

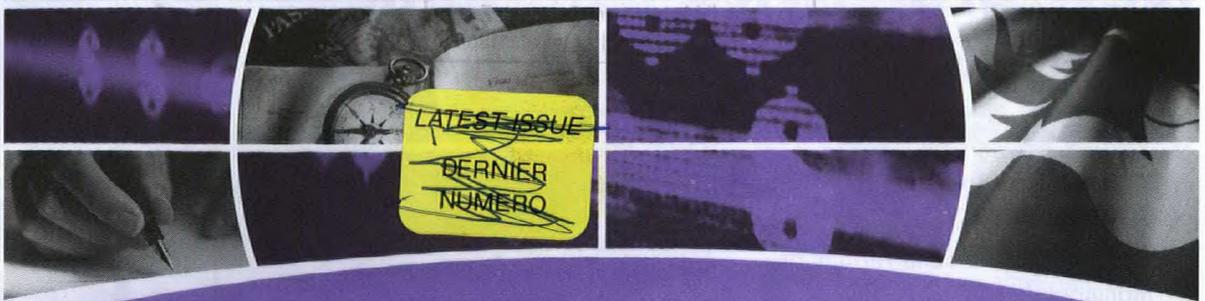
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Department of Foreign Affairs
International Trade
Ministère des Affaires étrangères
et du Commerce international

Office of Foreign Affairs
Ministère des Affaires étrangères

APR - 1 2002

Canada



Trade mission to Mumbai and New Delhi Quick passage to India

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International Trade Minister Pierre Pettigrew invites Canadian companies to participate in a trade mission he will be leading to **India** from **April 21 to 26, 2002**. The mission will visit Mumbai (formerly Bombay) and New Delhi, two of India's most influential business centres. Seminars and workshops, hospitality events and networking opportunities will be included in the tailored business programmes in each city.

"Given the sea change that the Indian economy is currently experiencing, our trade mission comes at an opportune time," said Minister Pettigrew. "Canada's exports to India grew an impressive

20% during 2000 and an additional 13.5% in 2001, reaching their highest level ever. With a GDP that has grown more than 30% over the past five years, India represents a vibrant, emerging market that offers promising opportunities for Canadian businesses in a number of key sectors."



Information Technology and Telecommunications

India's Information, Communications and Entertainment sectors (ICE) are wide open for business and flourishing. Thanks to a host of new initiatives — major deregulation in domestic and international telecom services, new policies in Information Technology (IT),

continued on page 13 — Passage

Teamwork solidifies sale of hardwood

New Brunswick companies take the floor in Ireland

In today's global marketplace, meeting customers' demands for high-quality, low-cost products and flexible service is a challenge for any company. But **Majestic Forest Products** of Beechwood, New Brunswick, and **Factory Direct Hardwood Floors**

of Shediac, New Brunswick, met the challenge and, with help from the Canadian Embassy in Dublin and IBOC, made a combined sale worth \$39,000 to C & S Timber Importers of Cavan, Ireland.

continued on page 2 — New Brunswick

CANADIAN TRADE REVIEW
Supplement
(See insert)

Vol. 20, No 6
April 1, 2002

New Brunswick companies take the floor in Ireland

— continued from page 1

Established in 1992 by owner Vincent De Merchant, Majestic Forest Products has built a solid reputation for manufacturing high-quality, top-grade products from New Brunswick wood primarily. For the past 18 months, the 12-employee company has been focusing on producing superior unfinished hardwood flooring in both metric and imperial dimensions — and now their efforts are paying off. Though experienced in exporting to the United States, Majestic is seeing new markets open up in Hong Kong,

Spain, Portugal, Norway and the U.K.

Nailing down a deal in the Emerald Isle

Aware of the high demand for quality hardwood flooring in Ireland, but lacking local contacts, Majestic's Sales Manager Jim Patterson was eager to follow a trade lead provided by the International Business Opportunities Centre (IBOC).

That lead began when Owen Smith of C & S Timber Importers Ltd. in Cavan, Ireland, approached Gerry Mongey, Commercial Assistant at the Canadian Embassy in Dublin, with an urgent request for the names of Canadian manufacturers of top grade pre-finished and unfinished hardwood flooring in red and white oak and maple. It seems that a previous supplier had shipped goods of unacceptable quality.

Mongey immediately passed the details on to IBOC, where Sourcing Officer Marg MacGillivray followed the trail by searching the WIN Exports database. This search identified Majestic Forest Products as a possible supplier. When contacted by IBOC, Jim Patterson immediately confirmed both his interest and Majestic's capability to satisfy the requirements.

Getting a chance to launch into exports

Determined to meet the demands of C & S Timber Importers and enter a new and very lucrative market, Patterson suggested that Factory Direct Hardwood Floors of Shediac, New Brunswick, a distributor of hardwood flooring products, could provide the pre-finished portion of the



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®).

deal. Michel Baillargeon of Factory Direct jumped at the chance to sell his company's product overseas — and learn about the exporting business. "It was risky to some extent but the opportunity was worth the risk," said Baillargeon.

The two companies worked together to hammer out a competitive price that clinched the deal.

"Thanks to the excellent service and assistance we received from the Canadian Embassy and IBOC, we've started what we hope will be an ongoing relationship with C & S Timber Importers to meet future demand in Ireland for superior hardwood flooring," said Majestic's Patterson.

Factory Direct's Baillargeon had this to say about his first exporting experience, "It was very rewarding — a great start. We're definitely in the market for future export sales." ❁

Prospecting global markets

Prospectus is helping e-exporters

Many Canadian business people know in their hearts that business-to-business (B2B) e-commerce software is part of the technical toolkit companies need to compete in the \$10 trillion global export marketplace. Yet a recent study by International Data Corporation (IDC) Canada (www.idc.ca) shows only 3% of Canadian medium-sized businesses have supply-chain management fully integrated with their Web sites, versus 15% of American firms.

Part of the problem is knowing who to trust in a world filled with outlandish claims from e-solutions vendors. Especially acute is the problem of finding trustworthy partners in foreign markets.

"Technology itself is not the answer. People still matter. In exporting, a lot depends on relationships," says Marvin Bedward, President and CEO of Prospectus Group (www.prospectus.com), an Ottawa-based provider of e-business solutions. "And so for some years now we have been working to develop a B2B solution that is on the leading edge of technology, while also developing better tools to reinforce rooted relationships."

Now, a flurry of announcements from Prospectus indicates the long gestation period is coming to an end, with key sales in Mexico, Brazil, Italy and Canada.

New e-marketplaces

In November, Prospectus announced that it had entered into a teaming agreement with aRegional of Mexico (www.aRegional.com), a software developer and Internet services provider, to market business solutions in Mexico. The partnership will promote nTelligence™, a proprietary Web platform developed by Prospectus, to create e-marketplaces for Mexican clients and advanced e-procurement and project planning solutions.

"We are very impressed by the power of nTelligence™," said Jesús Alberto Cano Vélez, Director General of aRegional. "We already use the Internet to provide diverse clients with information and tools but nTelligence™ gives us a highly flexible platform that expands our offerings and enhances the solutions we can deliver."

As well, Prospectus announced it has entered into an agreement with ViaSafe Inc. (www.viasafe.com) of Ottawa, to develop a secure, automated trade documentation delivery system for SourceCan (www.sourcecan.com), an Internet-based partnering and business opportunities trading network. This Canadian "e-marketplace" was developed by HyperNet (www.hypernet.ca), a wholly owned subsidiary of Prospectus, in partnership with Industry Canada and the Canadian Commercial Corporation.

The Italian connection

Prospectus is also building itself an impressive set of Italian relationships. First, Prospectus announced the formation of AMERIGO Corporation (www.amerigocorp.com), a joint venture with Simpres Lab, an Italian software integrator. AMERIGO has licensed its Discovery ASP Platform as part of an agreement with one of Italy's largest e-services companies.

This deal was immediately followed up with a two-year service and development agreement with IntesaBCI Bank of Canada (www.intesabci.ca) to build a portal that will showcase Canadian communities to IntesaBCI customers in Italy.

Future prospects

So with all of these prospects, where is the company headed?

"Prospectus is making rapid progress on several fronts," says Jan Fedorowicz, a Prospectus director. "But we need to maintain our focus. For the foreseeable future we are going to remain in Mexico and the other Latin American markets. We believe in the positive impact the FTAA will have on the region over the long term. And Prospectus has always been a company that keeps its eye on the future."

Indeed it does. Prospectus, in partnership with CGI (www.cgi.ca) of Montreal, one of Canada's leading solutions providers and systems integrators, has also secured \$150,000 from the Canadian International Development Agency (CIDA) for a feasibility study of a business portal for the Americas.

"The portal," explains Susan Harper, Canada's Ambassador to Uruguay, "has tremendous potential for countries such as Uruguay where both communities and individuals increasingly have access to the Internet and where the distance from other markets has always been a real barrier."

"The Prospectus project is exciting because it connects, for the first time, all of the countries of the Americas through an e-marketplace."

For more information, contact Marvin Bedward, President and CEO, The Prospectus Group, tel.: (613) 232-1567 ext. 209, fax: (613) 232-1453, e-mail: mbedward@prospectus.com Web site: www.prospectus.com ❁



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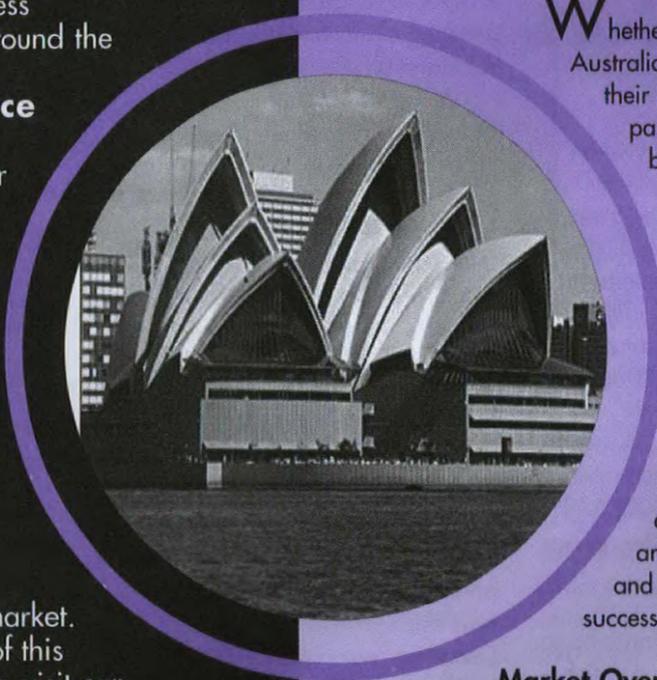
CanadExport

AUSTRALIA The Recorded Music Market

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

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

www.infoexport.gc.ca



Whether it's rock, jazz or opera, Australian music fans don't nurse their tastes. They indulge them passionately with near record-breaking concert attendance levels and CD purchases. In 1999, Australia was among the top 10 recorded music selling countries.

While support for local artists is strong, nearly 80% of all records sold in Australia are by international recording artists. Many Canadian artists, including Céline Dion and Shania Twain, have enjoyed success down under.

Market Overview

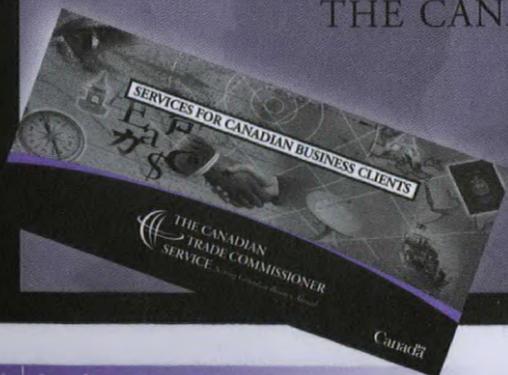
Australia has a long musical history and has contributed greatly to the international music scene with groups such as the Bee Gees and AC/DC. With a population of 19 million people, Australia has a vibrant music industry and is recognized as a major pool of creative talent.

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

See insert for your Arts and Cultural Industries' contacts in the Asia Pacific region.



Over 600 market reports
in 25 sectors available at:

www.infoexport.gc.ca

In 2000, the market for recorded music in Australia was valued at \$512.6 million; a 29% decline over 1999. Despite the drop in sales, overall growth in the industry was 38% between 1995 and 2000. This aberration was largely due to the introduction of the GST, the falling Australian dollar and the Sydney Olympics. The international success of Australian musicians and songwriters has contributed to overall growth in the retail music market. The market recovered in the first half of 2001 with a 13% increase over 2000.

Market Formats and Trends

Demand in the Australian recorded music market has supported a variety of music formats, from pop to classical. Besides buying compact discs (the most popular music medium in Australia), almost 75% of the population attends rock concerts annually. Approximately 26% of Australians attend musicals (including opera), and 14.5% attend classical music concerts. While rock remains a big draw, country music is rising in popularity, and more jazz is played in Australia per capita than any country in the world.



Opportunities

Canadian music artists have opportunities to access Australian radio, television and in-store promotions on a national level and

can establish themselves in the Australian music charts with the help of their record company. Opportunities are also available for Canadian musicians to perform at numerous musical festivals throughout Australia. The Canadian government and private music organizations provide Canadian musicians with funding for international showcase and tour support, and attendance at industry events.

Multinational record companies including Sony, EMI and Warner hold an estimated 90% market share of revenue earned by record companies operating in the Australian market. As such, independent Canadian musicians should focus on the independent sector. Some Australian independent distributors including MGM Distribution and MRA Entertainment have expressed interest in Canadian recording artists.

Market Access

Recorded music by Canadian artists in Australia is mainly distributed through multinational record companies. Canadian artists should consider retaining an Australian agent

to market their sound recordings to music retailers, including the independents.

Local chain stores, such as Sanity and Delta, dominate the recorded music retail market in Australia. However, locally based independent retailers remain very important to the industry. The major buying group for the independent store is Leading Edge Music, which represents 12.5% of the market.

See Potential?

To learn more about this market, read *The Recorded Music Market in Australia*, prepared by the Market Research Centre of the Trade Commissioner Service. This report and hundreds of others are available on-line at www.infoexport.gc.ca

Published by the Trade Commissioner Service Marketing Division (TCW)

The U.S. Connection

The U.S. Connection is produced in co-operation with the U.S. Business Development Division of DFAIT's North America Bureau. For information about articles on this page, fax (613) 944-9119 or e-mail 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.

BIO2002

Toronto abuzz with biotech

Like bees to honey, biotech professionals will be swarming to Toronto June 8-12, 2002, for BIO2002 (www.bio2002.org), the largest annual biotech conference in the world. The conference will be a hive of activity, attracting venture capitalists and other investors, biotech companies at all stages of development, policy makers, governmental and non-governmental officials and, of course, scientists. The Canadian government will be there too, taking full advantage of our country's position — front and centre — on the world's biotech stage.

BIO2002 is a creation of the Biotechnology Industry Organization (BIO), a U.S. group, and the largest biotechnology umbrella organization in the world. Canada has, however, slowly but surely worked its way into the top spot as the destination of choice for venture capitalists (VC) in this arena.

In Canada, 10.8% of VC investment is in biotechnology, compared with 2.2% in Europe and 1.2% in the U.S. The Department of Foreign Affairs and International Trade (DFAIT) has been working hard to capitalize on Canada's favorable investment climate and is organizing numerous activities to coincide with BIO2002.

Springboard to success

Canadian activities at BIO2002 will begin before the start of the actual conference with the Springboard Mentoring Program (SMP) for early stage companies. The SMP will focus on preparing firms to develop the kind of strong and effective business proposals that will attract VC. The program will also serve as a network link between these firms and members of the biotech community. Networks will form more easily as a result of the preparation and mentoring.



The program will culminate with short presentations delivered by the firms. A panel of experts in biotech finance, law, human resources, and marketing will critique these presentations and offer suggestions about how to make them more effective.

A networking reception will be held June 11 to enable representatives from Canadian and foreign VC firms with an interest in biotechnology to get to know each other and plant the seeds for future cooperative investments in the Canadian biotech sector. The

reception, which is "by invitation only", will take place in the auspicious Horizon's Café and attendance will be limited to 100 guests.

Meet the experts

Conference participants are invited to visit the Canadian Pavilion to see for themselves just how healthy the Canadian biotech industry is. The pavilion will feature 200 companies, industry associates, research institutes and provincial and federal governments, and 40 trade officers from abroad will be on hand at the Trade Commissioner Service booth to meet with Canadian companies. As well, several regional partnering events will be held on the weekend following the conference. Watch for details in upcoming issues of *CanadExport*.

Close to 800 Canadians — the largest non-U.S. group — visited BIO2001 last year in San Diego. This year, Toronto will provide an ideal setting to spread the word: Canada is the sweetest spot on earth for investment capital.

continued on page 8 — BIO2002



Where are we going?

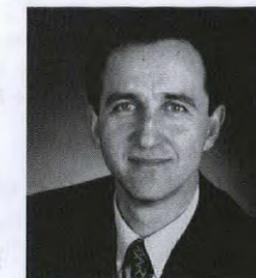
Canada's future export markets

by Glen Hodgson, Vice-President and Deputy Chief Economist, Export Development Canada (EDC)

The future of Canadian exporting is bright, but not all foreign destinations glow with the same intensity. We are in a world of growing trade regionalism, due largely to the practical reality of negotiating complex agreements with many partners. While export opportunities will be found in many regions, Canadians will have their greatest market access advantage in the Americas, building on the success of NAFTA. And our trade with China will test how truly global we are.

American Free Trade Agreement (NAFTA), created a new foundation for investment, efficiency and sales between Canada and the United States.

Canada and the U.S. have enjoyed a boom decade. Looking ahead, Canada-U.S. foreign direct investment (FDI) will grow further and expanded two-way trade will follow.



Glen Hodgson, VP and Deputy Chief Economist, EDC

Canada has ridden the coat-tails of U.S. economic growth for much of the past decade, and exporters have enjoyed the ride. We therefore don't want to reduce exports to the U.S.; we want to expand our exports to and investment in the most open, dynamic economies. So where might Canadian exports and foreign investors find those dynamic opportunities over the coming decade?

Job One: do even more with the U.S.

The first and foremost dynamic export relationship that we will foster and grow over the next decade is with ... the United States.

That may surprise you, given that we already send 87% of our goods exports to the U.S. market. However, the Free Trade Agreement (FTA) with the United States, later expanded to the North

Europe and Japan: not the best candidates
Much as we would like to increase the growth rate of trade and invest with other mature industrial countries, they are not always the best candidates for diversification.

Europe would seem an attractive and logical destination for Canada's exports, based on economic size, real incomes and a shared political history. However, Europe's share of Canadian exports has been declining for more than fifty years, and now represents under 5% of Canadian exports. Why? A principal factor is the impact of European economic integration which has made trade more difficult with outside countries. Canadian exporters will have to work harder therefore to maintain or grow their market position.

Japan, another apparently desirable candidate for enhanced exports, has been mired in the economic doldrums for a decade and might need a full-blown financial crisis to recover.

A few emerging markets

There are excellent opportunities for faster Canadian export growth in selected emerging markets such as Korea, Hungary and Brazil. These countries have their policy houses in order, some degree of political stability and are open to foreign private capital, especially direct investment.

As its economic management principles continue to mature, Mexico has moved to the head of the class for Canadian export growth potential. Canadian exports to Mexico have grown by 14% per annum over the past five years, accelerating to 25% in 2001, and there is every reason to believe that we can sustain this high rate despite perceived differences in business culture.

Finally there is China, which has by far the greatest untapped trade potential for Canadians — and everyone else. Canadian exports

continued on page 8 — Canada's

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WIN EXPORTS

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

Foreign exchange service agreement with TD CCC clients to benefit

In February 2002, the Canadian Commercial Corporation (CCC) signed a service agreement with the Toronto-Dominion Bank to provide foreign exchange services to CCC clients — where CCC acts as the prime contractor on an export sale.

This service agreement will provide companies, in particular small and medium-sized exporters (SMEs), access to highly competitive rates on "spot" and "forward" transactions.

Managing risks

"In the past, SMEs often ignored foreign exchange risk or used crude means to offset the risk," said CCC's Chief Financial Officer, Paul Thoppil. "Our service agreement with the TD Bank will help clients take an active role in managing foreign exchange risks and, at the same time, gain access to near wholesale level pricing on foreign exchange and forward instruments."

BIO2002

— continued from page 6

For more information about participating in the SMP program as a presenter or a panelist, contact Neil Swain, DFAIT, tel.: (613) 944-0868, e-mail: neil.swain@dfait-maeci.gc.ca Note that space is limited and this engagement is by reservation only.

For more information about the June 11 VC networking reception, contact Jim Burt, Trade Commissioner, U.S. Business Development Division, DFAIT, tel.: (613) 944-6576, e-mail: jim.burt@dfait-maeci.gc.ca

"Our clients have told us this would be helpful, and we have responded with the TD agreement," Thoppil added.

CCC's service agreement with TD provides added benefits to CCC SMEs. Here's how:

- Simplicity of transaction;
- Competitive rates on foreign exchange and hedging products;
- Security requirements for hedging transactions are removed;
- CCC exporters will have access to Toronto-Dominion's foreign exchange specialists, who will provide SMEs with information on forwards and other hedging vehicles to protect their foreign exchange exposures on trade transactions.

Provide services to exporters

CCC's involvement in an export contract means that exporters can benefit from CCC's guarantee of contract performance, which often results in a waiver of performance bonds. Through the Progress Payment Program (PPP), CCC can provide exporters with access to working capital.

"As Canada's export contracting agency, our goal is to provide

Canada's future export markets

— continued from page 7

have been stagnant since 1995, however, and our market share has dropped to less than 2%. Canadian exporters and investors face the challenge of keeping up with the pace of change in China's evolving

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, Web site: www.ccc.ca

Canadian exporters with the services to be successful in international markets," Thoppil explained. "This agreement with TD is an extension of our commitment to help Canadian exporters succeed in the international marketplace."

For more information about CCC services, visit CCC's Web site at www.ccc.ca

business culture and values and paying the personal and financial cost of building the relationships needed for long-term success. Are we up to the challenge?

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and Trade Indicators

Annual Rates	Third Quarter 2001
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percent)	7.6
	1.3
	1.7
dollars)	0.6458
dollars)	-14.4
dollars)	-15.1

Thus, year-over-year remained comfortably of 1% to 3% that has been of Canada.

value of the Canadian dollar — a 4.1% depreciation from

re adjusted for seasonality and are
ures, with the exception of investment



Foreign exchange services CCC clients

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The Trade Commissioner Service helps new and experienced companies which have researched and selected their target markets.

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CanadExport

Canadian Trade Review

A Quarterly Review of Canada's Trade Performance

Fourth Quarter 2001

This trade and investment quarterly reports on Canada's economic growth in the fourth quarter of 2001, and highlights our trade and investment performance in key sectors and markets.

Trade Sector Is Essential for Economic Turnaround in the Fourth Quarter

Canada's real gross domestic product (GDP) increased by 2.0% (on an annualized basis¹) in the fourth quarter of 2001, reversing an annualized decline in real GDP by 0.6% in the third quarter. The trade sector was the main contributor to this reversal of GDP growth, as imports declined more substantially than exports. A rebound of consumer spending in the fourth quarter helped to stimulate domestic demand, which otherwise was negatively affected by a slump in business fixed capital and inventory investment in the quarter. For the year as a whole, real GDP grew by 1.5% in 2001 over 2000.

Job creation increased during the quarter—a net increase of 40,000 jobs was reported, up from 12,300 in the third quarter, although a large share of the jobs created in the fourth quarter were part-time jobs. The average unemployment rate rose to 7.6% from 7.1% in the previous quarter.

The twelve-month overall inflation was 1.3% in January 2002, and core inflation (excluding food and energy) was 1.7%, down from 3.1% and 2.0%

Table 1: Canada's Economic and Trade Indicators

Percent Change at Annual Rates Fourth Quarter 2001 over Third Quarter 2001	
Real GDP (annualized)	2.0
Employment (quarterly increase, level)	40,000
Rate of Unemployment (fourth quarter average in percent)	7.6
Consumer Price Index (January 2002, year-over-year percent change)	
All Items	1.3
Core (excludes food and energy)	1.7
Canadian \$ in U.S. funds (average for 2001)	0.6458
Exports of Goods and Services (based on current dollars)	-14.4
Imports of Goods and Services (based on current dollars)	-15.1

Source: Statistics Canada

respectively a year ago. Thus, year-over-year inflation in January 2002 remained comfortably within the target range of 1% to 3% that has been established by the Bank of Canada.

The average U.S. dollar value of the Canadian dollar in 2001 was US\$0.6458—a 4.1% depreciation from US\$0.6734 in 2000.

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

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

Trade and Investment Highlights

Both Exports and Imports Decline in the Fourth Quarter

Exports of Canadian goods and services declined to \$435.4 billion in the fourth quarter from \$452.6 billion in the third quarter. Merchandise exports totalled \$382.1 billion in the fourth quarter compared to \$398.4 billion in the previous quarter—down 14.4% at an annual rate.

The largest decline in merchandise exports was experienced by natural gas exports in the energy sector accompanied by reduced shipments of forestry products and industrial goods. Although exports to the United States and the United Kingdom fell in the fourth from the third quarter, exports to all other markets increased—most notably exports to non-OECD countries.

Imports also decreased in the fourth quarter, at an accelerated rate, compared to the decrease recorded in the third quarter. Imports of goods and services declined from \$411.4 billion in the third quarter to \$394.9 billion in the fourth quarter. Similarly, merchandise imports fell from \$350.5 billion in the third quarter to \$336.2 billion in the fourth quarter—a 15.1% annualized decline.

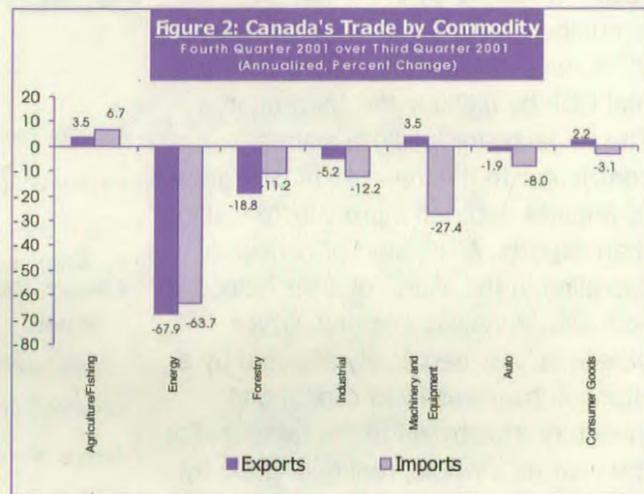
The largest quarterly decline in imports, measured in percentage terms, was recorded for imports of energy due to falling international prices. In terms of dollar value, the largest quarterly declines in imports were recorded for machinery and industrial goods. In the fourth quarter, merchandise imports from all trading partners, with the exception of European Union (EU) countries other than the United Kingdom, declined. In particular, imports from the United States declined by \$9.1 billion in the fourth over the third quarter, and imports from non-OECD partners decreased by \$4.4 billion.

The merchandise trade surplus thus declined from \$47.9 billion in the third quarter to \$45.9 billion. While the trade balance for energy and industrial goods fell due to a reduction in exports, the trade balance for machinery, industrial goods and automobiles improved due to a decrease in imports.

As most Canadian exports in energy and forestry products are destined for the United States, the decline in exports of these commodities negatively affected the merchandise trade surplus with the United States, which declined by \$10.3 billion in the fourth over the previous quarter. However, while



Source: Statistics Canada



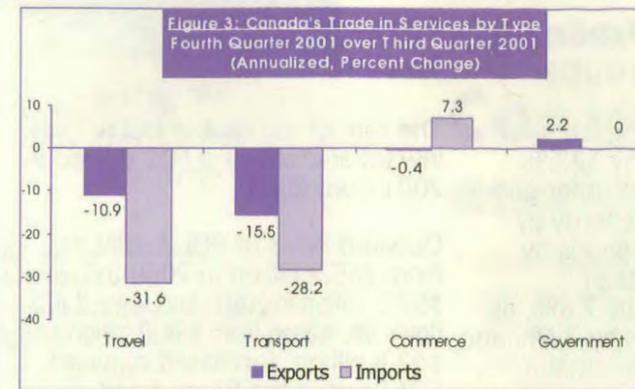
Source: Statistics Canada

the merchandise trade balance with the United Kingdom also deteriorated somewhat in the fourth quarter, the trade balance with all other partners improved.

Services Trade Deficit Records an Improvement

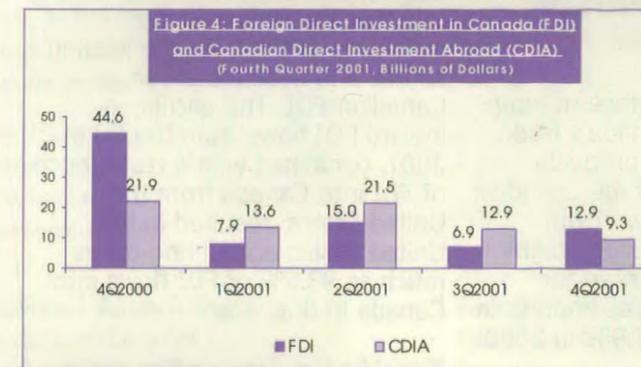
In the fourth quarter, Canada's services exports declined to \$53.3 billion from \$54.2 billion in the third quarter, largely due to lower levels of foreign travel spending in Canada and to exports of transport services.

Similarly, services imports declined in the fourth quarter to \$58.7 billion from \$60.8 billion in the previous quarter. The more rapid decline in services imports than services exports led to a reduction in



Source: Statistics Canada

the services trade deficit of \$1.3 billion. A reduction in Canada's international travel deficit by \$1.1 billion in the fourth quarter was the primary factor behind the quarter-over-quarter improvement in the overall services trade balance. In particular, a drop in Canadian outbound travel to the United States in the fourth quarter, following the September attack on the United States, was not countered by a comparable



Source: Statistics Canada

decline in U.S. visits to and spending in Canada. The quarterly decline in the travel services deficit was also accompanied by an improvement in the transport services balance, which resulted from a more rapid decline in imports than in exports. Trade in commercial services, which account for about half of all imports and exports of services, experienced a marginal decline in exports combined with a 7.3% increase in quarterly imports. Thus, the commercial services trade deficit increased by \$660 million.

Inward and Outward Foreign Direct Investment Declined

Both inward and outward Foreign Direct Investment (FDI) flows declined in the fourth quarter of 2001 from the same quarter in 2000; inward quarterly FDI flows only reached 29.1% of its 2000 equivalent, and outward FDI flows reached 42.3% of its 2000 level. Most notable is the reversal of the FDI flows in the energy sector—whereas the energy sector saw net outward FDI flows in the fourth quarter of 2000 of \$5.2 billion, this had been reversed to net inward FDI flows of \$6.3 billion in the same quarter of 2001. As a result of the decline in both inward and outward FDI flows to and from the EU countries other than the United Kingdom, the United States was re-established as an even more prominent leader as both a source and destination of Canadian FDI flows in the fourth quarter of 2001.

Canada Adds to its Official International Reserves

Canada added \$1.1 billion to its official reserve assets in the fourth quarter of 2001, slightly less than the \$1.3 billion added in the same quarter in 2000.

Key Trade and Investment Highlights for Year 2001

Canada's two-way trade in 2001 eased to \$2.41 billion per day from \$2.47 billion in 2000. Whereas two-way merchandise trade in 2001 declined by 2.8% over 2000, the decline in two-way services trade was limited to 0.2%, with two-way trade in goods and services declining by 2.5%.

Current Account Surplus Increased

In 2001, imports of goods and services were down 2.9% from

2000, while exports fell by 2.1%. Consequently, the balance on goods and services improved by \$2.1 billion to \$54.7 billion. This was the major factor contributing to the increase in the current account surplus from \$26.9 billion in 2000 to \$29.1 billion in 2001.

Both Merchandise Exports and Imports Fell in 2001

Merchandise exports declined by 2.4% in 2001 due to reduced

shipments to the United States, Japan and the EU. On the other hand, merchandise imports declined at an even steeper rate of 3.4%. Thus, the merchandise trade balance reached a record \$61.5 billion in 2001, up from the previous record high of \$59.3 billion in 2000. The increasingly large cumulative trade surplus with the United States was accompanied by a slight improvement in the trade deficit with Japan, but countered by an increasing trade deficit with the EU.

United States

Canada's annual merchandise exports to the United States declined by 2.4% in 2001 over 2000, while annual imports fell by 4.6%. This resulted in a new record annual trade surplus with the United States of \$95.4 billion for 2001—up from \$91.9 in 2000.

Bilateral Merchandise Trade with Japan, the European Union, Mexico and China

In 2001, both annual exports to and annual imports from Japan declined over 2000. The more rapid decline in imports compared to exports reduced Canada's annual trade deficit with Japan from \$1.4 billion in 2000 to \$1.3 billion in 2001. Annual exports to the EU in 2001 declined by 1.5% over 2000, while imports expanded by 5.0%. Consequently, Canada's annual trade deficit with the EU increased from \$11.3 billion in 2000 to \$13.3 billion in 2001. Canadian exports to our major markets in the EU declined, with the exception of France, which recorded a 13.8% increase over 2000. Canadian imports from France also grew substantively by 32.4% in 2001, while imports from Italy grew by 9.9% and imports from Germany expanded by 2.3%. On the other hand, imports from the United Kingdom declined by 10.7% in 2001 over 2000. While Mexico maintained its ranking as Canada's fourth most important source for imports in 2001, it moved from being ranked as the eighth-largest destination for Canadian exports in 2000 to the sixth most important in 2001. At the same time, China replaced the United Kingdom as the third-largest source of imports in 2001, while the United Kingdom lost in importance as a source of imports to rank fifth.

Merchandise Trade by Commodity Groups

In 2001, exports of agricultural products expanded by 12.6% from 2000, while consumer goods increased by 6.7%, energy by 4.5% and industrial goods by 0.5%. Annual exports of machinery declined by 7.6%, as did forestry products by 7.5% and automobiles by 5.3%. Annual imports of agricultural products increased by 9.7% from 2000, and imports of consumer goods expanded by 7.1%. On the other hand, annual imports of machinery declined by 8.4%, while automotive imports fell by 6.3%, forestry products by 5.8%, industrial goods by 2.9% and energy by 0.9%.

High-tech Products' Share in Trade

In 2001, the importance of high-tech products in Canada's trade declined. High-tech products accounted 11.5% of merchandise exports in 2001, down from 13.0% in 2000. Similarly, high-tech products accounted for 16.7% of merchandise imports in 2001, down from 17.9% in 2000.

Services Trade

Canada's travel deficit with the rest of the world plummeted from \$2.1 billion in 2000 to \$1.3 billion in 2001—its lowest level since the World's Fair in Vancouver in 1986. The annual travel deficit was particularly affected by the decline in Canadian outward travel in the fourth quarter of 2001. The decline in the travel deficit was however offset by an increase in the deficit for transport services (up \$632 million) and commercial services (up \$365 million). Thus, the overall services trade deficit increased from \$6.7 billion in 2000 to \$6.8 billion in 2001.

Foreign Direct Investments

The rate of increase in both inward and outward FDI slowed in 2001 from 2000.

Outward flows of FDI declined from \$65.4 billion in 2000 to \$57.3 billion in 2001, and inward FDI flows decreased from \$94.0 billion to \$42.8 billion. Increased outward FDI flows in the finance and insurance sector in 2001 could not counter reduced FDI flows in the machinery sector and other industries. For inward FDI flows in 2001, increased investments in the energy sector could not offset declining investments in all other sectors. Investment flows with EU countries other than the United Kingdom declined noticeably in 2001 and strengthened the leading role that the United States maintains as the both the leading source and destination for Canadian FDI. The decline in inward FDI flows from the EU in 2001, combined with a resurgence of FDI into Canada from the United States, resulted in the United States accounting for as much as 93.5% of FDI flows into Canada in that year.

Portfolio Investments

Canadian net investments in foreign securities (bonds and stocks) reached \$34.5 billion in 2001, down from \$62.7 billion in 2000—in both years, the investments were predominantly directed toward foreign stocks, largely assisted by the legislative change to increase the limit on foreign content in Canadian pensions from 20% to 30%. On the other hand, foreign investments in Canadian securities increased to \$30.1 billion in 2001, up from \$19.6 billion in 2000. The focus for foreign security investments in 2001 was on Canadian corporate bonds, which set an annual record for new issues.



Serving the Arts and Cultural Industries

Upcoming Event(s) in Canada

Music Industries Association of Canada – MIAC 2002 Trade Show
August 25-26, 2002
Toronto, Ontario
www.miac.net

Upcoming Events Outside of Canada

Pop Music and Entertainment - POPKomm
August 15-17, 2002
Cologne, Germany
www.popkomm.de

Australian Music Week - AMW
October 9-15, 2002
Australia

www.australianmusicweek.com.au

World Music Expo - WOMEX
October 24-27, 2002
Essen, Germany
www.womex.com

National Associations

Canada Council for the Arts
www.canadacouncil.ca

Canadian Independent Record Production Association (CIRPA)
www.cirpa.ca

Canadian Recording Industry (CRIA)
www.cria.ca

Contact in the Trade Commissioner Service

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Arts and Cultural Industries (Sound Recording, Book Publishing, Multimedia)
Department of Foreign Affairs and International Trade
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Ottawa, Ontario, K1A 0G2
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F: (613) 992-5965
E: sylvie.morissette@dfait-maeci.gc.ca

Kansai environmental sector profile

Converting a yen for the environment into dollars

- urban area waste and wastewater disposal, emissions and noise pollution;
 - industrial pollution;
 - mountain and forest conservation.
- The nature-loving Kansai people are sensitive to these issues and the region leads Japan in the use of technology to solve its environmental problems.

Environmental business

Now that the Japanese are focused on repairing the environmental damage caused during the post-war economic boom, environmental businesses are springing up, predicated on the watchwords 're-use', 're-cycle' and 're-new'.

The Kansai region is home to 74 of Japan's 213 leading environmental business companies: 47 in Osaka, 16 in Hyogo, 9 in Kyoto, and one each for both Wakayama and Okayama. These enterprises fall into four general categories:

- Anti-pollution: developing materials that reduce air and water pollution;
- Waste disposal and recycling: waste disposal plants, collection and recycling systems;
- Environmental restoration: remediation of soil and water, reforestation and biotype conservation;
- Sustainable energy development: photovoltaic and wind-power generation, co-generation and improved insulation techniques.

The environmental business market in Japan is currently estimated to be worth 21 trillion yen and is projected to reach 34 trillion yen by 2010. Kansai's current 3.8-trillion-yen market will likely reach 6.1 trillion yen by then.

Market opportunities

To be successful, Canadian suppliers should focus on markets that are relevant to the Japanese.

Water sterilization and purification — Japan has an abundance of aquariums, swimming pools, fish farms, fisheries stations, fishing ponds, fresh-fish restaurants and bathhouses.

Dioxin — Analysis is expensive in Japan and remediation is urgently required for contaminated soil.

Alternative fuels technology — Japan respects

Canada's reputation as a leading developer of alternative fuels.

Black liquor — This by-product of paper production can be used for power generation in Japan where the cost of electricity is high.

Wood charcoal — Perceived as an environmentally friendly product, charcoal is in demand for use in restaurants and Japanese-style "Izakaya" bars.

Exporters interested in the Kansai region should contact any of the large companies there since most have well-established connections with the environmental business through their networks of subsidiaries and related companies.

For private sector projects, suppliers must have a business account. To be eligible for public sector projects, companies must first be approved or registered.

For more information, contact Jean-Pierre Petit, Japan Division, DFAIT, tel.: (613) 996-2467, fax: (613) 944-2397, e-mail: jeanpierre.petit@dfait-maeci.gc.ca

Part two of this report examines the specific environmental policies of each of the seven prefectures in the Kansai region. ★

United States

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Foreign Investment

The inward investment flow in 2001 was \$57 billion, down from \$42 billion in 2000. Outward investment flow in 2001 was \$42 billion, down from \$35 billion in 2000. The trade deficit in services in 2001 was \$6.8 billion, up from \$6.7 billion in 2000. The trade deficit in goods in 2001 was \$1.3 billion, down from \$1.4 billion in 2000. The trade deficit in total in 2001 was \$8.1 billion, down from \$7.9 billion in 2000.



Available Market Reports*

Asia-Pacific

Australia

- The Recorded Music Market
- Creating Cultural Alliances in the Australian Cultural Market

China

- The Cultural Industries Market

Hong Kong

- The Cultural Industries Market

India

- Opportunities in the Family Leisure and Entertainment Industry

Korea

- The Cultural Industries Market

United States of America

Los Angeles, San Francisco, San Jose

- The Performing Arts Market

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

www.infoexport.gc.ca

Kansai environmental sector profile

Converting a yen for the environment into dollars

Blessed with a mild climate and exquisite natural settings, the seven prefectures that make up Japan's Kansai region are home to 18% of the Japanese population — although they occupy only 9% of Japan's total land mass. Kansai's geography and its favorable living conditions make it the economic and industrial hub of western Japan, but its post-war consumer society has introduced serious environmental problems. This is the first of a two-part report examining the environmental market in the Kansai region.

A quick tour of the Kansai

The Kansai is a diverse region comprising the prefectures of Osaka, Kyoto, Hyogo, Shiga, Nara, Wakayama and Okayama, each with its own unique characteristics.

Osaka, the smallest prefecture, is the second most densely populated area (8.8 million) in Japan after Tokyo. It has a large and well-developed industrial area.

Kyoto, an area of natural beauty, preserves and maintains many of Japan's historical heritage sites.

Hyogo's population is concentrated along a coastal industrial zone comprising the cities of Amagasaki, Kobe, Akashi, Takasago, Himeji and Kakogawa. The prefecture features the Rokko mountain system, where agriculture, forestry and livestock industries flourish, as well as the scenic Sanin Coast National Park.

Shiga's Lake Biwa is Japan's largest lake, a source of fresh water for 14 million people.

Nara's population lives mostly in the industrialized north; forests cover the south.

Wakayama is a remote, pastoral prefecture focused predominantly on agriculture, forestry and fisheries.

Okayama is geographically diverse. The southern coastal region is industrialized; northern regions are mountainous.

The seven prefectures face three major environmental challenges:

- urban area waste and wastewater disposal, emissions and noise pollution;
- industrial pollution;
- mountain and forest conservation.

The nature-loving Kansai people are sensitive to these issues and the region leads Japan in the use of technology to solve its environmental problems.

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Small country with big market potential

Construction sector in Belgium

Belgium's status as one of the smallest countries (population 10 million) in the European Union (EU) does not reflect its commercial or economic position. Situated at the heart of the EU, Belgium is its sixth largest importer and accounts for some 3.2% of the EU's total international trade — a significant market for Canadian exporters interested in positioning themselves in continental Europe.

Market overview

There are several reasons for the major position Belgium occupies in Europe's construction sector. First, the country has one of the highest private-ownership rates in the EU and second, many multinational firms and other international organizations have set up companies and production facilities there. This foreign presence has, in turn, boosted Belgium's industrial construction as well as its public construction and infrastructure.

Belgians either live in traditional single-family houses or in apartment buildings. The condominium styles used in the U.S. and Canada are relatively unknown in the Belgian construction market.

When choosing materials for private construction projects, Belgians tend to be rather conservative. Even so, although brick remains by far the most popular construction material, other materials are gaining favor. Timber frame construction has increased its market penetration from 3% to an estimated 17% over the last 20 years.

Construction materials are mainly of Belgian origin or come from neighboring countries such as Germany, the Netherlands, France and Italy. Wood comes primarily from Canada and Scandinavia — in particular Sweden and Finland. Imports from Canada, however, have declined in recent years due to the pinewood nematode problem.

Opportunities

There are a number of promising niche market opportunities for Canadian exporters.

Canadian expertise in high-rise construction can be considered a major export opportunity. Belgian and most other European contractors are less familiar than Canadian firms with modern high-rise building techniques which involve the efficient use of limited space and the application of integrated construction systems. A willingness to adapt to Belgian taste and living conditions, and to work with local producers is important.



When it comes to introducing high-quality finished wood products, Canadian firms are at an advantage because Canada is already well represented in the Belgian lumber market. To be accepted, finished products such as flooring planks, doors, wall panelling and stairways should be designed and cut according to Belgian taste while at the same time retaining Canadian quality.

Technology transfer in the field of heating and ventilation presents excellent niche opportunities as well. Canadian firms tend to have more experience than their European counterparts in the use of building methods that promote energy efficiency.

Market access issues

Manufacturers targeting the Belgian market are advised to begin with the larger chains, many of which have a central buying office. To get the best prices from manufacturers around the world, many of these chains form buying syndicates with chains from neighboring countries.

The best way to gauge the Belgian construction materials market is to attend **Batibouw (www.batibouw.com)**, an annual trade show that takes place in February or March and lasts for 10 to 12 days. This major event, which is open to both the building trade and the public, provides an important outlet for introducing new building materials to the market.

Major competition

The fast-growing hardware and do-it-yourself market is largely open to Canadian producers and exporters. Finished wood products — such as doors, panelling, flooring, luxury bathroom accessories, garden articles, tools, and decorative products — that are adapted to local taste will be well received.

Building and hardware products are distributed by either retail chains or importer-distributors that work with independent stores using North American-style distribution methods. Belgian retail chains **Brico (www.gib.be)** and **Leroy Merlin (www.leroymerlin.fr)** dominate this market.

For more information about the Belgian construction and building materials market, including contact information for associations and distribution-retail chains, download the full market report from **www.infoexport.gc.ca/be**

For more information, contact Francis Keymolen, Commercial Officer, Canadian Embassy, Brussels, tel.: **(011-32-2) 741-0616**, fax: **(011-32-2) 741-0606**, e-mail: **francis.keymolen@dfait-maeci.gc.ca** Web site: **www.infoexport.gc.ca/be** *

Residential housing on its way up

Construction sector in Sweden

The construction industry is one of Sweden's largest, employing 450,000 people — or about 10% of the country's work force. In 2000, building investments in this country of 8.9 million people reached approximately \$18 billion — 5.6% of its GDP.

Market overview

The Swedish construction industry has been riding a roller coaster since the early 1980s, with construction volumes rising and falling with demand. The demand for dwelling units that began in the mid-1980s peaked in 1990, to be followed in 1991 by a downturn that saw total construction volumes fall nearly 25% by 1994. Since then, the industry has been slowly gathering steam again and total investments in construction are predicted to grow 6% during 2002. Urban residential housing projects are fueling this growth, and will contribute an estimated 12% to 17% in investment to the construction industry.

Easy-to-assemble prefabricated units ("prefabs") such as stairways, garbage chutes, kitchen fittings, and walls and floors are becoming popular, with larger custom framing components typically produced in contractor-owned factories. Virtually all conventional materials are now available as prefabs: reinforced brick slabs, reconstituted wood, pre-stressed concrete and the prepared steel that is increasingly used in reinforcement.

Sweden's large forestry sector is the foundation for its long tradition in wood frame construction and wood panel manufacturing.

Opportunities

The current surge of activities and investments in the building sector makes

this an ideal time to explore a wide range of opportunities in the Swedish market. The high cost of hiring professional builders for private renovation and decoration projects, for example, has paved the way for a boom in the do-it-yourself (DIY) market. For innovative manufacturers, the variety in both market structure and available products opens doors to DIY niche markets, such as electrical hand tools.

Insulation products and interior and exterior wood finishing are potential market opportunities for Canadian suppliers given the similarity between the Swedish and Canadian winter climates and the fact that Swedes, like Canadians, appreciate wood products. Canadian hardwood flooring and kitchen cabinets are now available in Sweden.

Canadian suppliers are advised to work with a Swedish partner who

understands the market as well as logistics, approval procedures and standards.

Major competition

Domestic manufacturers supply the bulk (75%) of the building materials used in Swedish construction projects, with imports making up the difference. Firms from neighbouring European countries have a strong market presence. The market is dominated by a few large firms such as Skanska, NCC and Peab that have networks of subcontractors.

Useful Web sites

- Fact Sheets About Sweden: **www.si.se/E_infoSweden/1008.cs?dirid=1265**
 - Swedish approval body for the construction industry: **www.sitac.se/Default-eng.htm**
 - Detailed market reports about the construction sector: **www.infoexport.gc.ca**
- For more information**, contact Maria Stenberg, Business Development Officer, Canadian Embassy, Stockholm, tel.: **(011-46-8) 453-3020**, fax: **(011-46-8) 24-2491**, e-mail: **maria.stenberg@dfait-maeci.gc.ca** Web site: **www.canadaemb.se** *

Residential market down, commercial up

Construction in the Netherlands

The Dutch building sector has been flourishing in recent years as a result of a healthy economy and low mortgage rates stimulating demand for purchased homes, as opposed to rented accommodation. While construction of commercial buildings continues to grow, the residential market is now decreasing and the Dutch building sector is expected to show only moderate growth in the period 2001-2006.

Market overview

Growth in production has fallen from 4% in 2000 to 1.6% in 2001, and is

expected to fall to 0.4% in 2002. In the period leading up to 2006, the Environment Ministry forecasts an average annual growth of around 1%.

Home construction fell by 4% in 2001 to 65,000 homes, while maintenance and renovation work rose slightly by 0.4%. In 2002, an expected 60,000 homes will be completed, less than the Ministry of Housing's target. Various factors have contributed to the shortfall, including labour shortages, long planning procedures and the completion of

continued on page 14 — The Netherlands

Dragon at your door

Tap into China/HK Trade Action Plan (TAP)

Everything about China is big: big population (1.3 billion), big economy (\$2 trillion GDP, the world's sixth-largest), and the potential to become the world's biggest consumer market. China and Hong Kong (China/HK) combined form Canada's third-largest export market: two-way trade between Canada and China/HK in 2001 topped the \$19 billion mark. With such a huge market, there is a need for a comprehensive document that clearly explains where the big opportunities lie in the Land of the Dragon.

To help Canadian exporters understand those sectoral and regional opportunities, DFAIT's China and Mongolia Division has posted its *China and Hong Kong Trade Action Plan 2002* on-line at www.chinahktradeactionplan.ca

TRADE ACTION PLAN 2002 HIGHLIGHTS

China joins the World Trade Organization

The Trade Action Plan (TAP) explains benefits that Canadian exporters can expect following China's accession to the WTO. Some of the highlights include:

- national treatment extended to trading partners;
- application of "most favoured nation" principle;
- increased transparency and predictability;
- uniform application of laws and regulations;
- lowering of overall tariff levels;
- phase-out or elimination of import quotas and nearly 400 non-tariff measures;

- liberalization of investment environment. The agriculture, automotive, information and communications technologies, and financial services sectors will benefit most.

For more information about China and the WTO, visit www.dfait-maeci.gc.ca/tna-nac/WTO-CC-e.asp

Profiles of regional markets

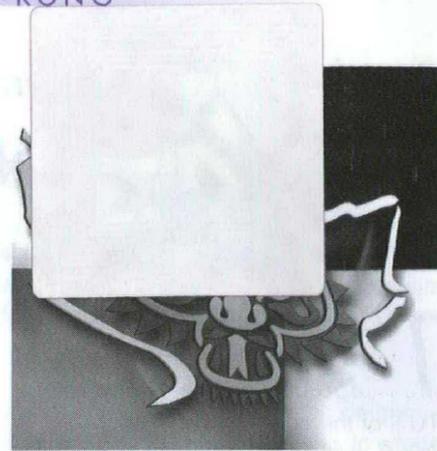
The TAP provides profiles of regional markets in China, including the West and Hong Kong.

Western Development

Strategy (WDS) — To improve living standards in the interior, the Chinese government has allocated \$160 billion over a four-year period on new large-scale transportation and infrastructure projects, upgrading regional IT infrastructure, education and environmental protection systems.

Canadian firms are already active as the first year of the WDS program unfolds. Opportunities will grow as urbanization and improvement of housing and living standards drives a boom similar to those that occurred in Shanghai and Beijing in the early 1990s.

Hong Kong Special Administrative Region (HKSAR) — A global financial and distribution hub in the heart of Asia, with well-established links to the markets of China, HKSAR is a dynamic, open, competitive, free-market environment with a level playing field where entrepreneurship, innovation and leading-edge technologies thrive. A significant market exists for value-added products and services produced by Canadian small and medium-sized enterprises. It is also a



place where strong linkages to Canada already exist, as well as expert China-Hong Kong cross-border business skills.

Sectors with significant opportunities for Canadian exporters

TAP provides overviews of sectors with significant opportunities for Canadian exporters, including:

Agriculture — Population of 1.3 billion (22% of the world population but only 7% of the world arable land): rapid expansion in per capita GDP means more food consumption. Opportunities include canola oil, feed peas, seafood, beer, wheat, alfalfa, beef and pork.

Information and Communications Technologies (ICT) — China is one of the world's largest ICT markets and is currently the world's largest mobile phone market. Opportunities exist in telecommunications infrastructure, software and Canadian investment in telecommunications operations in fixed, mobile, basic and value-added services.

Cultural industries — Growing affluence has resulted in an increased consumer focus on the arts and entertainment. Opportunities exist in the performing arts, film and music.

Environment — The State Environmental Protection Administration reports that over five years China's environmental protection fund will reach \$135 billion. The fund will address significant environmental degradation

continued on page 13 — Tap into

Passage to India — continued from page 1

Intellectual Property Rights (IPR) and broadcasting, reduced tariffs on hardware, zero duties on software, and a commitment to the WTO — the ICE sectors in India are drawing the world's attention with growth rates that are predicted to reach 20%.

Energy

With power consumption growing 9% to 10% annually, India is the world's second-largest market for power after China. To fulfill the Indian government's plan to bring power to the entire country by the year 2012, capacity must be increased from 101,154 MW to 212,000 MW: powerful commercial opportunities for Canadian companies!

Transportation and Infrastructure

A weak transportation infrastructure is hindering India's economy. The central

and state governments are committed to major expansion and upgrading projects, many backed by substantial financing by the Asian Development Bank (ADB) and the World Bank. India's transportation and infrastructure projects will require a range of products and services.

Environment

As India's awareness of environmental issues grows, so does its US\$3.1-billion market for environmental products. By 2010, this market will be worth an estimated US\$7 billion.

Agri-Food

The US\$20-billion food production and processing sector is one of India's largest in terms of production, consumption, export prospects and growth potential. The sector employs more than 64% of

India's workforce and accounts for 26% of India's GDP. Some studies predict that by 2005 the sector will be worth US\$60 billion.

Education

With a population of 1.1 billion and over 500 post-secondary institutions, India turns out 275,000 graduates each year in engineering alone. These graduates represent a pool of potential candidates for Canadian universities and colleges, while India's prestigious engineering, applied sciences and management schools may be considered potential partners for research collaboration and exchanges. India is also one of the world's largest markets for distance education and on-line training.

Housing and Building Products

India's affluent middle class is growing, particularly in rapidly expanding urban areas, and is now demanding better quality housing and building products. Fuelling this demand is an increased awareness of international lifestyles, improved access to housing finance and a greater commitment by the Indian government to the housing sector.

Financial Services

Only 70 million out of an estimated 250 million middle class Indian citizens are insured. Insurance in India is a US\$7.5-billion industry that, with increased privatization and foreign participation, will grow 20% each year. Insurance is one of many opportunities in the burgeoning financial services sector.

An excellent opportunity

The trade mission will be an excellent opportunity for Canadian suppliers to promote their goods and services while strengthening local business partnerships, meeting new clients and enhancing their visibility in one of the world's hottest emerging markets.

For more information about the mission and opportunities in these and other sectors, visit: www.tcm-mec.gc.ca/india/menu-en.asp

Tap into China/Hong Kong

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caused by rapid industrialization. Opportunities exist in urban air and water purification environmental products and services.

Services — There is room for growth in a services market that is under-represented as a portion of China's GDP as compared to more mature economies. Recent reforms have resulted in a significantly more liberal market. Opportunities exist in banking, insurance, mutual fund management, education and distribution.

Forestry and Construction — The urban population of 400 million is fuelling rapid growth. Over six years, per-capita incomes rose over 75% resulting in a country-wide construction boom. Opportunities include energy-efficient construction products, wood-frame housing and architectural services.

Power — China is the world's second-largest power producing country. Opportunities exist in transmission and

distribution systems, and in the development of hydro power in Western and Central China.

Transportation — China is the world's largest market for transport equipment and transport infrastructure development products and services. Opportunities exist in rail, urban transit, road infrastructure, marine transportation, commercial aircraft, auto parts, and ICT transport products.

To download the complete *China and Hong Kong Trade Action Plan 2002*, visit www.chinahktradeactionplan.ca

For more information about the Trade Commissioner Service (TCS) in China/HK and TCS's core services, visit www.infoexport.gc.ca and follow the links.

For more information, contact China and Mongolia Division, DFAIT, tel.: (613) 996-0905, e-mail: pcm@dfait-maeci.gc.ca

Reeling in a big market

Canadian fish and seafood in the U.K.

Given the British population's traditional love of fish, it's hardly surprising that the United Kingdom is Canada's most valuable outlet for fish and seafood within the EU. The British market, however, remains a curious mixture of tradition and innovation. Canned salmon remains a favorite with consumers, yet innovation in the form of new and creative products appears to be driving retail growth.

Billingsgate, London's wholesale fish market, now features a dizzying array of species that would have been ignored 20 years ago by the average Briton. Some of these fish species are now moving well beyond the more limited ethnic market to land in British restaurants, where half of all fish consumption in Britain takes place. Farmed and organic fish species from around the world are also ending up on more plates in London's trendier and more innovative restaurants.

Five major supermarket chains handle more than half of the retail sales of fish in the U.K., and innovative products are now in demand. The popularity of frozen fish has lessened as British consumers embrace new products such as

chilled fish and seafood-based "ready meals". Salmon, cod, haddock and shrimp top the average consumer's shopping list for fish, with salmon — now plentiful thanks to aquaculture — ranked number one at the fresh or chilled counter. Sales for chilled products have risen 22% in the last year.

British hooked on Canadian fish Canada has a long history of selling fish to the U.K., where canned salmon continues to be our biggest selling seafood item. (The U.K. is Canada's biggest customer worldwide for canned salmon.) Although cod remains king with British consumers, they also love cold-water shrimp, cooked and peeled. Indeed, they consume about half of the world's production. Small wonder

then that so much of Canada's East Coast supply of cooked and peeled shrimp is now exported to the U.K. A word of caution however: low world prices, coupled with high duties on the Canadian product, have introduced certain marketing challenges.

The British restaurant trade is also an important destination for other high-value Canadian delicacies such as live lobster, in-shell shrimp, fresh Pacific halibut, snow crab and, more recently, salmon roe for the growing sushi business. Belgo's, London's premier outlet for mussels, now offers Canadian mussels in season.

Canadian food service suppliers are advised to work with specialist importers. Retail suppliers are also advised that the most common route to the market is by selling to a manufacturer or a specialist importer.

For more information, contact Janet Farmer, Commercial Officer (Agriculture and Fisheries), Canadian High Commission, London, tel.: **(011-44-20) 7258-6665**, fax: **(011-44-20) 7258-6384**, e-mail: janet.farmer@dfait-maeci.gc.ca

Janet Farmer will be attending the **European Seafood Exposition** (www.euroseafood.com) in Brussels, **April 23-25, 2002**, where she can be contacted via the Canada pavilion. *

The Netherlands

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several large-scale "Vinex" housing developments.

Commercial/industrial building has grown substantially in recent years, although at a declining rate: 11.2% in 1999, 4.7% in 2000 and 2.5% in 2001. However, this type of construction is expected to decline in the coming period by 1.4% in 2002 and 3% in the years thereafter. The decline in new housing starts is expected to be compensated by increasing demand for renovation and maintenance work.

Useful Web sites

- Netherlands Association of Timber Agents (NATA): www.nata-timberagents.nl
- Centrum Hout (wood promotion organization): www.centrum-hout.nl
- Keurhout Foundation: www.stichtingkeurhout.nl
- H.I.B.I.N. (building materials organization): www.hibin.nl
- Cobouw (leading daily for the building sector): www.cobouw.nl

- Bowbeurs (main national building products fair; next show February 2003): www.bouwbeurs.nl

For more information, contact C.J. Rowley, Commercial Officer, Canadian Embassy, 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

(This is an update of the article published in the April 16, 2001 issue of *CanadExport*, p. 8, and on the Internet at www.infoexport.gc.ca/canadexport "The European Advantage".) *

EDC launches new on-line credit risk management tools

Canadian exporters can now use the Internet to purchase credit information about their foreign buyers and accounts receivable insurance from Export Development Canada (EDC) (www.edc.ca) — quickly and securely — with two new fully automated on-line products.

EXPORT Check and EXPORT Protect are EDC's first fully automated trade finance products.

Using EXPORT Check, a Canadian company can quickly determine a buyer's credit profile before closing an export deal by accessing a database of more than 64 million buyers in more than 100 markets. Customers receive an EDC Insurability Opinion

which provides information on EDC's experience and history with the company as well as EDC's recommendation regarding the foreign buyer's insurability. Customers also have the option to purchase a *Business Information Report* from Dun & Bradstreet which provides detailed credit information.

EXPORT Protect allows Canadian companies to insure their foreign accounts receivable against non-payment on a single transaction up to US\$250,000. Customers will learn within minutes if EDC can put the coverage in place and protect them against 90% of a loss should their foreign buyer fail to pay. Single transaction coverage is available exclusively on-line through EXPORT Protect.



FITT Conference

OTTAWA — June 9-10, 2002 — Anyone interested in international trade is invited to join the fifth annual **Forum for International Trade Training Conference (FITT)** entitled "Set Your Sights on the World: Strategies and Networks". Program highlights include networking receptions, workshops and

exhibits by Team Canada Inc, Export Development Canada and the Business Development Bank of Canada. Attending FITT is an excellent way to gain access to key decision makers from both business and government. As well, FITT provides the opportunity for companies to display their products and services to a highly targeted audience.

Making Trade Shows Work

Barry Siskind, North America's foremost trade and consumer show expert and author of *The Power of Exhibit Marketing*, is once again offering "Making Trade Shows Work", Canada's only comprehensive full-day workshop. It will be given in several major cities across Canada. Mention

"EDC continues to broaden its product offering to help Canadian companies better manage the risks of international business," says EDC President and CEO A. Ian Gillespie. "With the launch of EXPORT Check and EXPORT Protect, Canadian exporters can now get key credit information and insurability reports on potential buyers and accounts receivable insurance faster than ever."

EXPORT Check and EXPORT Protect have been designed exclusively for the Internet and require payment by credit card. For more information about EDC's Internet products, visit www.edc.ca/online

For more information, contact Rod Giles, Media Relations, tel.: **(613) 598-2904**, e-mail: rgiles@edc.ca
Web site: www.edc.ca *

Integrity Workshops

ACROSS CANADA — April 12-May 24, 2002 — Export Development Canada (EDC) (www.edc.ca) is a lead sponsor of this series of cross-Canada workshops presented by the Canadian Chamber of Commerce and the Canadian Manufacturers and Exporters. See details in our previous issue, p. 13. *

For more information, visit the conference Web site www.fitt.ca/conference/2002 or contact the conference organizers directly, tel.: **(819) 827-5168**, e-mail: conference@fitt.ca *



Upcoming trade shows and conferences

For the full details of these events, see CanadExport on-line at www.infoexport.gc.ca/canadexport and click on "Trade Fairs and Missions".

AGRICULTURE

BEIRUT, LEBANON — October 1-5, 2002 — The Eighth International Exhibition for Agriculture Technology, Farming and Irrigation serving the Middle East, **AgriTech Middle East 2002** (www.ifpexpo.com/agri02/index.asp) is a major event for the region's agriculture industry (Lebanon, Syria, Jordan, Egypt, Saudi Arabia and the Gulf states). **Info:** www.ifpexpo.com/agri02/index.asp — International Fairs and Promotions, tel.: (011-961-1) 263-421, e-mail: info@ifpexpo.com — Canadian Embassy, Beirut, tel.: (011-961-4) 713-900, e-mail: berut-td@dfait-maeci.gc.ca Web site: www.infoexport.gc.ca/lb

ENERGY

STAVANGER, NORWAY — August 27-30, 2002 — The Canadian Embassy in Oslo invites Canadian firms to participate in Offshore Northern Seas **ONS 2002** (www.ons.no), one of the world's most influential conferences and exhibitions in the energy sector. Attendance expected: 1,100 exhibitors, 30,000 visitors. The Canadian Embassy will be involved in pre-show publicity and briefings and organize concurrent events. **Info:** www.ons.no — Rick Stephenson, Commercial Counsellor and Consul, Canadian Embassy, Oslo, tel.: (011-47) 2299-5300, fax: (011-47) 2299-5301, e-mail: rick.stephenson@dfait-maeci.gc.ca

FISHERIES

TRONDHEIM, NORWAY — August 7-10, 2002 — **Nor-Fishing 2002** (www.nor-fishing.no/webdb/norfishing_eng.nsf) is a major international trade show, organized by the Nor-Fishing Foundation (www.aqua-nor.com) to promote advancement in the fisheries industry. **Nor-Fishing 2000** was the biggest event in the 40-year history of the Foundation: 1,200 exhibitors, 34,000 visitors. Focus: shipyards, fishing equipment, engines and deck machinery, maritime electronics, fish-finding equipment and fishing harbours and services. **Info:** www.nor-fishing.no/webdb/norfishing_eng.nsf — Nor-Fishing Foundation, tel.: (011-47) 7392-9340, fax: (011-47) 7351-6135, e-mail: mailbox@nor-fishing.no Web site: www.aqua-nor.com — Barbara Thorjussen, Canadian Embassy, Oslo, tel.: (011-47) 2299-5300, fax: (011-47) 2299-5301, e-mail: barbara.thorjussen@dfait-maeci.gc.ca Web site: www.canada.no

INFORMATION TECHNOLOGY

HONG KONG — September 18-21, 2002 — The 13th Asian Information Technology Exhibition, **Asian IT Expo 2002** (www.itexpo.com.hk) focuses on business solutions: enterprise solutions and application software, e-commerce, mobile solutions, information security, network solutions, Internet

solutions and services, computer telephony and enterprise messaging, e-learning, multimedia and imaging, hardware, Linux and open source applications, and IT consulting. In 2001: 52,000 visitors, 215 exhibitors. **Info:** www.itexpo.com.hk — Adsale Exhibition Services, tel.: (011-852) 2811-8897, e-mail: exhibition@adsaleexh.com — Brian Wong, Commercial Officer, Canadian Consulate General, Hong Kong, tel.: (011-852) 2847-7414, e-mail: brian.wong@dfait-maeci.gc.ca Web site: www.hongkong.gc.ca

SERVICE AND TECHNOLOGY

BRUSSELS, BELGIUM — September 17-21, 2002 — **STI2** (www.sti2.be) (Service and Technology for Industry and Installation) is a combination of trade fairs covering three areas: installation and energy; industrial equipment; and automation and electronics. The event is held every two years. **Info:** www.sti2.be — Brussels Fairs and Exhibitions, tel.: (011-32-2) 474-8435, e-mail: sti@birf.be — Canadian Embassy, Belgium, tel.: (011-32-2) 741-0620, e-mail: bru.commerce@dfait-maeci.gc.ca Web site: www.infoexport.gc.ca/be *

Change in dates

CAIRO, EGYPT — September 21-23, 2002 — These are the new dates for the **Middle East and Africa Ports and Maritime Exhibition and Conference** originally slated for April 9-11, 2002, as announced in our Nov. 1, 2001 issue, p. 15, and on our Web site. *

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services. Trade-related information can be obtained by calling (011-961-1) 996-9709; by calling the Enquiries Service FaxLink (011-961-1) 996-9709; or by visiting the DFAIT Internet site at www.dfait-maeci.gc.ca

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