Commercial Officer, Canadian Embassy, Berne, Switzerland, tel.: (4131) 357-3206, fax: (4131) 357-3210, e-mail: werner.naef@dfait-maeci.gc.ca Web site: www.canada-ambassade.ch

Other useful Web sites:

- www.admin.ch/buwal (Swiss Ministry of Environment)
- www.snf.ch/spp_umwelt (Swiss National Science Foundation; Environment Priority Program)
- www.umwelttechnik-verband.ch (Swiss Association for Environmental Technologies) ✪

CCC: A proud sponsor

— Continued from page 7

- **Student Achievement** — recognizing students who have applied what they have learned to the benefit of Ontario's export community.

Who can submit nominations

Companies or individuals may nominate themselves or be nominated by a group, customer or individual who is familiar with their export business activities. Nomination guides and forms are available on-line at www.ontario-canada.com/export

The nomination deadline for the 2000 Ontario Global Traders Awards is December 15, 2000.

How winners are selected

Nominations for regional awards are evaluated by regional panels, representing leaders from business, education and economic development groups. A provincial panel selects the provincial winners from a short list of regional winners.

For more information, tel.: (416) 314-8200, toll free: 1-877-468-7233, fax: (416) 314-0648, e-mail: global.traders@edt.gov.on.ca, Web site: www.ontario-canada.com/export ✪

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

Asian Development Bank posting RRP's on its Web site

To further improve the transparency of its operations and access to key documentation, the Asian Development Bank (ADB) has started posting all its non-confidential *Report and Recommendations to the President* (RRPs) on its public Web site www.adb.org once they have been approved by the Board. The exceptions will be RRP's containing commercially sensitive information, notably non-sovereign loans under the Bank's private sector operations, which will remain classified as "confidential" under the Bank's Confidentiality and Access to Information Policy. RRP's now being posted include specific loan and technical assistance (TA) project approval documentation.

In addition to new non-confidential RRP's and policy papers (which have been posted for some time), the ADB will be posting non-confidential RRP's approved in the past back to January 1, 1995 (the date the current Confidentiality and Access to Information Policy became effective). The ADB hopes to complete the posting of all past approvals by the end of this calendar year.

To access the RRP's by country or by subject: www.adb.org/Projects/reports.asp?key=reprs&val=RRP

For more information, contact Edward Wang, Asia Team Leader, DFAIT, tel.: (613) 996-6188, e-mail: edward.wang@dfait-maeci.gc.ca ✪

World Bank MOS free on-line

The *World Bank Monthly Operational Summaries* (MOS) have recently been made available on-line — FOR FREE — from its own home page at www.worldbank.org/html/opr/procure/MOS/contents.html

The MOS reports on the status of projects in the World Bank's lending pipeline, from the point of identification of the project to the signing of the loan or credit agreement. This information is key to Canadian companies and organizations that export, or plan to export, to developing countries as it allows them to track these projects over a period that can last, on average, two years.

For more information, contact the Export Financing IFI Unit, DFAIT, tel.: (613) 995-7251, e-mail: ifinet@dfait-maeci.gc.ca ✪

HOFEX 2001, the largest food business exhibition in Asia

HONG KONG — May 8-11, 2001 — The Consulate General of Canada in Hong Kong will organize a national stand at HOFEX 2001, the 9th Asian International Exhibition of Hotel, Restaurant, Retail and Catering Equipment, Supplies and Services, Food and Drink.

HOFEX 1999 attracted 4,759 international exhibitors and 16,089 Asian buyers from South China, Taiwan, Malaysia, Singapore, the Philippines and Australia. Hong Kong remains the key regional centre for the hospitality business.

New market reports

The full text of the following articles on sectoral markets are available on the on-line version of Canadexport at www.infoexport.gc.ca/canadexport

Greece

- Greece: Agriculture and Agri-food Sector — An Appetite for Change

Russia

- Canadian Firms Offer Appetizing Fare in Russia

Switzerland

- The Swiss Biotechnology Industry — An Overview

The United Kingdom

- The Environmental Market in the United Kingdom
- The United Kingdom Biotechnology Sector
- The United Kingdom Games Market
- The United Kingdom — Information and Communications Technologies ✪

The Consulate will co-operate with colleagues in the regional offices of Agriculture and Agri-Food Canada and provincial Ministries of Agriculture to organize the Canada stand; the goal is to have a Canadian presence of 20 exhibitors. To create a distinctive Canadian image, on a cost-recovery basis, the Consulate will consolidate booth design and setting, including an interactive information booth and meeting area.

Continued on page 16 — HOFEX 2001

Shanghai is China's information gateway. Most of the world's information and communications technology (ICT) giants have been attracted by the city's infrastructure and investment environment. Last spring, for example, Alcatel announced that it was moving its Asian headquarters to Shanghai; and, in October, IBM announced investment of another US\$300 million to build an electronic card and high-tech chip carrier plant in the city.

Shanghai is located in the Yangtze Delta, an area with a population of 200 million having the highest spending power in mainland China. The ICT market has grown by 40% in the last year.

Shanghai is the first city in China to have:

- a DWDM network
- long-distance service provided by a foreign enterprise (AT&T)
- a credit card verification system for e-commerce
- Web TV

Shanghai's ICT market — The head of the Chinese dragon

In June 2001, Shanghai is hosting a series of high-profile ICT activities:

- **ExpoComm 2001** — telecommunications and e-commerce solutions trade fair
- **Golden Card Shanghai 2001** — electronic card technology trade fair
- **Compu-Net 2001** — software, Internet and hardware trade fair
- **CIAPR** — high-level information technology strategy seminar hosted by the Mayor of Shanghai and sponsored by the United Nations

During June, the Canadian Consulate General in Shanghai is organizing a Canadian Week to promote Canada's ICT expertise. Last year about 25 Canadian companies participated. Here's how you can take part:

- Exhibit at ExpoComm's Canada Pavilion. The fair is already sold out but the Consulate is holding 135 square metres of prime exhibit space on the first floor. Exhibitors



The Canadian Pavilion at Shanghai ExpoComm 2000.

include Cisco, Lucent, Alcatel, Nortel, Siemens, Ericsson, Huawei, Nokia and others. Contact us immediately if interested.

- Exhibit at Compu-Net or Golden Card Shanghai.
- Advertise in the ICT catalogue and on the Web site all year long (check out this year's catalogue at www.shanghai.gc.ca/it).
- Attend the fairs, CIAPR and the Canadian reception.
- Hold a seminar to promote your products.

The Canadian Consulate General in Shanghai wants to help serious exporters expand their sales in this important market.

For more information, contact Jan Scazighino, Trade Commissioner and Vice-Consul, Canadian Consulate General, Shanghai, tel.: (011-86-21) 6279-8400, fax: (011-86-21) 6279-8401, e-mail: jan.scazighino@shanghai.gc.ca Web site: www.shanghai.gc.ca/it or Laurie Pinard, Information Officer, China and Mongolia Division, DFAIT, tel.: (613) 944-3093, fax: (613) 943-1068, e-mail: laurie.pinard@dfait-maeci.gc.ca *

Mining trade show in Brazil

BELO HORIZONTE, BRAZIL — April 24-27, 2001 — The Canadian Association of Mining Equipment and Services for Export (CAMESE) (www.camese.org) and the Canadian Trade Office, located in Belo Horizonte, are organizing Canadian participation in EXPOSIBRAM 2001, the Brazilian Mining Trade Show. Belo Horizonte is the capital city of the state of Minas Gerais, which is Brazil's mining heartland and recognized as one of the major mining regions of the world.

EXPOSIBRAM (www.ibram.org.br) is the most important congress and exhibition in the Brazilian mining sector, and covers the entire mining industry from exploration to mine closure. It offers an excellent venue for Canadian mining suppliers of equipment and services to make contacts with potential end users, decision makers, sales representatives and joint venture partners. More than

500 exhibitors and over 13,000 visitors from around the world contributed to the success of the 1999 EXPOSIBRAM.

Over the course of the next 20 years, it is expected that Brazil will attract US\$35 billion in investments in the mining sector earmarked for finding new deposits, mining operations and mineral processing, and for forecasting better growth prospects for Brazil and its mining industry. EXPOSIBRAM 2001 is already sold out, but CAMESE was able to reserve space in advance which it is holding for a limited time for Canadian firms.

For more information and an application to participate at this important event in the Canada Pavilion, contact Francis Bourqui, CAMESE, Ontario, tel.: (905) 513-0046, fax: (905) 513-1834, e-mail: bourqui@camese.org *

Target India 2001

Industrial Consultants of Etobicoke, in co-operation with the Indo-Canada Chamber of Commerce, is organizing **Target India 2001**, a 15-day trade mission to India for export-ready small and medium-sized enterprises, February 9-23, 2001.

Participants in the environmental and waste management, mining (marble), construction, agro-industries and food-processing sectors will visit the states of Gujarat and Rajasthan. The mission would be of interest to manufacturers, exporters and importers in these sectors.

Participation is limited to 15 individuals. Activities include a one-day seminar on tax planning, bank financing, corporate structures and state

and central government laws, a meeting with the Minister and Secretary of State of the state government, and a meeting with the local Chamber of Commerce in each state capital. Participants will have opportunities to visit businesses in related industries, and meetings will be arranged with prequalified local partners. A detailed itinerary will be provided upon registration. As well, for French speakers interested in participating, local interpretation will be available.

Trade delegation members will also have an opportunity to visit **BUILD INDIA 2001** in Mumbai, which takes place from February 21-25, 2001. For information on this event, visit www.buildersindia-exhibitions.com

For further information, contact Kashyap Bhatt, President, Industrial Consultants, tel.: (416) 679-8333, fax: (905) 889-1555, e-mail: k.bhatt@industrial-consultants.net Web site: www.industrial-consultants.net or Alan McBride, India Trade Officer, South Asia Division, DFAIT, tel.: (613) 944-1653, fax: (613) 996-5897, e-mail: alan.mcbride@dfait-maeci.gc.ca *

Economy and GDP are booming

- **Banner year in 1999:** Canadians celebrated eight straight years of economic growth as the GDP hit its highest peak of 4.5% since 1994.*
- **Growth to remain strong:** A private sector forecast points to a strong economy with a 3.2% growth rate in 2000-2001.†

The OECD projects Canada's growth to average 2.9 percent over the period 2000-2001 — second only to France among the G-7 countries.**

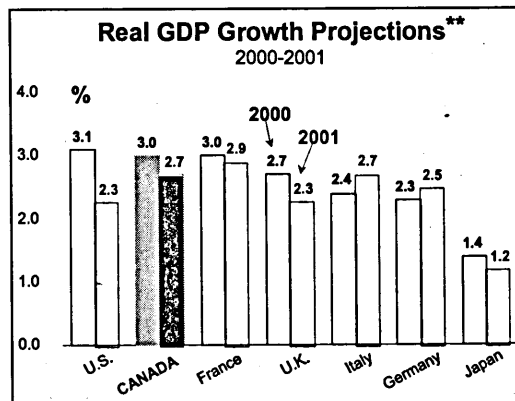
- **Budget surplus and largest debt reduction:** 1999 saw the federal government have its third consecutive budget surplus since 1951-52. The \$12.3 billion surplus was used to make the single largest ever paydown of the national debt.‡

For more information on investing and doing business in Canada, click on www.investincanada.gc.ca or call (613) 941-0354, fax: (613) 941-3796, e-mail: lanoy.louise@ic.gc.ca

* Source: *Trade Update 2000: First Annual Report on Canada's State of Trade*, Department of Foreign Affairs and International Trade, 2000 — <http://www.dfait-maeci.gc.ca/eet/state-of-trade-e.asp>

† Source: *Consensus Forecasts* by Consensus Economics Inc. (U.K.)

‡ Source: Finance Canada — <http://www.fin.gc.ca/fin-eng.html>



** Source: *OECD Economic Outlook*, December 1999

HOFEX 2001

— Continued from page 14

Visit the HOFEX Web site at <http://ats.agr.ca/hofex2001> to download an application for stand space and a contract for participation in the Canadian national stand. Allocation of space to companies will be on a first-come, first-served basis.

For further information, contact: Kitty Ko, Commercial Officer, the Canadian Consulate General, Hong Kong, tel.: (011-852) 2847-7448, fax: (011-852) 2847-7441, e-mail: kitty.ko@dfait-maeci.gc.ca *

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling **1-800-267-8376** (Ottawa region: 944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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Season's Greetings!

Issue will be January 15, 2001

The Maghreb and the Iberian Peninsula

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International Trade Minister Pierre Pettigrew led this year's highly successful Canada trade mission to the Maghreb and the Iberian Peninsula, held from October 10 to October 20. The multisector mission, with over 100 representatives from Canadian businesses and institutions participating, provided a host of activities planned by the Canadian Embassies in each of the four countries on the itinerary — Morocco, Algeria, Spain and Portugal.

Participants were treated to a busy schedule designed to help them gain access to the valuable commercial potential in each country.

Morocco

In Casablanca, Morocco, representatives from 55 Canadian firms and institutions spent three days "talking shop"

with 400 of their Moroccan counterparts, resulting in six agreements worth approximately \$90 million.

Continued on page 3 — Trade mission



Jacques Lamarre (left), SNC-Lavalin President and CEO, shakes hands with Chekrine Abdelkader, Assistant Director General, National Industrial Potable Water and Purification Agency, after signing a \$600 million MOU with the Algerian government. In the background are Pierre Pettigrew, International Trade Minister (centre), and Salim Saadi, Algeria's Minister of Water Resources.

NOVA SCOTIA CORPORATION incubates companies to be export-ready

The most challenging time for a company is start-up, when product development and market exploration must be balanced with limited capital. One Nova Scotia corporation is taking young companies under its wing to help them survive and grow — and become globally competitive — during their first years. Through its world-class business incubation centres,

InNOVAcorp is producing "graduates" ready to take on the world.

Founded in 1996, InNOVAcorp promotes, stimulates and encourages the development of technology products and services for emerging entrepreneurs in the life sciences and information technology (IT)

Continued on page 8 — InNOVAcorp

CANADIAN TRADE COMMISSIONERS
NEW POSTING — FALL 2000
(See supplement inside.)

Canada

No more waiting for the mail to arrive to find out about upcoming trade fairs, markets to watch or new business opportunities offered from Bangkok to San Francisco!

Updated regularly, the *Canadexport on-line* Web site allows us to offer a larger number of articles from our network of associates, which delve deeper into a variety of subjects of interest to anyone involved in the export market or thinking of pursuing foreign market opportunities. Since the launch of *Canadexport on-line* in September 2000, we have already published 15% more articles from our missions all over the world, with many of the articles more detailed than the print version. Visit us at www.infoexport.gc.ca/canadexport

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We're just a mouse-click away! *Canadexport on-line* was made possible through the support of the Canadian Commercial Corporation,

the United States Bureau and the European Business Development Section of DFAIT, as well as the co-operation of the Trade Commissioner Service of Canada. ✪

CANADIAN-MODELLED GIRLS' SCHOOL IN ABU DHABI

In Abu Dhabi, United Arab Emirates (U.A.E.), the Sheikh Zayed Private School for Girls opened on September 9. The school is modelled on Toronto's Bishop Strachan School (www.bss.inforamp.net), one of the oldest private schools in Canada; it is designed, furnished and managed by Canadians.



The Sheikh Zayed Private School for Girls in Abu Dhabi, United Arab Emirates.

Attending the school are 200 girls in grades 1 to 9. Grades 10, 11 and 12 will be added over the coming three years. Plans also call for construction of an annex to house a preschool for 100 children. Situated close to the Canadian Embassy, the institution has a swimming pool, auditorium and library, and is highly IT-connected.

The school is named for Sheikh Hamdan bin Zayed, Ruler of Abu Dhabi

and President of the U.A.E. He and his wife, Sheikha Fatima bint Mubarak, had both visited Canada and wanted to create an institution similar to the Bishop Strachan School in their country. The principal, Rosemary Scarlett, is Canadian, as are the librarian and 10 of the 13 teachers hired from abroad. This will reinforce Canada's considerable influence in Abu Dhabi in the field of education. Over 200 Canadians currently teach at higher institutes of technology in cities throughout the U.A.E.

At the official opening, Minister of Higher Education and Scientific Research, Sheikh Nahyan bin Mubarak Al Nahyan commented, "Our aim is the establishment of a school that will provide each student with an education that will enable her to live a moral, satisfying and productive life... We hope that this academy will continue to develop as a model of educational excellence."

For more information, contact Maher Abou-Guendia, Counsellor (Commercial), Canadian Embassy, Abu Dhabi, tel.: (011-971-2) 445-6969, fax: (011-971-2) 445-8787, e-mail: maher.abou-guendia@dfait-maeci.gc.ca ✪

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canadexport

—Continued from page 1

Judging by these results, Morocco is fast becoming a key destination for Canadian exports, which includes everything from products in the infrastructure sector to the cutting-edge field of biotechnology, as well as Canadian expertise in hospital management, and software design for Moroccan income tax calculation.

Algeria

In Algeria, Canada's largest trading partner in Africa and the Middle East, the trade mission grew to 86 Canadian participants, who met over 600 Algerian business representatives. Algerian Prime Minister Ali Benflis attended the inaugural session to urge Algerian and Canadian executives to further strengthen the strong business relationship they already share, one that is worth over \$1 billion annually. Apparently heeding his advice, the two countries signed 12 agreements, worth over \$605 million.

Spain

Then it was on to Madrid, and Barcelona, Spain, where 35 Canadian business people explored the potential of one of the fastest growing economies in the European Union (currently 4.2% annual growth). Spanish companies have already invested in, and made commitments to, Canada totalling \$5.7 billion, and 55 Canadian companies either have an office, or some other presence, in Spain. Top priorities for this mission were the construction, environment, information technology, communications and transportation sectors. The Canadian and Spanish business discussions produced three significant commercial agreements.

Portugal

Next was the Portugal leg of the trip, where 14 Canadian companies visited Lisbon, focusing on telecommunications, information technology, defence, environment, transportation and construction. The Canadian companies expressed interest in partnering with the Portuguese, not only in domestic markets, but

in third-country markets as well. The mission also witnessed the launching of the Canada-Portugal Business Club.

The mission itself may have ended, but its success lives on. Several Canadian firms are keen to return to the

- Letter of intent for the creation of a joint venture between RSW International Inc. of Montreal, Quebec, and Algeria's Entreprise nationale des études hydrauliques (ENHYD) [National Corporation for Hydraulic Studies].

Trade mission

region to further explore additional business opportunities, to develop contacts, and to establish a presence in these growing markets.

In the words of Minister Pettigrew, "There was a real enthusiasm for Canada here. The results have exceeded our expectations."

Agreements signed in Morocco:

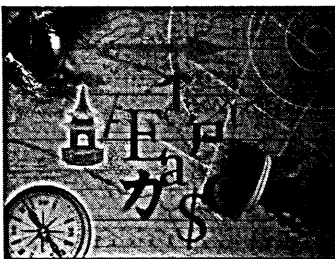
- **Gestion Médicale Internationale**, of Sillery, Quebec, will provide consultancy on hospital administration to the Casablanca Children's Hospital.
- **Groupe Sykam**, of Laval, Quebec, will establish a plastics processes institute and a biotechnology institute in Morocco.
- **Progestic International**, of Ottawa, Ontario, and the Laboratoire Public d'Essais et d'Études of Morocco will conduct a study of building maintenance management in Morocco.
- **TMR Conseils et Expertises**, of Hull, Quebec, in partnership with Informatix Maroc, will design three software applications for the preparation of personal and corporate Moroccan income tax.
- **World Export**, of Abbotsford, B.C., and **Groupe Multimédia 2000** of Morocco, will partner to design a Web site promoting Moroccan exporters.

Agreements signed in Algeria:

- A \$600 million memorandum of understanding between **SNC-Lavalin International Inc.** of Montreal, Quebec, and Algeria's Agence nationale de l'eau potable industrielle et de l'assainissement [National Industrial Potable Water and Purification Agency].

- Partnership agreements between **Neosignal** of Lasalle, Quebec, and **Forem** of Algeria, and between **Neosignal** and **Alpha Design** of Algeria.
- Letter of agreement between **PanGeo Pharma Inc.** of Montreal, Quebec, and **Digromed** of Algeria.
- Partnership agreement between **Elix Inc.** of Montreal, Quebec, and **EEPAD** of Algeria.
- Memorandum of understanding between **Géomat International Inc.** of Montreal, Quebec, and **Geocomputer** of Algeria.
- Memorandum of understanding between **Dessau-Soprin International** of Montreal, Quebec, and Algeria's **EPA-ANSA Sidi Abdellah**.
- Partnership agreement between **Connexions commerciales internationales** of Verdun, Quebec, and **L'entreprise de promotion immobilière** of Bejaia.
- Partnership agreement between **Groupe Canam Manac** of Ville de Saint-Georges, Quebec, and **Groupe ADF** of Terrebonne, Quebec, to carry out projects in Algeria.
- Letter of intent for a partnership between the **Atelier d'Usinage Tracy** of Tracy, Quebec, and Algeria's **Entreprise nationale de charpente et de chaudronnerie (ENCC)** [National Frame and Boilermaking Corporation].
- Sanitary agreement between the **Canadian Food Inspection Agency** and Algeria's Ministry of Agriculture and Fisheries.
- Partnership agreement between **ATCO Structures Inc.** of Alberta

Continued on page 13 - Trade mission



THE CANADIAN
TRADE COMMISSIONER
SERVICE

Make the Trade Commission

Thousands of Canadian companies do it.

Why not yours?

With a team of over 500 trade commissioners in more than 130 cities around the world, the Canadian Trade Commissioner Service can help you succeed abroad. When you contact us, you are tapping into a worldwide network of professionals. Your initial enquiry to us is the beginning of an important partnership with your trade commissioner.

“When we negotiated our first international deal, we were not aware of the services offered by the Trade Commissioner Service abroad. Now, when we approach a market, we contact them systematically. We share information with them as we would with a real business partner. When you let them know what your plans are, you get maximum results.”

Neale Johannesson
Cyntech Corporation, Calgary

Where to start

Our clients tell us that to succeed internationally, companies must concentrate on entering one foreign market at a time. Start by identifying the most promising foreign market for your company by doing your research here in Canada. For help in researching and selecting a target market, call Team Canada Inc at 1-888-811-1119 or visit exportsource.gc.ca.

Who to contact abroad

Once you have targetted a market, you're ready to contact the Canadian Trade Commissioner Service at one of Canada's embassies, high commissions or consulates abroad.

What we need to know

To get our best, give your best

If you approached your bank for a loan, you wouldn't think twice about the level of information you'd be willing to provide. You need to do the same with your trade commissioner, so that he or she can interest foreign buyers in doing business with you.

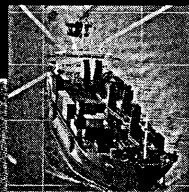
HOW WE CAN HELP

More than 130 trade offices abroad provide the following 6 core services, free of charge:



- **Market Prospect**
Help to assess your market potential
- **Key Contact Search**
Qualified contacts and partners
- **Local Company Information**
Current information on foreign businesses
- **Visit Information**
Practical guidance on organizing and making your trip successful
- **Face-to-face Briefing**
Market intelligence from our officers in the field
- **Troubleshooting**
Advice on resolving market access and other business challenges





Customer Service Work for You

To give your company credibility and to make your initial enquiry count, tell us about your firm, using this checklist of questions:

- What is unique or special about your company, product or service?
- Who are the end users of your product or service? To whom do you sell in Canada and abroad, and how?
- Which country or regional market are you targeting and why? What do you know about your target market?
- How do you plan to enter the market: export, license, joint venture or investment?
- How would you describe the typical buyer, distributor, agent or partner you want to work with in your target market?
- When do you plan to visit the market? Have you considered adapting your company and product literature to the market at that time?

If you've already provided this information as a registered member of WIN Exports, the Trade Commissioner Service's client database, let your trade commissioner know.

Why we need all this

Don't hesitate to brag about your accomplishments. If you've just landed an account with a well-known Canadian corporation, that connection can go a long way with buyers from Atlanta to Zagreb.

information

Imagine you're the foreign buyer

"Why should I get my products from halfway around the world? Why should I choose a Canadian supplier?" These questions are going to be asked by the buyers in your target market. In fact, you will have to sell yourself more than you would to a Canadian buyer, since you are new to the market.

Imagine you're the trade commissioner

A sketchy, three-line enquiry has its own implications: if we don't have all the information on your company, we can't pass it on to potential buyers. So, provide detailed information to your trade commissioner.

And don't worry: all requests are treated confidentially.

Who will answer your enquiry

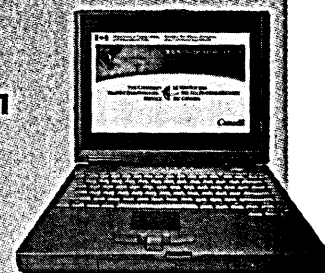
Your trade commissioner will get back to you within five working days. Most of the time, it's not a Canadian who answers your enquiry. More than half of the 500 trade commissioners working abroad are sectoral specialists who have been hired for their firsthand knowledge of the country in which they live. You too can benefit from their market intelligence and valuable connections.

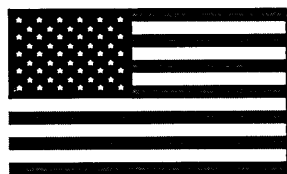
You're a stranger in a strange land. To successfully enter a foreign market, you need to build a credible reputation abroad. That foundation starts with your trade commissioner.

How to contact us

Our Web site is the easiest and most economical way to reach us abroad. Go to www.infoexport.gc.ca.

To provide us with comments and suggestions, call our feedback line at **1 888 306-9991**





The U.S. Connection

The U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division (URT). For information about articles on this page, contact URT by fax at (613) 944-9119 or e-mail at commerce@dfait-maeci.gc.ca. For all other export enquiries, call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

What do you get when you take one of Toronto's most innovative improvisers and let him loose in the business world? You get a unique workshop with a positive effect on the operations and bottom line of major organizations and businesses. You also get a U.S. training insti-

preconceived ideas, complacency, fear and false ego — that stop people from being flexible.

The workshop has been used effectively by organizations in all sectors of the economy. After going through the program, a group of engineers at Bombardier was able to

Training and Development (ASTD) conference in Dallas in June 2000.

Embassy offers the key

Through the training professionals partnering event, Rosenberg has developed a close relationship with QEI Design Training of Arlington, Virginia, to deliver the Flexible Thinker® program. "The Embassy helped us find QEI — and from QEI we have had a wonderful entranceway to other organizations. If QEI has been a door for us, the Embassy was the key."

Indirectly, the Embassy was also a key to the introduction to Charlottesville-based FEI, which heard about Flexible Thinker® after the partnering event, and approached Rosenberg for a request for proposal. "From the numerous training programs considered, FEI selected two that they felt to be of such high quality they couldn't turn them down," says Rosenberg. "They said Flexible Thinker® fit a need, without knowing in what way."

Rosenberg has ambitions for Flexible Thinker® to be a multimillion dollar, multinational organization within the next three to five years. But after the talk about financial goals, the entrepreneur adds, "I'm not doing this for the money. Ultimately, I'm doing this because I believe the world will be a better place if more people can think flexibly. Besides, it's fun for me too."

For more information, contact Michael Rosenberg, tel.: (905) 846-5455 or 1-888-834-3327 (83-IDEAS), fax: (905) 846-6752, e-mail: info@flexiblethinker.ca Web site: www.flexiblethinker.com *

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

Training facilitator improvises way to success in United States

tution so impressed, they create a special place for the program in their curriculum. Aided by the Canadian Embassy in Washington, D.C., Michael Rosenberg is poised to offer his Flexible Thinker® workshop at the Federal Executive Institute (FEI) — the premier public training institution in the world.



Michael Rosenberg

With a career background as a writer, director, comic and improviser, Rosenberg is far from your typical business entrepreneur. His workshop is not typical either: it mixes humour, improvisation and accelerated learning techniques to give participants the tools to be flexible in the real world.

Learning through improvisation

"The workshop places people in a situation where they have to create something out of nothing under pressure," explains Rosenberg. The key, he says, is to overcome the obstacles — such as negativity,

solve, in one week, a design problem with one of their engines that had others stumped for over a year.

Strategic partnerships

Rosenberg and his own business success are themselves proof of the effectiveness of his workshop, which emphasizes, among other things, the importance of strategic partnerships. The contract with FEI, and other U.S. firms, came about as a result of a partnership with the Department of Foreign Affairs and International Trade (DFAIT). "I've been able to tap into their expertise to help me build my business," explains Rosenberg.

Specifically, Rosenberg tapped into the Partners-in-Training conference sponsored by the Canadian Embassy in Washington, D.C., in early spring 2000, and the Program for Export and Market Development (PEMD), which in turn allowed him to attend the American Society for

Check the Business Section of the Canada-U.S. Relations Home Page at www.dfait-maeci.gc.ca/geo/usa/business-e.asp ... for valuable information on doing business in and with the United States.

A convoy of U.S. Army trucks arrives at the edge of a river. The bridge has been blown out, but that doesn't stop them. Boats are launched, followed by ribbon bridges, which are quickly locked together to form a mobile bridge. In short order, the convoy is continuing its journey on the

Cargotec, a U.K. company. The patented temporary-bridge loading and unloading system was required for a 1987 contract with the Department of National Defence.

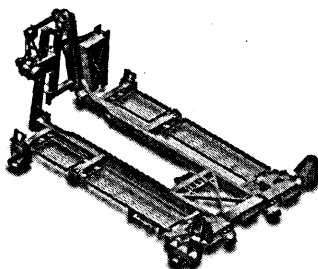
In late 1997, Bombardier learned of a request by the U.S. Army Tank Automotive Command (TACOM) for a

CCC provides bridge to United States for Mass transit firm

other side. Behind this rapid temporary bridge deployment, lies technology manufactured by Kingston-based Bombardier Transportation, with the Canadian Commercial Corporation (CCC) providing its own kind of bridge to help the mass transit company secure the contract.

A division of Bombardier Inc. since 1992, Bombardier Transportation specializes in manufacturing mass transit equipment, targeting sales to cities across the United States and Canada. Previously, the company had obtained a licence to manufacture a bridge adapter pallet (BAP), a load-handling system (LHS), and a flat rack for Partek

North American company with bridging expertise. The company suddenly found itself in the running for a very lucrative contract.



Backed by CCC, Bombardier won a three-year contract to provide TACOM with bridge adapter pallets; orders to date are valued at \$10 million.

As with all U.S. Army contracts valued at over \$100,000, CCC was brought in to bid as the prime contractor. Having no previous experience with the U.S. Army, explains Darrell Carnegie, Manager of the BAP Project, the company found the contract terms and conditions daunting, but CCC Senior Project Manager James Kelly helped to alleviate the company's fears.

"James was invaluable in translating U.S. Department of Defense regulations, and in easing the intimidation factor," explains Carnegie. "Without his help, we might not have had the nerve to bid — or have even finished reviewing the proposal documents in time."

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 preshipment export financing from commercial sources.

For more information, contact CCC, tel.: (613) 996-0034, toll-free in Canada: 1-800-748-8191, fax: (613) 947-3903, e-mail: info@ccc.ca
Web site: www.ccc.ca

Backed by CCC, Bombardier won a basic ordering agreement to provide TACOM with BAPs over a three-year period beginning in June 1999. To date, the orders placed are worth \$10 million.

"It's been beneficial all round," says Carnegie. "TACOM saved a significant amount of money just coming to Canada. What they also got is a service-oriented company that really values their business."

TACOM's satisfaction is reflected in Bombardier having current orders in steady production until March 2001, and in its optimism regarding future business. This CCC-assisted bridge to the United States may not be temporary.

For more information on Bombardier Transportation, contact Darrell Carnegie, Manager, BAP Project, tel.: (613) 384-3103, ext. 4668, fax: (613) 384-4947, e-mail: dcarnegi@transport.bombardier.com
Web site: www.transportation.bombardier.com

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

DOING BUSINESS WITH THE U.S. FEDERAL GOVERNMENT?

Find out more from the Canadian Embassy in Washington, D.C. (www.canadianembassy.org) under "Business Opportunities: U.S. Government Procurement."

Log onto opportunities via the General Services Administration (www.gsa.gov), which facilitates purchases by the U.S. government — the world's largest consumer — and the Electronic Posting System site (www.eps.gov).

When you're ready to pursue these opportunities, the Canadian Commercial Corporation (www.ccc.ca) can assist you with the interpretation of the U.S. procurement system or ensure that as a Canadian company, you are eligible to participate.

— Continued from page 1
industries. It does this by offering investment, advisory and incubation services. The company's objective is to work with other provincial agencies to increase exports in the IT and life sciences industries by \$1.5 billion over the next five years.

InNOVAcorp

Incubation services under three roofs

Through its three business incubation facilities, the company, with between 50 and 60 employees, provides its clients with a range of services and expertise.

The facilities are the Technology Innovation Centre in Dartmouth, AgriTECH Park in Truro, and the BioScience Enterprise Centre in Halifax. In addition to flexible leasing arrangements, the facilities offer everything from administrative support to networking opportunities, and seminars on a wide range of topics, most notably export-readiness.

Offering export expertise

"When a new company starts up with us, we immediately begin to talk to them about export and export potential," explains David McNamara, Director, Technology Innovation Centre Development. "If we have the expertise in-house, we provide it, but we also go to agencies such as the Atlantic Canada Opportunities Agency (ACOA), the International Trade Centres (ITCs), and the Department of Foreign Affairs and International Trade (DFAIT). We always have expertise a telephone call away."

Nurturing partnerships

Client companies in the incubators, whether they reside on-site or access services remotely, are given ample opportunity to network with the representatives from foreign trade delegations and embassies who visit the incubators.

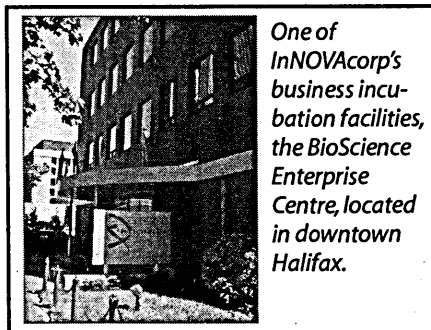
InNOVAcorp has also hosted trade missions, including two to Sweden. "The

Canadian Embassy in Stockholm was instrumental in setting up meetings between our Nova Scotia companies and those in Sweden," says McNamara.

North America-wide incubator alliances

Closer to home, InNOVAcorp has solid

connections with incubators across the United States, through membership in the U.S. National Business Incubation Association (NBIA). "We have a particularly close affiliation with the NASA incubator," notes McNamara. "If I have a company interested in selling to NASA, I can phone my contact



One of InNOVAcorp's business incubation facilities, the BioScience Enterprise Centre, located in downtown Halifax.

there, who will find out if there's a market for the product or service."

InNOVAcorp also coaches its clients on how to present at international trade shows and hosts an annual trade show — Innovation Showcase — which gives its clients what McNamara describes as a "dry run" at presenting and networking with potential customers.

Successful graduates

According to the "Nova Scotia Business and Technology Incubation Strategy" (Gardiner Pinfold, February 1998), the rate for survival of incubator graduates beyond five years is 87%. InNOVAcorp's business incubators have graduated more than 55 companies, of which McNamara estimates 50% are export-ready.

Two of its most successful graduates are Survival Systems and CORD Group, each of which developed its product

in the Technology Innovation Centre's research and development facilities, as well as benefiting from the incubator's export expertise.

"Directly and indirectly the Innovation Centre contributed to our being more successful in the export world," says Survival Systems President and CEO Albert Bohemier. "They provided us with stability in our early years and coached us in aspects of exporting."

Another graduate, Ocean Nutrition Canada, was able to bring its nutritional products to market more quickly by conducting its research and development at the BioScience Enterprise Centre. The company is currently distributing its products all over the United States.

For more information on InNOVAcorp, contact David McNamara, Director, Technology Innovation Centre Development, tel.: (902) 421-5606, fax: (902) 466-6889, e-mail: dmcnamara@innovacorp.ns.ca Web site: www.innovacorp.ns.ca

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

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Canadian Trade Commissioners New Postings — Fall 2000



As Canada's Chief Trade Commissioner, I am pleased to introduce the members of the Canadian Trade Commissioner Service who have recently been appointed to posts abroad.

The trade commissioners profiled in this supplement, along with some 500 of their colleagues, are dedicated to helping committed companies that have researched and selected their markets. The role of the Trade Commissioner Service is to provide assistance to Canadian companies in the development of their business abroad, regardless of their size or experience. We do this by

offering a set of six core personalized services at all our 135 offices in Canadian embassies, high commissions and consulates.

Every year, thousands of Canadian companies make the Trade Commissioner Service work for them. Every year, thousands of our clients succeed in world markets. I invite you to join them.

John Gero,
Assistant Deputy Minister,
International Business and
Chief Trade Commissioner

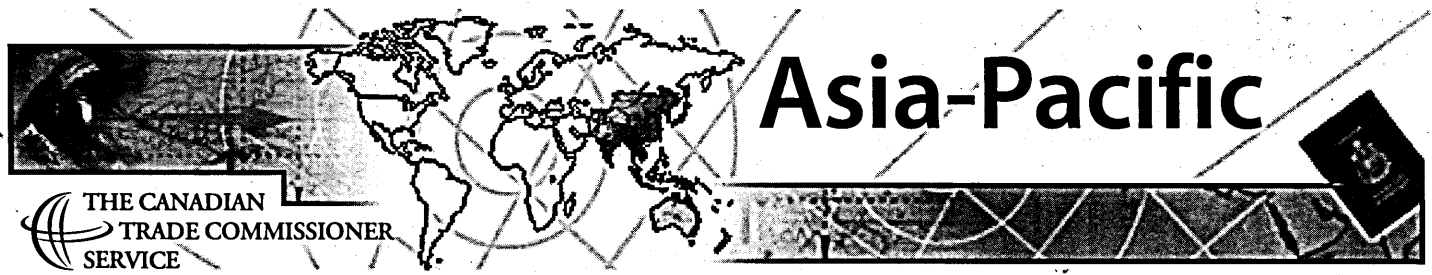
prepared by the Trade Commissioner Service Marketing Division (TCW)



Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Canada



Richard Bale

is in **Manila** as Counsellor and Senior Trade Commissioner. He has previously served in Stockholm (1988-1990), Moscow (1991-1995) and Islamabad (1998-2000). While in Ottawa (1995-1998), he worked on export financing and policy issues.

John Burbridge is now Counsellor (Commercial) in **Islamabad**. Prior to being assigned to Pakistan, he served as India Desk Officer, South Asia Division (1998-2000). He



managed the Asia-Pacific Unit at the International Trade Centre in Vancouver (1994-1998), and was previously posted to Kuwait (1991-1994) and Los Angeles (1987-1991).

Michael Clark is now at the Canadian Embassy in **Jakarta** as Counsellor (Resource Industries). This is his second posting to Jakarta, and he has also served in Winnipeg (1990-1992) as Senior Trade Commissioner, in London (1992-1996) as First Secretary (Commercial) and in Ottawa (1996-2000) in the Japan Division, latterly on a cross assignment as Deputy Director for Political Affairs.



Neil Clegg is now using his Mandarin as Deputy Consul General and Senior Trade Commissioner in **Shanghai**. Previously, he has been posted to Dhaka (1984-1985), New Delhi (1985-1987), Hong Kong (1989-1990 and 1997-2000) and Beijing (1990-1993). While in Ottawa (1982-1984, 1987-1989 and 1993), he served in the Senior Management Secretariat, and Political Intelligence and China divisions.



Pierre-André Cusson

is now Consul and Trade Commissioner in **Auckland**. He served in Seattle (1969-1971), Paris (1971-1974), New York (1974-1977 and 1984-1988), Cleveland (1980-1984), London (1988-1992) and Brussels (1994-1996). Before being posted to Auckland, he was Senior Trade Commissioner at the International Trade Centre in Winnipeg (1996-2000).



Jim Feir is Consul and Senior Trade Commissioner in **Hong Kong**, responsible for commercial and trade policy and strategic direction, and implementation of the trade, investment and alliance programs. He has been with DFAIT since 1975, serving in Seoul (1976-1978 and 1998-2000), Havana (1978-1980), Melbourne (1980-1983), Lisbon (1983-1986), Singapore (1991) and Sydney (1994-1998). While in Ottawa (1986-1991), he was Deputy Director of both the Trade Commissioner Service Personnel Division and the Japan Trade Development Division.



Monica Heron is serving as Trade Commissioner in **Hong Kong**. Her postings as Counsellor (Commercial) include

Berne (1988-1990), Harare (1990-1991), Abidjan (1991-1994) and Dublin (1996-2000). In Ottawa, she has worked in the Western Europe Trade and Investment Development Division (1987-1988), in the Trade Commissioner Service Strategic Planning (1994) and as Deputy Director for the Central and Eastern Europe Division (1994-1996).



Eelco (Ed) Jager, a new-comer to the Foreign Service, is now in

Jakarta as Third Secretary (Commercial/Economic), where he is responsible for the finance, telecommunications and environment sectors; investment; and economic reporting. He served in Ottawa last year for the Investment Trade Policy Division.



Marcus Johns is in **Seoul**

as Third Secretary (Commercial), responsible for information and communications technologies, science and cultural industries. His team is focussing on opportunities in the Korean wireless market. From 1999 to 2000, he assisted Team

Canada missions to Australia and Japan, worked as the Australia Desk Officer, and had a short-term assignment in Sydney.



Marc Parisien, who has been in **Beijing**

since 1998 as Second Secretary, is now responsible for mining, metals, minerals and related equipment, tourism, professional services and Mongolia. In 1997, he was in the Domestic Outreach Division.



Douglas Paterson, Consul and Senior Trade

Commissioner, is now in **Mumbai**. Prior to this move, he was Deputy Director, Southeast Asia (Trade) (1997-2000). He has served in Cairo as Counsellor (Economic/Commercial) and Consul (1994-1997), and in Los Angeles

as Trade Commissioner and Program Manager. Since joining DFAIT in 1976, he has also served in Dallas, Mexico and Jeddah.



Carolyn Knobel,

a new Foreign Service Officer, is now Third Secretary (Commercial) in **Bangkok**. She previously worked as Trade Commissioner in the Southeast Asia Division (1999-2000).



Robert Mackenzie is

now serving as Minister (Commercial) in **Beijing**. Since 1973, he has been posted to San Juan (1974-1977), Chicago (1977-1981), London (1988-1992), and Buffalo (1992-1996) as Consul General. In Ottawa, he served as Deputy Director of both the Eastern Europe and the Japan Trade Development divisions, and as Executive Assistant to the Deputy Minister of International Trade. From 1996 to 1999, he was Director of the United States Business Development Division.



Amarjeet Rattan

is using his experience as a producer and director of Canadian media (1981-1993) while on secondment to DFAIT as Consul and Trade Commissioner in **Mumbai**. He was Director of Communications and Public Affairs with the B.C. Ministry Responsible for Multiculturalism, Immigration and Human Rights (1994-1996), and Manager, South Asia Trade, with the B.C. Trade and Investment Office (1997-2000).



David Steuerman

is being posted abroad for the first time this year, to **Tokyo**. As Third Secretary and Trade Commissioner (Commercial), he is concerned with automotive, aerospace and defence, and rail and urban transit. He has been with DFAIT since 1997, working in the Japan Division.



Duane McMullen, who speaks some Korean, has returned as Senior Trade Commissioner to **Seoul**.

He was Trade Commissioner there from 1990 to 1994. From 1994 to 1996, he was Assignment Officer in the Personnel Division, and, from 1996 to 2000, he was Senior Trade Commissioner in Shanghai.

Etienne Sum Wah, now in **Shanghai** as Vice-Consul and Trade

Commissioner, has been with the Foreign Service since 1997. He trained at the Canadian Foreign Service Institute (1997-1998) and then worked for the Western Europe Division (1998-1999).



The Canadian Trade Commissioner Service

Kevin Thompson is now Third Secretary (Commercial) in **Beijing**. A member of the Law Society of Upper Canada, he was a partner in the law firm Harvey, Thompson, prior to joining the Foreign Service in 1998. He has extensive international experience, having worked in Latin America and Southeast Asia.



Francis Uy is now Senior Trade Commissioner in **Ho Chi Minh City**. He joined DFAIT in 1989, with initial assignments in the Multilateral Trade Negotiations Office, the Latin America and Caribbean Trade Division, and the Advanced Technologies Division. He was posted to Sydney (1992-1994) and Minneapolis (1994-1997), then returned to Ottawa to work in the China Division (1997-1998) and in the Export Development Division as Deputy Director for Intelligence Management (1998-2000).



THE CANADIAN
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Sophie Bibeau, a newcomer to the Foreign Service, was appointed to the European Union Division from 1998 to 1999. She is now in **Almaty**, Kazakhstan, as Trade Commissioner.

Patrick Boulanger is serving as Third Secretary (Commercial) in **Moscow**. He looks after trade policy matters, and his sectoral responsibilities include health industries, education marketing, cultural industries, fish and seafood products, fur and tourism. He previously worked in the China and Mongolia Division (1998-1999) and went to Riyadh on temporary duty.



Daniel de Bellefeuille is now in **London** as Commercial Counsellor, responsible for the promotion of forestry and mineral resources, and related issues. His previous assignments were with the U.K. Foreign and Commonwealth Office (1999-2000), the Operations and Human Resources Policy Division (1997-1999), the Transportation and Services Industries Division (1996-1997) working on air relations, and the China Division (1995-1996). Earlier on, he served in Beijing and Belgrade.



Roberta O. Cross will open the new Canadian Trade Office in **Barcelona** in March 2001. Currently working in Madrid, she learned Spanish during her posting in Havana (1995-1998). She has also worked in the Hemisphere Summit Office in communications and media relations (1999-2000) and has provided export services to SMEs (1998-1999). Her first assignment was in the Office of the Minister for International Trade (1994-1995).



Paul Delaney is now Counsellor (Agri-food Sector) in **Rome**. He was previously Director of Operations of the International Trade Centre in Montreal and responsible for the Canada-Quebec Industrial Development Agreement. From 1992 to 1995, he was Trade Commissioner for the Americas.

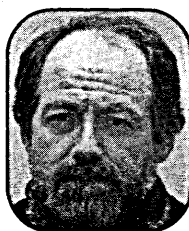


Larry Duffield is now in **Budapest** as Counsellor (Commercial) and Consul covering Hungary, Slovenia, Croatia and Bosnia-Herzegovina. He has served in Dayton (1969-1972), Bonn (1972-1976), Islamabad (1976-1978), Tokyo (1981-1987), Detroit (1987-1990) and Kyiv (1996-2000). In Ottawa, he was with the former Department of Industry (1967-1969) and the Office of Overseas Projects and the Defence Programs Branch (1978-1981). From 1990 to 1996, he was on secondment with Industry Canada and the Canadian Exporters' Association, as well as having assignments with the Personnel Branch, Policy and Strategic Planning Division and the Eastern European Division.



Douglas Forsythe

left the Legal Operations Division in Ottawa, where he had worked since 1998, to join the Permanent Mission to the European Union in **Brussels**. He was previously Deputy Director, Economic Law Section, Oceans Environmental and Economic Law Division (1993-1998).



Georges Lemieux is now posted in **Prague**

as Counsellor (Commercial). Fluent in Spanish and German, he has served in Ottawa (1983-1984 and 1990-1992), Winnipeg (1984-1985), Dusseldorf (1985-1988), New Delhi (1988-1990), Philadelphia (1992-1995) and Caracas (1995-1998). From 1998 to 2000, he was Deputy Director in the Middle East Division.



Douglas George is now

Counsellor (Trade Policy and Head of Section) at the Permanent Mission to the European Union in **Brussels**. He was Director, Softwood Lumber Division (1997-2000), Senior Departmental Assistant (1996-1997) and in the U.S. Trade and Economic Policy Division (1994-1996). He was also posted to the GATT in Geneva as First Secretary (1990-1994).



Peter Furesz is now in **Madrid**

as Counsellor (Commercial) responsible for the overall trade and investment promotion program, trade policy, strategic alliances, and science and technology co-operation. He has been posted to Jakarta (1983-1985), Munich (1985-1986), and as Program Manager in Tunis (1987-1989) and Santiago (1993-1996). He was Deputy Director of the



Japan Trade Development Division (1991-1993), and, from 1998, was Deputy Director of the Mexico and Inter-American Division.

David McGregor

has been with the Commercial Section of the Canadian Embassy in **Kyiv** since August 2000. His previous responsibilities have been in Ottawa, where he most recently spent three years on the geographic desk responsible for Ukraine and 10 other countries of the Commonwealth of Independent States. His previous international posting was in Riyadh, Saudi Arabia (1994-1997), covering commercial relations between Canada and Saudi Arabia, Bahrain, Oman and Yemen.



Catherine Patton is now in

Helsinki as Counsellor (Commercial) and Consul. Formerly, she was Deputy Director, U.S. General Relations Division (1999-2000), Deputy Director, Arts and Cultural Industries Promotion Division (1996-1999), and Consul and Trade Commissioner in Chicago (1992-1996).



Yves Geoffrion is

now in **Paris** as Counsellor (Science and Technology) on secondment from National Research Council Canada (NRC),



which he joined in 1982 at the Institute for Biological Sciences (IBS). In 1990, in IBS's Business Relations Office, he promoted the business aspects of national research networks. He was seconded to the NRC Innovation Centre (1998-1999) to promote NRC's biotechnology program activities and capabilities in British Columbia. He is also Assistant Professor in Pathology at the University of Ottawa.

Jean Prévost is now posted to **Paris** as Counsellor (Economic).

He joined DFAIT in 1977 and has served in Abidjan (1978-1980), Lima (1980-1982), Mexico City (1985-1989 and 1994-1996) and Tunisia (1989-1991). During his 11 years in Ottawa, he has served in the South America, Western Europe, Agriculture and Fisheries, Economic and Commercial Analysis, Strategic Planning and Central Europe divisions. From 1999 to 2000, he was Deputy Director (IFI) of the Export Financing Division.



Graham Rush has returned to **Moscow** as International Business Development Program Manager. He was first there from 1977 to 1979. He has served in Dallas (1979-1982 and 1996-2000), Budapest (1982-1985) and Melbourne (1988-1992). While in Ottawa (1985-1988 and



1992-1996), he worked in trade development, covering policy and planning, international trade, the USSR and Eastern Europe, U.S. trade and investment, and services industries and transportation. He also served as Co-ordinator on the Task Force on Central and Eastern Europe.

Gary Scott is currently posted to **Rome** as Minister Counsellor (Commercial/Economic). He first served as Third Secretary (Commercial) in Nairobi (1972-1974). In Ottawa, he was Desk Officer for Africa South of the Sahara (1974-1977), then was posted to Cairo as First Secretary (Commercial) (1977-1981) and to Helsinki as Counsellor (Commercial). He returned to Ottawa as Deputy Director, Middle East Trade Development Division, then served as Deputy Director for the Western Europe Trade, Investment and Technology Division. He was next assigned to the Office of the Minister for Industry, Science and Technology, and Minister for International Trade (1991-1993). After a posting to Chicago as Deputy Consul General and Senior Trade Commissioner (1993-1997), he returned to Ottawa as Director, Northern Europe Division and European Business Development Section (1997-2000).



Marie Stamp has taken up new duties as Senior Trade Commissioner in **Dublin**. Prior to her appointment as Director of the Office of Liaison with International Financial Institutions in Washington, D.C. (1997-2000), she was Senior Policy Analyst in the Information and Technology Trade Policy Division, and served as Departmental Assistant to the Office of the Minister for International Trade, and as Trade Commissioner for France. Marie came to DFAIT in 1993 after nine years with the Department of the Secretary of State.



Michel Têtu is Counsellor (Trade, Investment and Technology) at the Canadian High Commission in **London**. During his career, he has been posted to Hamburg (1985-1987), Munich (1987-1989), Kuwait (1989-1990) and Berlin (1991-1994). Upon his return to Ottawa, he was Deputy Director for the German-speaking countries in the Central Europe Division (1994-1998). From 1998 to 2000, he was Executive Assistant to the Deputy Minister for International Trade and Comptroller of the Northern Pipeline Agency.



Latin America and the Caribbean

Nathalie Béchamp is now Second Secretary in **Santiago**. Speaking Spanish, Thai and Turkish, she has served in Brasilia for a two-month period (1996) and in Bangkok (1996-1998). She was Departmental Assistant in the Office of the Minister for International Trade (1999), and, prior to that, worked in the Program Analysis and Corporate Planning divisions.



Steve Côté, who speaks Spanish fluently, is now in **Mexico City** as Second Secretary (Commercial Affairs) and Trade Commissioner. His career began at the Canadian Foreign Service Institute in 1996, and he served as Second Secretary and Consul in Montevideo from 1997 to 2000.



Geneviève des Rivières, fluent in Spanish, is in **Mexico City** as Minister Counsellor responsible for the Trade Program.

She served in Santiago (1984-1987) and Kuala Lumpur (1987-1990), then served as Trade Policy Officer (1990-1992). She was named Deputy Director of the Tariffs and Market Access Division (1992-1993) and the Resource Planning and Management Secretariat (1993-1994), and then Director, Corporate Planning Program Analysis (1994-1996). She moved to London as Counsellor (Trade and Investment) (1996-2000).



Richard Dubuc

who joined the Foreign Service in 1998, is now posted as Vice-Consul and Trade Program Manager to **Quito**, Ecuador. After serving on the Canadian Human Rights Commission from 1997 to 1998, he worked in the Maghreb and Arabian Peninsula, and the Environmental Services divisions.



John Ormond

who is fluent in Portuguese and Spanish, is now Vice-Consul and

Assistant Trade Commissioner in **São Paulo**. He joined DFAIT in 1999, working in the Hemisphere Summit Office on the Americas Business Forum and the OAS General Assembly. His previous experience as a financial analyst included work with Goldman Sachs Canada (1996-1999) and the Bank of Montreal (1996).

Jason Tolland

who speaks German, is now stationed in **Buenos Aires**. Prior to joining the Foreign Service, Jason was an ISO 9000 quality consultant in England, and an associate at the Vancouver law firm of Alexander, Holburn, Beaudin and Lang. He was admitted to the British Columbia Bar in 1995.



Brigette Walenius

previously Trade Policy Officer in the Tariffs and Market Access Division, was appointed to **Havana**, where she now occupies the position of Third Secretary (Commercial) and Trade Commissioner. Having a background in law, she also worked in the Trade Law Division (1998-1999). Along with the entire Trade Law Division, she was a recipient of a Public Service award.



Carlos Miranda is currently Second Secretary in **Buenos Aires**, responsible for automotive, health industries, education, service industries, capital projects and Canadian investment in Argentina. He has worked in Ottawa in the Southern Europe Division (1996), in Beijing as Second Secretary (Commercial) (1996-1998) and again in Ottawa in the South America Division (1998-2000).



Tom Oommen is now in **Mexico City** as First Secretary (Trade Policy). Previously, he served in

Paris (1994-1997) as Trade Commissioner responsible for promoting Canadian telecommunications and cultural industries, and at headquarters (1997-2000) as Desk Officer responsible for trade policy related to electronic commerce and telecommunications services.



Christine Wong is now

serving at the Canadian Embassy in **Caracas**. Since 1991, she has

worked in the Environment, the Eastern and Southern Africa Relations, and the Visits and Conferences divisions. She served in Nairobi from 1994 to 1996, and worked with the Mexico and Inter-American (1996-1999) and the South America (1999-2000) divisions.



Middle East and North Africa

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Paul Brettle is now in **Dubai**, where he is Consul and Trade Commissioner. He was India Desk Officer in the South Asia Division (1999-2000). Prior to that, he was assigned to the International Trade Centre in Winnipeg (1995-1999), served abroad in The Netherlands as Deputy Program Manager (1992-1995), in Hong Kong as Trade Commissioner (1991-1992) and in Toronto (1989-1991) at the International Trade Centre.

Sophie Legendre is now in **Beirut** as Counsellor (Commercial). Her first posting was to Mexico (1994-1997). Since 1992, she has trained at the Foreign Service Institute, then worked in the International Finance Division, media relations, the Mid-East Division, and in the Maghreb and Arabic Peninsula Division.



Jean-François Desgroseilliers

is now Assistant Trade Commissioner in **Abidjan**, where he acts primarily as a trade liaison officer with the African Development Bank. After graduating in civil engineering and obtaining a master's in political science, he completed engineering internships in Latin America and China before joining DFAIT in September 1999. During his first year, he served as a spokesperson for trade issues.



Carl Pilon

trained as an architect and regional planner, is now based in **Riyadh** as Third Secretary (Commercial), where he will use not only his Arabic but also his experience at the Policy and Strategic Planning Division (1998-1999) to help Canadian businesses in Saudi Arabia. Besides policy and strategic planning, his area covers education and training, agriculture and agri-food, geomatics, and health-care/biomedical products and services.



Catherine Gosselin

fluent in Spanish, and conversant in Hebrew and Bahasa, is now Third Secretary (Commercial) in **Tel Aviv**. Prior to this posting, she was in the South America Division, which covers Argentina, Uruguay and Paraguay (1999-2000), and the Trade Policy Planning Division, which dealt with the FTAA negotiations (1998-1999).

George Sanderson

fluent in Arabic, is now located in the Commercial Section at the Canadian Embassy in **Riyadh**, which also covers Bahrain, Yemen and Oman. He began with DFAIT in 1991 in the Western Europe Trade, Investment and Technology Division (1991-1995), then moved to the South Pacific Division (1995-1996). From 1996 to 2000, he served in Damascus as Commercial Counsellor. Prior to joining DFAIT, he was employed by the United Nations in Africa.



Jean-Dominique Ieraci

is now serving as Commercial Counsellor for Syria, Jordan and Cyprus in **Damascus**. In Ottawa (1993-1995), he worked in media relations. Fluent in both Italian and Korean, he was posted to Seoul (1995-1998), rising to Second Secretary and Vice-Consul. Back in Ottawa (1998-2000), he served in the Personnel Division.



Derek Zeisman

is now at his first posting in **Algiers** as First Secretary (Commercial Affairs and Development). He joined DFAIT in 1998 and worked in European Communications and Public Affairs, and as Transportation Policy Analyst in the U.S. Bureau. He assisted at the Eighth Summit of La Francophonie in Moncton in 1999.



New Postings — Fall 2000

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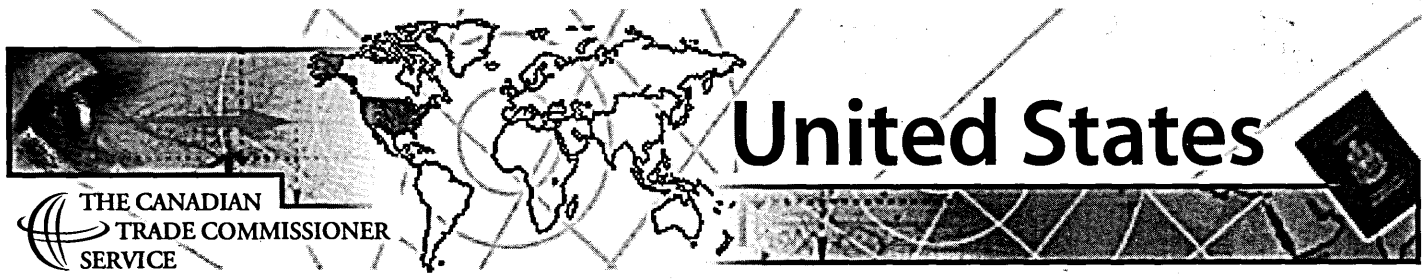


Sub-Saharan Africa

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Ronald Rose, who speaks Italian, Hindi and Swahili, is now Senior Trade Commissioner in **Nairobi**, which covers the countries of East Africa and the Horn, except Sudan. He has been posted to New Delhi (1979-1981) and Dar-es-Salaam (1990-1992), and to Rome (1996-2000) as Deputy Permanent Representative to the Food and Agriculture Organization. At headquarters, he was in the Agri-food, Fisheries and Resources Division (1992-1993) and the Agriculture and Resource Trade Division (1994-1996).



Douglas Bieber is Consul and Senior Trade Commissioner in **Buffalo**. After being in Industry Trade and Commerce, Doug joined the Foreign Service and served in Dallas (1985-1989) and in London as Economic Counsellor (1989-1993). In Ottawa (1993-1996), he was involved in the Canadian Trade Commissioner Service with foreign operations planning and investment development. He was assigned to Chicago as Investment Counsellor (1996-1999), and, in 1999, became the Deputy Consul General and Senior Trade Commissioner there.



Richard Crouch is now Consul and Trade Commissioner in **Dallas**. He is in the United States for a second time, serving first in Chicago (1987-1990). From 1991 to 1995, he was posted to Tokyo. In Ottawa, he worked with the Japan Trade Development Division, and as Deputy Director of both the Trade Development Operations Division (1995-1998) and Client Services of the Foreign Service Institute (1998-1999). His last position in Ottawa was Trade Commissioner in the U.S. Business Development Division (1999-2000).



Allan Edwards, who has been with DFAIT since 1994, is now based in **Seattle** as Vice-Consul and Trade Commissioner. Previously, he served at headquarters as Deputy Director of the Central Europe Division and, in Tokyo, as Second Secretary (Commercial) from 1996 to 1999.



Murray Hardie, who has been seconded from Industry Canada, is now posted to **Chicago** as Consul and Trade Commissioner (Investment). Previously, he was a Senior Commerce Officer with the Manufacturing Industries Branch of Industry Canada in Ottawa, and, as such, he was responsible for forest and building products.



Stéphane Charbonneau is now Counsellor (Commercial) and Director, Office of Liaison with International Financial Institutions, in **Washington, D.C.**

He has had three other postings: Caracas (1988-1991), Bogota (1991-1993) and São Paulo (1996-2000). In Ottawa, he served as Desk Officer in the Latin America and Caribbean Trade Division (1993-1994) and as Assignment Officer in the Trade Commissioner Service Personnel Division.



William Crosbie is now serving as Minister Counsellor (Trade and Economic) in **Washington, D.C.** Since 1993, he has worked in DFAIT as Deputy Director of the U.S. Trade and Economic Policy Division (1993-1995); Director of the Multilateral Trade Institutions Division (1995-1997) and Director of the Information and Technology Trade Policy Division (1997-2000).



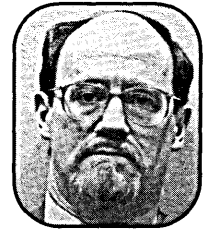
Joanne Legault has returned to **Dallas** as Consul and Trade Commissioner responsible for the Investment portfolio. She was previously posted to Dallas (1989-1993) as Vice-Consul and Assistant Trade Commissioner. With DFAIT since 1981, she is fluent in Spanish and German, and also speaks Italian, Portuguese and Arabic. While in Ottawa (1993-2000), she worked in the Latin American and Caribbean Trade Division (Mexico), and the Maghreb and Arabian Peninsula Division.

Thomas Marr is now Deputy Consul General and Senior Trade Commissioner in **Chicago**, responsible for the Business Development Program (export promotion, investment development, technology transfer, industrial co-operation and trade policy). He has served in Bucharest (1983-1986), Dusseldorf (1986-1990), Vienna (1993-1997) and Moscow (1997-2000), where he was Minister Counsellor (Commercial). He was also Deputy Director, Central and Eastern Europe Trade Development (1990-1993).



John Roxburgh is serving as Vice-Consul and Assistant Trade Commissioner in **San Francisco**. Since joining DFAIT in 1997, he has worked in the Asia-Pacific Regional Co-ordination Division (1997), trained at the Canadian Foreign Service Institute (1998), and served in both the South Asia Division (1999) and the United States Business Development Division (1999-2000).

George Shannon is now in **Dallas** as Consul and Senior Trade Commissioner. He joined DFAIT in 1974, and has served in Baghdad (1975-1977), Guatemala (1977-1980), Riyadh (1982-1986), Abu Dhabi (1986-1987) and Cairo (1987-1991), as well as at the Inter-American Development Bank in Washington, D.C. (1996-2000). In Ottawa, he was in the Middle East Trade Division (1980-1982), and was Director of the Science and Technology Division and Director of the Market Opportunities Division (1991-1996).



Alan Minz, who speaks Spanish, German, Russian, Polish and Portuguese, is now in **Washington D.C.** as Deputy Head of the Economic and Trade Policy Section at the Canadian Embassy. Since 1978, he has worked throughout Canada, and in Havana, São Paulo and London, where he was Commercial Counsellor (1996-2000). His previous headquarters experience includes the Agriculture and Fisheries Trade Policy Division (1993-1996) and the Western Europe Trade, Investment and Technology Division (1990-1992).

Robert Noble is currently Deputy Consul General and Senior Trade Commissioner in **Boston**. He has been posted to Mexico (1975-1978 and 1993-1995), Dakar (1978-1981) and Madrid (1989-1993), and to Libreville in 1997 as Ambassador. While in Ottawa, he worked in the African Affairs Division, was Director of Government Liaison for the Canadian Exporters' Association, Deputy Director of the Industrial Trade Policy Division, and Senior Advisor and Co-ordinator of the Trade Advisory Committees Secretariat (1981-1989). From 1995 to 1997, he was Director of the Central Europe Division.



Valerie Smith is now in **Minneapolis** as Consul and Senior Trade Commissioner. She has been posted to Buffalo (1980-1983), Atlanta (1983-1986), the Hague (1989-1992), Moscow (1992-1994) and Prague (1997-2000). In Ottawa, she worked in the Asia-Pacific South Development, and Western Europe Trade and Investment Development divisions (1986-1989); and the Trade Commissioner Service Personnel Division (1994). She was Deputy Director of Trade Personnel from 1995 to 1997.

Lynda Watson is now posted to **Washington, D.C.** as Senior Trade Commissioner. She has worked at DFAIT since 1984. Aside from postings in Hong Kong (1985-1988) and Warsaw (1991-1994), she has worked in Ottawa in the Science and Technology Division (1988-1991), and been Director of the Export Controls Division (1994-1998), Acting Director of the Korea and Oceania Division (1999-2000) and Senior Policy Advisor in 2000.





A Worldwide Network of Professionals

Over 300 Canadian trade commissioners work for Canadian business in over 130 cities around the world. As part of the Department of Foreign Affairs and International Trade, these Canadian trade commissioners work alongside commercial officers who know local customs and business practices. Their job is to promote the economic interests of Canada in the global marketplace. Details are available at www.infoexport.gc.ca

Core Services

Market Prospect — We'll help you to assess your potential in your target market. We may have market reports available for some sectors. *Should you need additional market research, we can refer you to local consultants.*

Key Contacts Search — Need a list of qualified contacts in your target market? We can get it. These sources have the local knowledge you need to refine and implement your market-entry strategy. *We'll let you know of any charges for access to specialized databases.*

Local Company Information — We'll provide information on foreign organizations or companies that you have identified. *You will always be informed of any charges for access to specialized databases. Credit checks are generally referred to specialized agencies.*

Additional Services

For the following services, our offices will refer you to third parties, who generally charge a fee: extensive program of appointments, logistical support, business support services, participation in events, and temporary office or display space. *In markets where this is not possible, our office will arrange these services at a cost.*

Visit Information — Once you decide to visit the country you want to do business in, we can provide practical advice on the timing and organization of your trip, including cross-cultural tips. *Please use your travel agent to make appropriate hotel and travel arrangements.*

Face-to-face Briefing — One of our officers will meet with you personally to discuss the most recent developments in your target market and your future needs. *Simply notify our office of your visit at least two weeks before your departure.*

Troubleshooting — Do you have an urgent business or market-access problem? Call us for help. *We cannot enter into private disputes or act as customs brokers, sales agents, collection agents or lawyers.*

Canadian exporters looking to tap into Thailand's recovering economy have an invaluable resource in the Thai-Canadian Chamber of Commerce (TCCC). Located in Bangkok, the Chamber offers unique networking opportunities, and works closely with both the Canadian Embassy in Bangkok and the Thai government to enhance regrowth of the business environment in Thailand.

The TCCC, a non-profit organization, was founded in 1991 to promote commercial relations between Canada and Thailand. The results are compelling: Canadian exports for the period of January-August 2000 are up over 21% from the same period in 1999 and Canada's investment in Thailand — estimated at \$563 million in 1999 — is modest but growing.

Members as partners

Most key sectors are represented in the mostly corporate TCCC, with membership more or less evenly split between Thai and Canadian companies. This is ideal for fostering partnerships — something TCCC President Peter van Haren highly recommends. "One of the things we stress to people looking to do business in Thailand is to find a local partner — someone who has their feet on the ground already. A number of companies will willingly take on the responsibility of setting up a local presence for your company and be your local representative."

In fact, such partners can be found among the Chamber membership itself. Most of the Thai members, explains van Haren, belong to the Chamber precisely because they are interested in doing business with Canadians. "As a Chamber, we can't do direct match making," he notes, "but we can provide a venue for networking through our many business and social events." These events include an annual golf tournament, pub nights, a Thanksgiving ball and a Christmas party.

As well, members gain opportunities to participate in trade missions in the region, organized in conjunction with the Canadian Embassy. Trade missions are open to companies within Thailand, as well as to those seeking entry.

Through the Chamber, members can access the Board of Trade of Thailand, the Board of Investment,

van Haren, Chairman of the organization. "We have good communications with different government departments. We work closely with the ministries, striving for fairness and equality for foreign business. "The organization successfully lobbied the Revenue Department to refund delayed value-added tax (VAT) to foreign businesses and was

Fostering business and trade relations

Thai-Canadian Chamber of Commerce



and several Canadian business organizations in Thailand and Canada.

Close affiliation with Embassy

The TCCC and the Embassy co-operate to foster trade between Canada and Thailand. Recently, the two

instrumental in expediting government approval of the new Alien Business Law.

Fostering bilateral trade links

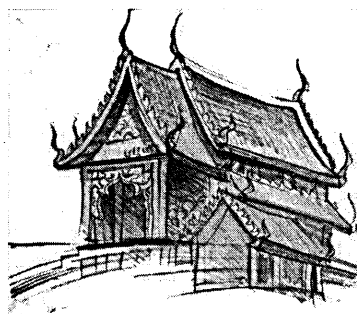
In September 2000, TCCC representatives attended the sixth Canada-Thailand Bilateral Economic Commission (BEC), held in Ottawa, where Canadian and Thai officials met to discuss issues of mutual interest. This year, the Royal Thai Consulate General in Toronto canvassed interest for a Canada-Thai Business Alliance.

Canadians a good fit for Thailand

Peter van Haren encourages Canadians to tap into the Thai market. "Thailand is open to cultural and religious differences and is a very liberal country; Canadians fit in quite well here and are very well liked. If they can be patient, Canadians should be able to do quite well in the market."

For more information, contact Megan Foster, Executive Director, Thai-Canadian Chamber of Commerce, tel.: (011-662) 266-6085/6, fax: (011-662) 266-6087, e-mail: tccc@loxinfo.co.th Web site: www.thai-canadian-chamber.org *

(For the unabridged version, see www.infoexport.gc.ca/canadexport)



groups organized the first Canada-Thai Business Forum in Bangkok, and collaborated on market study development. For up-to-date reports on a range of sectors, visit: www.dfait-maeci.gc.ca/bangkok

Unique lobby organization

The TCCC works closely with the Government of Thailand through the Joint Foreign Chambers of Commerce in Thailand (JFCCT), an organization comprising 10,000 members that represents the country's 22 foreign Chambers of Commerce.

"The JFCCT is quite a powerful lobby group here in Thailand," explains

Known for its fine cuisine and diverse cultural makeup, Belgium presents an ideal, albeit challenging, test market. With a population of 10 million, the country is a good size for Canadian food exporters looking to penetrate the

are discerning food consumers who demand high quality from a wide variety of products. For convenience and competitive prices, consumers shop at local supermarkets and hypermarkets which carry both food and soft/hard non-food items.

are often destined not only for the Belgian retail market but also for other European markets.

Canadian food exporters can take advantage of a host of distribution channels in Belgium, including retail chains, cash and carry, wholesale purchasing groups, franchises and industry associations. Using these various channels simultaneously is often the most successful method of penetrating the Belgian food market. Most of the dominant retail chains in Belgium are vertically integrated and active in all stages of the distribution process.

Imports account for some 30% of the Belgian food market, making it a viable destination for Canadian food products. The most promising opportunities are in current food trends (e.g. private label, health and organic foods), and Canadian specialty products (e.g. wild rice, specialty meats, confectionery goods). Top agri-food imports from Canada include oilseeds, cereals and vegetables, with beverages, prepared foods, and specialty products on the rise.

For more information about the Belgian agri-food market, consult the market study at www.infoexport.gc.ca/be or contact Francis Keymolen, Canadian Embassy, Brussels, fax: (011-322) 741-0616, e-mail: francis.keymolen@dfait-maeci.gc.ca *

Market profile

Agri-food products in Belgium

greater European market. Nestled between France, Germany, the Netherlands, and the North Sea, Belgium is an excellent centre for trade as well as a gateway to northwestern Europe. With one of the best transportation systems in Europe, cost-effective transportation can be provided to 300 million consumers in less than 48 hours.

While Belgium is recognized as one of the best test markets in Europe, its cultural diversity also presents one of the most challenging environments. As both Germanic and Latin business practices are common throughout the country, it is highly recommended that Belgian business partners possess the knowledge and skills required to be able to effectively cover the different regions of Belgium. Sales and marketing experience in Belgium will prove invaluable for future exports to other European Union (EU) countries. It is widely accepted that if a product can be successfully launched in Belgium, it stands a good chance of being successful throughout the European Union.

Europe's culinary capital

Along with having the highest disposable incomes in the EU, Belgians

In addition to these stores, Belgium has many specialty shops and markets. Most communities have at least one bakery, delicatessen, butcher shop, and a host of other stores specializing in fresh produce, seafood, wine, cheese and chocolate.

With some 35,000 restaurants and pubs of varying ethnicity, Belgians also have a passion for dining out, and Belgian cuisine ranks among the finest in Europe. Restaurants also offer patrons an opportunity to try unique foods not found in retail outlets. Belgians are considered to be more willing to try and accept new food items than other Europeans. Canadian exporters, for example, have been successful by offering specialty meats such as bison.

Consumption patterns differ significantly throughout Belgium's various regions with their diverse cultural characteristics. For example, the tastes and preferences of southern Belgium's predominantly French population tend to reflect those found in France, while people from Flanders tend to be more influenced by the Netherlands.

Distribution channels abound

Due to Belgium's central European location and its thriving food processing industry, food imports



Denmark leads Europe in imports of organically certified foodstuffs. In 1999, the organic food sector increased by approximately 25%, and accounted for some \$400 million in retail sales.

Technology transfer opportunities

Canada, with very similar agricultural characteristics to Denmark, should continue to look to Denmark for sophisticated technology to enhance its raw product processing capabilities. There is considerable scope for scientific co-operation and technology/knowledge exchanges, especially in such areas as plant and seed development, porcine and bovine genetics, environmental practices and food technology.

Canada's many fact-finding missions to Denmark have been highly successful, and our trade office is frequently called on to set up agricultural study programs for Canadians, particularly in pig breeding, agri-food production, processing and marketing.

Gateway to other markets

A highly sophisticated food processor, packager and exporter, Denmark's agricultural imports exceed US\$3 billion of raw products to maintain its food manufacturing industry. With an efficient export distribution network and considerable marketing expertise, Denmark is an attractive potential partner for Canadian companies for distribution to Europe as well as for supply to the Eastern European and Baltic states, China and Russia.

Many Canadian products enter Denmark for packaging as well as re-export to the rest of Europe, including wild rice, maple products, wine, durum wheat, honey, seeds, special beans and peas, wild mushrooms, frozen vegetables and fruits, stiffeners and additives for the Danish food processing industry, dairy, bakery and confectionery products, livestock genetics, breeding minks and fur skins.

As the purchasing headquarters for

Scandinavia's agri-food co-operatives, Denmark also purchases fresh onions, potatoes and other staples for those countries. Through close co-operation with Canadian cattle breeders, Denmark has increased the milk yield of its Holstein Friesian and has changed the bloodlines of its Angus and Hereford cattle, taking over Britain's

strategic alliances and partnerships particularly attractive for Canadian companies. Denmark's location between Scandinavia and Continental Europe, its large international airport and bridge link to southern Sweden, its sophisticated transport and telecommunications make Denmark one of Europe's best locations for product

Sector profile

Agriculture and agri-food in Denmark

position as the leading exporter of beef bloodlines to the rest of Europe.

Demand for new products

There is increasing demand in Denmark for high-quality, nutritious alternatives to the traditional Danish diet. Quality-conscious Danes are now looking for wider variety, including more imported, ethnic food products, convenience foods, seafood specialties, frozen food and microwave items. Denmark's wide range of tastes and preferences offers Canadian exporters opportunities for niche products and foods with unique characteristics, such as lean and finished meals, and top-of-the-line specialties like those offered under the President's Choice brand.

Market access considerations

Canada and Denmark share similar business cultures, which facilitates business transactions between the two countries. Complementary agri-food industries, coupled with Denmark's excellent distribution networks, particularly in northern Europe, make

distribution. In the agri-food sector, an importer, agent broker and/or distributor is essential.

For more information on the Danish agriculture and agri-food sector, visit the Canadian Embassy's Web site at www.canada.dk or contact Bernadette Luscombe-Thomsen, Commercial Officer, Canadian Embassy, Copenhagen, tel.: (011-45) 33 48 32 56, fax: (011-45) 33 48 32 21, e-mail: bernadette.luscombe-thomsen@dfait-maeci.gc.ca *

Ten leading-edge Canadian alternate fuels technology companies showcased their products at the *Natural Gas Vehicle Show* held in Yokohama, Japan, October 17-19, 2000.

"Natural Gas Vehicle 2000, Transportation for the New Century" was the



Canada in the driver's seat

Natural Gas Vehicle Show in Japan

theme of this internationally renowned industry event which drew 2,000 visitors and participants from Japan, Korea, Europe, and the United States to view the 86 exhibits and 49 natural gas vehicles (NGV) on display. An array of presentations and seminars mapped out the future of an auto industry confronted with a looming energy crisis.

Alternative fuels, such as natural gas and or hydrogen are widely seen to be the future of automotive transport. They are much cleaner and generally less expensive than is conventional gasoline. Unfortunately, these technologies also require a new infrastructure for delivering the fuel as well as, in the case of hydrogen, a new design for the car.

Natural gas vehicles are seen by the industry to be a potential "bridging" technology between today's internal combustion, gasoline burning cars and the clean "hydrogen" car of the future, which will be powered by fuel cells such as those manufactured by Canada's **Ballard Power Systems Inc.**

Natural gas is relatively similar (in terms of chemistry) to traditional

gasolines so it can be used in a modified internal combustion engine. This means that auto manufacturers can create these vehicles without having to radically alter traditional engine designs, which in turn lowers costs for both the manufacturer and the consumer. What does need to be changed now ever is the storage system in the car and the infrastructure surrounding the delivery of the fuel.

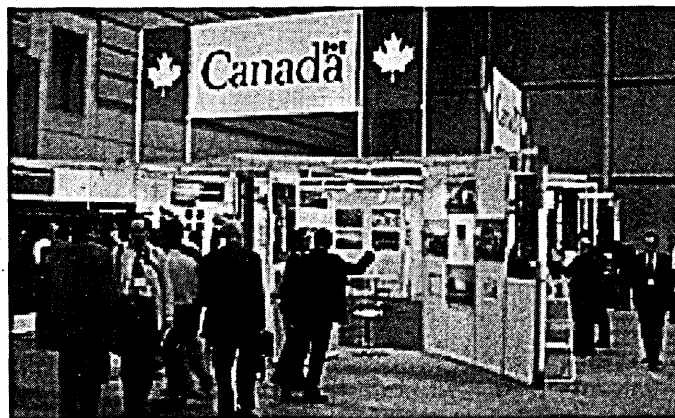
That is where Canadian companies come in. Alberta-based **Dynetek**, for example, makes the **DyneCell**, an industry leader in natural gas storage systems widely used in Japan and around the world. Ontario-based **Fuelmaker** produces

patented in a Canadian stand. It was co-sponsored by the Canadian Embassy in Japan, Natural Resources Canada (CANMET), and the Canadian NGV Alliance, and featured a large common area used for meetings which was framed by the various company booths. This distinctive approach allowed participants to maximize the size and efficiency of the space provided to them, while at the same time minimizing the cost. In addition, companies were able to cover for one another, which meant a better use of resources all around.

With its distinctive Canadian colour scheme, the stand proved to be a major draw at the show, as was confirmed by the fact that it won second prize for overall design! This distinctly "Canadian," co-operative approach worked well and was especially appreciated by Japanese visitors.

The market in Japan for such new technological approaches is strong, and the Canadian initiative will be repeated next year.

For more information, or to participate in next year's Natural Gas Vehicle Show, contact Eric



Nick White of Charonic Canada

Canada's stand at the Natural Gas Vehicle Show in Yokohama, Japan.

refuelling appliances for natural gas vehicles. And B.C.-based **PowerTech** tests and certifies NGV systems worldwide.

Nine of the Canadian companies who came to the NGV show, including those mentioned above, partici-

Laverdure, Trade Commissioner, Japan Division, DFAIT, tel.: (613) 995-1678, fax: (613-944-2397), e-mail: eric.laverdure@dfait-maeci.gc.ca ✪

During a recent visit to Wenzhou, Zhejiang province, agriculture sector officers of the Canadian Consulate General in Shanghai identified a business opportunity for Canadian canola meal to be sold to a local Chinese feed company. According to the company managers, the region around Wenzhou lacks feedstuffs, and the company purchases 10,000 to 20,000 tonnes of feed from northeast China annually to meet the demand. The officers grabbed the opportunity to introduce and promote Canadian canola meal as a supplement for Wenzhou feed production. The differences between canola and rapeseed meals were explained during the visit, and the feed company managers expressed an interest in using Canadian canola meal.

Following this market lead, Canadian companies have since succeeded in selling 300 tonnes of Canadian canola meal to the Wenzhou feed company for first trial. The feed company has since produced and tested a new feed product using canola meal and reports that it would consider using Canadian product for production, as well as promoting the product to the members of the Wenzhou Feed Association (which has more than 29 members).

In China, canola oil is crushed and marketed as a cooking oil, but the canola meal is not typically used. Most Chinese feed producers do not understand the value of canola meal, believing it to be the same as rapeseed. Often, because of this limited appreciation for the value of the meal left over after pressing, canola meal is exported to Korea, Southeast Asia, and even back to North America. The increase in China's population and disposable income will result in increased meat consumption and a greater demand for animal and feed products.

Entering the market

There is significant demand for Canadian feedstuffs and protein

supplements. However, entering the Chinese market requires particular preparation and an appropriate business plan. Canadian exporters are advised to learn all they can about the market, and must pay close attention to finding the right partner and

Successful sales

Canadian canola meal in China



to providing resources to penetrate and develop this market. As the Chinese feed industry is not familiar with feed peas and has minimal knowledge of the difference between canola meal and rapeseed, Canadian exporters must demonstrate the value and effectiveness of Canadian feed ingredients. Methods such as

6279-8400, fax: (011-86-21) 6279-8401, e-mail: henrydeng@shanghai.gc.ca or Gregory Chin, Trade Commissioner, China and Mongolia Division, DFAIT, tel.: (613) 996-7256, fax: (613) 943-1068, e-mail: gregory.chin@dfait-maeci.gc.ca *

Trade mission — Continued from page 3

and Enterprise nationale de travail des puits (ENTP) [National Wells Corporation].

Agreements signed in Spain:

- SNEMO of Quebec, designer and manufacturer of energy transmission equipment, signed a distribution agreement with Electromediciones Kainos, which specializes in the distribution of measuring instruments for the electronics sector.
- CP Ships of Alberta signed a co-operation agreement with ASECO to improve the freight shipping system between ports in Spain and ports throughout America, Asia, the Middle East and Oceania.
- Filmb Blanc of Toronto, a producer of advertising films, formed a

partnership with Lee Films of Madrid, the 1999 winner of the Spanish award for best television advertising.

For more information on the mission, consult the following Web site: www.tcm-mec.gc.ca/Maghreb-IberianPeninsula/menu-e.asp

For more information on Morocco and Algeria, contact Lucie Tremblay, Maghreb and Arabian Peninsula Division, DFAIT, tel.: (613) 944-6590, fax: (613) 944-7431, e-mail: lucie.tremblay@dfait-maeci.gc.ca

For more information on Spain and Portugal, contact Andrée Bazinet, Western Europe Division, DFAIT, tel.: (613) 996-4427, fax: (613) 995-5772, e-mail: andree.bazinet@dfait-maeci.gc.ca *

The International Business Opportunities Centre (IBOC) provides a matching service — connecting foreign buyers with Canadian companies. The Centre provides timely, relevant and targeted business leads from the desks of foreign buyers to the doorsteps of Canadian companies.

The following lists some of the Centre's current trade opportunities — for a wider selection, visit the Web site at www.iboc.gc.ca/eleads

Canadian exporters needing assistance in preparing international bid documents may want to use the international contracts expertise and services offered by the Canadian Commercial Corporation. This Crown Corporation is located at 50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6, tel.: (613) 996-0034, fax: (613) 995-2121.

ALGERIA — The rehabilitation and modernization of continuous radial casting equipment (MCCR-AC01) EPE Alfasid Spa/Subsidiary of Groupe Sider — (Notice received from the Canadian Embassy in Algiers, Algeria.) A notice of a limited international tender call (No. RD/4001/AO) is being issued for the rehabilitation and modernization of continuous radial cast-

International Business Opportunities Centre

ing equipment M7 and M8 at the Alfasid oxygen-blown steelworks, of El Hadjar iron and steel complex. The tender comprises 1. the acquisition of equipment; and 2. carrying out the assembly work. Cost of tender documents: DA5,000 (Algerian dinars). Closing date: **February 14, 2001**. Contact IBOC, fax: (613) 996-2635, e-mail: eleads@dfait-maeci.gc.ca quoting case number 001114-04489. Web site: www.iboc.gc.ca/webleads.asp?1222en

JORDAN — 100–300 MW Oil Shale Fired Plant — (Notice received from the Canadian Embassy in Amman, Jordan.) The Ministry of Energy and Mineral Resources (MEMR) of the Hashemite Kingdom of Jordan invites proposals from qualified sponsors to develop a 100–300 MW Oil Shale Fired Power Plant using direct combustion technology— including fluidized bed technology— in the Sultani area, south of Jordan, on a Build, Own and Operate (BOO) basis. Sponsors must have demonstrated expertise in developing similar power projects. Selected sponsors will be required to arrange the necessary financing and to finalize the implementation, power purchase, oil shale utilization and other agreements required to finance, construct, operate and maintain the power plant. As well, they must establish the project company, and, upon commissioning,

operate the facilities for a specific period (to be specified by the sponsor) with the purpose of selling the electricity to the National Electric Power Company (NEPCO) at a specified tariff. Closing Date: **May 31, 2001**. Contact IBOC, fax: (613) 996-2635, e-mail: eleads@dfait-maeci.gc.ca quoting case no. 001114-04485. Web site: www.iboc.gc.ca/webleads.asp?1219en

ALGERIA — Development and Exploitation of Gold Deposits — (Notice received from the Canadian Embassy in Algiers, Algeria.) The Entreprise d'Exploitation des Mines d'Or [Gold Mining Company] has issued an International Bid Round for Partnership for the development and exploitation of Tirek and Amesmessah's gold deposits, located in the south of Algeria. The bid includes the exploration of new deposits on its authorized licence, which covers an area of more than 1200 km². Tender documents will be available from November 25, 2000, to January 4, 2001, at a cost of US\$100. ENOR will hold a technical information session between January 5 and February 4, 2001. Closing date: **May 28, 2001**. Contact IBOC, fax: (613) 996-2635, e-mail: eleads@dfait-maeci.gc.ca quoting case no. 001109-04438. Web site: www.iboc.gc.ca/webleads.asp?1221en *

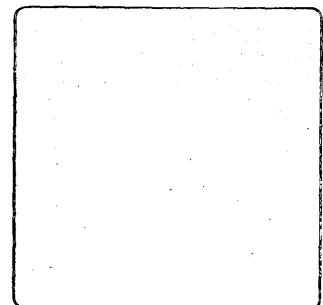
IBOC trade opportunities — find out more at www.iboc.gc.ca



International Business Opportunities Centre

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®).



"The Hotel Show" — Dubai, U.A.E.

DUBAI, UNITED ARAB EMIRATES — April 1-3, 2001 — Held under the patronage of His Highness General Sheikh Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai, the second annual "Hotel Show" will attract a number of Canadian suppliers in the hospitality industry.

The Gulf region, and the U.A.E. in particular, is the world's fastest growing tourist destination, with billions of dollars being invested in hotel and leisure resort construction and expansion. The region has seen a huge influx of conventions and exhibitions over the last few years attracting millions of business and tourist visitors from around the world, especially from North America and Europe.

In order to meet this growing demand, there are plans to build more than 140 luxury hotels and

resorts within the next three to five years, increasing hotel capacity by 34,000 rooms. Bass hotels, the world's leading hotel group, is expected to develop nine Holiday Inns and eight Inter-Continental by the end of 2002. Hotel chain developments within the next two years include: Bass — 17 hotels; Rotana — 7 hotels; Starwood — 5 hotels; Hilton International — 4 hotels; Safir Group — 4 hotels; Marriott — 3 hotels; Le Meridien — 3 hotels; Hyatt — 2 hotels.

For more information, or to receive a report on the **Hotel 2000 Show**, contact the Project Director, "The Hotel Show," Cosmos Pacific Investment & Consulting Inc., Vancouver, B.C., tel.: (604) 731-9663, fax: (604) 263-1652, e-mail: cpic@direct.ca Web Site: www.direct.ca/cosmos/hotelshow.htm *

Canadian Lifestyles Exhibition in Japan

HIROSHIMA, JAPAN — March 20-22, 2001 — The **Canadian Lifestyles Exhibition**, a Canadian show for building and consumer products and food and beverages, provides an excellent opportunity to introduce your product to a large regional market in Japan, one of the world's richest consumer nations.

Think Canada

Timed in conjunction with **Think Canada — Festival 2001**, the Canada Lifestyles Exhibition will benefit from

a heightened level of activity focusing on Canada. The exhibition follows Foodex in Tokyo and the West Japan Living Show in Kitakyushu.

Enormous market

The Japanese market for Canadian building products, food and consumer products is enormous. It totals \$5.5 billion, effectively two thirds of Canada's total exports to Japan.

Local support

Canada recently established a trade office in Hiroshima (one of the first

Americana 2001



THE CANADIAN
TRADE COMMISSIONER
SERVICE

MONTREAL — March 28-30 — Approximately 30 to 35 officers of the Canadian Trade Commissioner Service abroad will attend **Americana 2001** — the Pan-American Environmental Technology Trade Show and Conference.

During the **Export Café** on March 30, the officers will discuss business opportunities in diverse markets abroad.

To reserve your spot at the **Café**, contact us at americana@dfait-maeci.gc.ca

www.infoexport.gc.ca

countries to do so), located in the centre of the Chugoku region, which has a population of approximately 8 million.

The **Canada Lifestyles Exhibition** is being enthusiastically welcomed in Hiroshima. The exhibition will be supported by a local print and electronic advertising campaign. Trade representatives will be in attendance and exhibitors will be able to sell products during the show.

For more information, contact Matt Fraser, Trade Commissioner, Japan Division, DFAIT, tel.: (613) 996-2974, fax: (613) 944-2397, e-mail: matt.fraser@dfait-maeci.gc.ca or Brian Parrott, Counsellor (Commercial), Canadian Embassy, Tokyo, Japan, tel.: (011-81) 3-5412-6223, fax: (011-81) 3-5412-6247, e-mail: brian.parrott@dfait-maeci.gc.ca *

QUÉBEC INTERNATIONAL 2001

The fifth edition of this directory will include the address, phone, country of activity, sectors and various details on Quebec companies, public and private organizations, institutions and consultants active internationally.

To register or for further information, contact **QUÉBEC DANS LE MONDE**, tel.: (418) 659-5540, fax: (418) 659-4143, e-mail: info@quebecmonde.com Web site: www.quebecmonde.com *

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

Upcoming oil and gas mission to North Africa

TUNIS, ALGIERS, HASSI MESSAOUD, TRIPOLI — February 5-15, 2001 — Industry Canada and the Department of Foreign Affairs and International Trade (DFAIT) invite you to participate in the oil and gas mission to North

Africa, which will include a visit to the Oil and Gas North Africa (OGNA) Show (www.oilgasnafrica.co.uk) in Tunis, Tunisia. At this key event, a presentation on the Canadian onshore equipment and services sector and a networking reception will enable you to meet possible business partners. A Canadian information booth will be available for the display of promotional materials.

Under the auspices of the Algerian authorities, the mission will then proceed to Algiers and Hassi Messaoud to visit oil and gas facilities and to meet with local officials. The final stop of the mission is slated for Tripoli, Libya.

For further information, contact Sameer Ahmed, DFAIT, tel.: (613) 944-1558, fax: (613) 944-7431, e-mail: sameer.ahmed@dfait-maeci.gc.ca or Lucie Tremblay, DFAIT, tel.: (613) 944-6590, fax: (613) 944-7431, e-mail: lucie.tremblay@dfait-maeci.gc.ca ✱

(For the unabridged version, see www.infoexport.gc.ca/canadexport)

INTERNATIONAL FOOD INGREDIENTS AND ADDITIVES EXHIBITION

TOKYO, JAPAN — May 16-18, 2001 — Agriculture and Agri-Food Canada and the Canadian Institute of Food Science and Technology are organizing a Canadian Pavilion at the International Food Ingredients and Additives Exhibition (IFIA), one of the largest food ingredients and additive shows in Asia. In 1999, 192 companies exhibited and over 19,000 visitors attended the show. Japan is the third largest food ingredient market in the world, and one of the most developed markets for functional foods and nutraceuticals.

For more information, contact Mike Price, Agriculture and Agri-Food Canada, tel.: (613) 759-7509, fax: (613) 759-7480, e-mail: pricewm@em.agr.ca ✱

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- **Dynamic, competitive economy:** Canada's economic fundamentals and relative cost advantages combine to provide a first-rate business environment.
- **Lower payroll costs:** Canada offers the lowest payroll taxes rate and the most affordable manufacturing wage rates of all the G-7 countries.*
- **Best fiscally managed country in the G-7.†**
- **Dramatic fiscal turnaround:** In 1997, Canada posted the first surplus in the 1990's of any of the G-7 countries.**

For more information on investing and doing business in Canada, click on www.investincanada.gc.ca or call (613) 941-0354, fax: (613) 941-3796, e-mail: lanoy.louise@ic.gc.ca

* Source: *The Competitive Alternatives Report: A Comparison of Business Costs in North America, Europe and Japan*, KPMG Management Consulting, 1999 <http://www.kpmg.ca/english/services/consulting/publications/competitivealternatives>

† Source: Institute for Management Development, 2000

** Source: Finance Canada

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- ✓ Federal government budget in surplus.
- ✓ Low inflation and low interest rates.
- ✓ Geography and NAFTA provide easy access to the world's most prosperous market.
- ✓ Large stock of skilled workers; low start-up costs; competitive tax system (particularly for R&D); strong technological environment; positive business climate.
- ✓ Superb overall quality of life.

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling 1-800-267-8376 (Ottawa region: 944-4000) or by fax at (613) 996-9709; by calling the Enquiries Service FaxLink (from a fax machine) at (613) 944-4500; or by accessing the DFAIT Internet site at www.dfait-maeci.gc.ca

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