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CANADEXPORT



www.canadexport.gc.ca

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Know before you export

Is your product subject to export controls?

Do you need an export permit for your product? This is a key question that's often overlooked. In fact, many Canadian exporters will only discover the answer when their product hits a roadblock at customs.



Satellites, whether for military or civilian use, require export permits.

One way to avoid this potentially costly setback is to contact International Trade Canada's Export Controls Division (ECD), the same federal division that works with the Canada Border Services Agency to enforce Canada's export control regulations.

ECD permit officers assist Canadian companies and can help you navigate the regulations, determine whether you need a permit and guide you through the process from start to finish. ECD also offers assessment services to help you classify products. For many companies, self-assessment is no easy feat given that some products may have a "dual use"

(a civilian and military application, for example) while others have complex technical specifications, requiring an expert to evaluate them. In these cases, ECD uses both government and industry engineering expertise to assist in classification. Most important, all your information, including product and technology data, is kept strictly confidential.

For some exports, getting a permit can take about 10 business days, while military and strategic goods going to specific destinations may take six weeks or more to process. Either way, determining beforehand whether you need a permit is key.

A balancing act

For the ECD, it's a careful balancing act—to safeguard Canadian exports while protecting security and meeting international trade obligations. ECD has as much interest in protecting Canadian trade as it does in guarding against the export of strategic goods. Of course, this may be cold comfort when your shipment is stalled at customs. Export controls are designed to protect trade interests by ensuring controlled items are not redirected to unacceptable uses or destinations causing embarrassment for Canada or the exporting company.

This may be a shock to you, but your product or technology could be used for purposes that

see page 2 - Export controls



International Trade
Canada

Commerce international
Canada

Canada

Export controls - from page 1

run contrary to Canadian foreign policy, whether it involves national or global security or because it violates bilateral or multilateral agreements. With new products and complex technologies appearing almost daily, identifying where your product fits within Canada's export control regime may seem like a maze. But it doesn't have to be. ECD can help you find your way before you invest resources into a controlled or "permit-required" product or trade opportunity.

To help exporters avoid lengthy delays at customs, ECD has stepped up its outreach efforts to inform and prepare companies. If you are a Canadian company planning to export, let the Export Controls Division help you. To learn more about Canada's export permit requirements, visit

Test your knowledge of permit requirements

Permits are required if goods and technology are:

- (a) Destined for a country on Canada's Area Export Control List
- (b) Subject to a United Nations Security Council embargo
- (c) On Canada's Export Control List
- (d) Of U.S. origin
- (e) Designed for military application
- (f) All of the above

Answer: f

the ECD website at www.exportcontrols.gc.ca, or call (613) 996-2387 to speak with an officer or to order *A Guide to Canada's Export Controls*.

Export controls system going online March 31

The Export Controls Division (ECD) of International Trade Canada is going online with a new system designed to improve export control procedures. What does this mean for its clients? It means improved service delivery, a simplified process for submitting permit applications, a more streamlined business process and an improved tracking capability.

On March 31, 2006, Export Controls Online, or EXCOL, will be available to all Canadian exporters. EXCOL will support applications for all permits and certificates, requests to amend permits and applications, utilization reporting and local printing of select permits. It will be using Government of Canada Secure Channel infrastructure to allow the secure transmission of all applications from your desktop to the application server.

The new system will support two types of users: recognized and not yet recognized. To begin with, all exporters will be considered 'not yet recognized' until they go through both an application and enrolment process.

Exporters who have been issued more than two export permits since January 1, 2004, will automatically be sent an enrolment kit with instructions. If you would like an enrolment kit, simply go to www.exportcontrols.gc.ca, where you will find the forms to download.

If you don't want to complete an application or enrol, you can still access the website. ECD, however, is encouraging Canadian exporters to become recognized users to take full advantage of all the functions available under this new system.



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The Controlled Goods Directorate:

Strengthening Canada's defence trade controls

In 2003, Canada imported an estimated \$366 billion worth of goods and services from the U.S. and exported an estimated \$282 billion to the U.S. Some 75% of all Canadian exports and a total of 77.6% of Canadian aerospace and defence industry goods and services are destined for the U.S., making trade across the border extremely important to the livelihood of many Canadian businesses.

These figures confirm that the Canadian defence industry forms a large portion of the manufacturing and service market of the Canadian economy. To that end, Public Works and Government Services Canada's Controlled Goods Directorate (CGD) was created to support the trade of controlled goods with the U.S., thereby strengthening Canada's economy at large.

What are controlled goods?

They refer to goods and technologies specifically designed or modified for the military, and are listed in the Export Control List (ECL) administered by International Trade Canada. Technology necessary for the development, production or use of controlled goods, including technical data and technical assistance, is also controlled. For a complete list and description of these goods, go www.exportcontrols.gc.ca.

Public Works and Government Services Canada, through the CGD, is responsible for regulating access to controlled goods and technology in Canada. The Controlled Goods Program (CGP) was established in 2001 to maintain the Canadian Exemption, as specified in the U.S. International Traffic in Arms Regulations (ITAR). The amended ITAR granted Canada a partial exemption from licensing requirements, thereby greatly facilitating the trade of controlled goods with the U.S.

Legislated by the *Defence Production Act*, the CGP is an industrially oriented domestic security program that requires Canadian businesses to register with the CGP before they may examine, possess or transfer controlled goods.

Compliance

Businesses in Canada with access to controlled goods are required to comply with the legal requirements identified in the *Defence Production Act* and the Controlled Goods Regulations.

Businesses must:

- Register with the CGP;
- Propose a designated official to perform security assessments on employees with access to controlled goods;
- Develop and implement a security plan to safeguard controlled goods that businesses possess;
- Maintain a complete and comprehensive record keeping system;



- Apply for exemptions from registration for foreign visitors and foreign temporary workers;
- Provide training programs and security briefings for employees and visitors with access to controlled goods; and
- Report security breaches.

Once registered, businesses are also required to submit to compliance inspections by the CGD. The objective of these inspections is to assist registrants in meeting the above-mentioned legal requirements.

For more information, or to register, contact the CGD, tel.: 1-866-368-4646, fax: (613) 948-1722, email: ncr.cgd@pwgsc.gc.ca, website: www.cgd.gc.ca.



Virtual Trade Commissioner
Access a World of Trade Knowledge

Enhancing export expertise:

Agriculture and Agri-food Canada partners with the Virtual Trade Commissioner

Through new strategic partnerships, your Virtual Trade Commissioner (VTC) can offer a more comprehensive suite of services online than ever before. With Agriculture and Agri-food Canada (AAFC), the VTC is able to provide you with access to expertise and services specific to the agriculture, food and beverages, and fish and seafood sectors. This means you will get precisely the information you want, along with access to services not previously available online. Within your VTC, you can request services directly from a trade officer specialized in your sector and market, someone who is situated in your own province or territory or in your target market abroad—that is, from the person best positioned to be of service.

Expanded online capabilities

AAFC offers you a wide range of specialized services directly available from your VTC:

Market Information offers market studies and reports, the latest trade issues such as regulations and problems with the importation of agri-foods into specific countries, and where available, market prices of certain commodities at the wholesale level.

Preparing for Exporting includes information on trade access, content regulations regarding primary or processed agri-food products, region-specific requirements for inspection and documentation, labelling and packaging regulations for importation, and timely information on trade access issues.

Additional Services include assistance in identifying financing, joint research opportunities, investment opportunities, and services to meet specific needs. Opportunities might include the Export Assistance Program (CAFI), for example, or Joint Investment, a science-based program shared by the industry and AAFC for the development of new agri-food products or new techniques for their processing.

Trade Fairs, Missions, Seminars, and Events in Canada or Abroad assists with networking opportunities in specified regions.

The evolution of service

You need the right information, the right contacts, and the right business leads to achieve global success. With more than 900 trade commissioners in over 150 offices at home and abroad, it is essential for the Canadian Trade Commissioner Service to communicate effectively with our clients. The VTC has capitalized on one-to-one communication, and we are now able to offer you direct access to a world of trade knowledge and contacts.

VTC delivers immediate online access to information, resources and exporting services. Based on your preferences, you receive in-depth country information, up-to-date market reports and timely sector-specific news sent directly to you, right when you want it.

Growing your global advantage

Your personal VTC can now deliver even more. By partnering with a growing number of government departments and trade promotion organizations—Canadian Heritage, Export Development Canada, the Canadian Commercial Corporation and AAFC—you are now able to access more of Canada's international trade experts through one interface. You can receive sector-specific information to help refine your export strategy, secure export financing, and manage the risk. You can even get help closing the deal from international contracting specialists. Not only that, but trade commissioners abroad can access your corporate profile and may be able to provide sources of international business.

With the partnership era underway, exporters experience the benefits of integration. And you can expect more partner information and services to become available on the VTC over time. Your personal Virtual Trade Commissioner is a sophisticated and increasingly valuable trade service and informational online tool—the more often you use it, the more you leverage your global advantage.

Find out more at

www.infoexport.gc.ca

Canadian wireless firm successful in Seattle

Seattle > BWireless, a Vancouver-based wireless dealer, has officially launched its brand onto the U.S. market, with the opening of its first Sprint store in downtown Seattle. BWireless is the first company to offer international walkie-talkie wireless service to both U.S. and Canadian companies.

BWireless CEO Emil Bosnjak says the company offers business clients and consumers on both sides of the 49th parallel the latest in wireless technology. In the U.S., their carrier partner Sprint/Nextel's walkie-talkie service connects users with a quick push of a button. "It's a fast, reliable and cost-effective way of communicating throughout North America with your international offices, employees, family and friends," says Bosnjak.

Go where you can sell

Executive Vice-President Boris Bosnjak says the expansion to Seattle—a wireless hotbed in the U.S.—was their first choice, given the amount of successful wireless business leaders who started their businesses in the Seattle area. The Pacific Northwest is also home to many corporations with operations in both the U.S. and Canada.

"Global mobile phone sales reached 779 million by the end of 2005," says Boris Bosnjak. "Worldwide sales will be one billion by 2009. We're in the right sector, in the right market, at the right time."

Acting on a lead provided by the Trade Commissioner Service at the Canadian Consulate General in Seattle, Emil Bosnjak has already attended a meeting of the Canada/America Business Society, through which BWireless is now pursuing business relations with members and further lead generation possibilities.



Seattle

Courtesy: Seattle Municipalities Archives

For more information on this sector, contact Brian Vescovi, Trade Commissioner, Canadian Consulate General in Seattle, tel.: (206) 443-1777, email: clients.seattle@international.gc.ca.

For more information on BWireless, go to www.bwireless.com, tel.: (604) 689-8488, fax: (604) 689-9488.

Take flight at U.S. Air Force IT fair

Montgomery, Alabama, August 13-17, 2006 > The Canadian Consulate General in Atlanta is encouraging Canadian information and communications technology (ICT) companies to participate in the annual **U.S. Air Force (USAF) I.T. Conference & Expo**. In fact, the USAF is the largest user of IT in the world.

Montgomery, home of Maxwell Air Force Base, has hosted this event for the past 18 years. Last year, booths sold out quickly and there was a large stand-by list of exhibitors. In 2005, eight Canadian companies exhibited with promising results. It's worth noting that the USAF is the largest customer

of Microsoft, Symantec, Sun Microsystems, Hewlett Packard and many other IT companies. Last year's conference emphasised security and wireless products, but the event includes all aspects of ICT, and will also feature technical presentations at specific breakout sessions.

Canadian vendors should contract for their own exhibit booth. To register directly with the organizers, go to <https://ossg.gunter.af.mil/AQ/AFITC>.

For more information, contact Steve Adger Flamm, Trade Commissioner, Canadian Consulate General in Atlanta, tel.: (404) 532-2018, fax: (404) 532-2050, email: steve.flamm@international.gc.ca.

Bombardier jet sales flying in Turkey

Canada's Bombardier signed a contract with Turkish Atlasjet Airlines for the sale of three 90-seat CRJ900 regional aircraft including options on two additional CRJ900s—a total contract value of \$125 million. First deliveries of the new aircraft will take place in May 2006.



The announcement received extensive coverage in the country and by foreign media. The Turkish Minister of Transport also attended the ceremony and congratulated Atlas for buying aircraft adapted to Turkey's 30 domestic airports, an expected response to a general call for airline manufacturers to build planes that suit existing airport infrastructure and not the other way around.

Bombardier International Sales Vice-President James Dailly signed the contract on behalf of his company. During the signing, Dailly noted that "the Bombardier regional jet program is the most successful regional aircraft program in history, with airlines having ordered over 1,400 CRJ aircraft with over 1,300 already delivered and in operation around the world."

Turkey is an important strategic partner for Canada in the region. Commercial opportunities in Turkey match Canadian supply capabilities and each year, more Canadian companies are exploring export and investment opportunities there. In fact, Canada-Turkey bilateral trade has nearly tripled in the last decade, reaching \$973 million in 2004.

The alignment of regulations and standards in Turkey with those of the European Union are sure to usher in new opportunities for Canadian companies. Sectors with the best prospects include energy, aerospace, mining and ICT, as well as environmental technologies, manufacturing, construction, and transportation.

For more information, contact the Canadian Embassy in Turkey, tel.: (011-90-312) 409-2700, email: ankra-td@international.gc.ca, website: www.infoexport.gc.ca/tr.

Next Paris Air Show set to take off

Paris, France, June 18-24, 2007 > The 2005 edition of the Paris Air Show saw a considerable increase in participation, with over \$60 billion in contracts announced by Boeing and Airbus.

In fact, daily A380 aircraft demos also helped make the show a success, with 220,000 trade visitors out of a total of some 500,000.

Canadian participation at the 2005 show was enhanced, with a total of 90 companies and several federal and provincial official delegations attending. The Canadian pavilion was organised by the Aerospace Industries Association of Canada, in collaboration with the International Trade Missions Division (formerly Trade Team Canada).

In all, 20 companies exhibited at the pavilion, including aerospace systems suppliers like Magellan Aerospace and CMC Electronics, as well as provincial associations from Quebec, Ontario and the Maritimes. Most noticeable was the presence of Nunavut, attending for the first time to promote the territory as an ideal location for A380 extreme cold endurance testings.

Two seminars and technical sessions were held during the show, where more than 70 Canadian manufacturers participated and learned about digital and numerical data exchange standards as the key success factor for aerospace programs. This initiative allowed French aerospace organizations to present the BoostAero project, which aims to develop a common set of standards for the industry, thus deploying supplier portals based on Internet technologies that will enable a simple but comprehensive integration of the supply chains.

The Sup@irWorld presentation led by Airbus was also important for Canadian companies at the show, as the portal now deployed by the European airframe manufacturer already welcomes more than 400 registered suppliers and will shortly become the sole desk of a true e-supply chain, covering the whole purchasing procedure.

For more information on the 2007 Paris Air Show, contact Guy Ladequis, Trade Commissioner, Canadian Embassy in France, email: guy.ladequis@international.gc.ca.

Environment fair goes down under

Melbourne, Australia, May 9-11, 2006 > Enviro 06 is Australia's largest environmental convention and exhibition, and the Canadian Consulate General in Sydney is organising a trade mission to the event—a perfect opportunity for Canadian companies to meet with over 6,000 expected exhibitors and visitors and to explore business relationships in Australia.

The Canadian Consulate in Sydney is seeking interested Canadian companies to invest in full or shared booths, poster panels or brochure displays. In addition to the exhibition, there will be a program of

networking events and scheduled one-on-one meetings, opportunities for commercial presentations, technical tours and, of course, the wide range of topics of the ENVIRO Conference.

For more information, contact R.G. (Bob) Gow, Trade Commissioner, Canadian Consulate General in Sydney, tel.: (011-61-2) 9364-3045, fax: (011-61-2) 9364-3097, mobile: (011-61) 418-206-218, email: robert.gow@international.gc.ca, website: www.enviroaust.net/e6.

Building boom frames Qatar construction fair

Doha, Qatar, May 1-4, 2006 > Canadian companies targeting the Qatari and neighbouring markets for construction technology, building materials, equipment, tools and accessories, as well as environmental technology, should consider participating in **Project Qatar 2006**.

A series of landmark projects underway in Qatar is fuelling an unprecedented boom in the wealthy emirate's construction industry, and is generating strong demand for a wide range of related products and services. This trade fair is the leading building sector trade fair serving one of the most affluent emerging markets in the global economy today, and offers exporters an opportunity to establish sales, local representation, a distribution network or simply to expand.

The Qatari government is earmarking more than \$100 billion for projects in Qatar within the next eight years, with some \$50 billion of this investment to be spent in the construction sector.

Project Qatar offers an excellent opportunity to bring your products or services to the attention of regional and local buyers, decision makers and potential representatives.

For more information, contact Raed Bishara, Canadian Embassy in Kuwait, tel.: (011-965) 256-3025, fax: (011-965) 256-4167, email: kwait-td@international.gc.ca, website: www.ifpqatar.com. To reserve space at Project Qatar, contact Michel Gebrael, IFP Qatar, tel.: (011-974) 432-9900, cell: (011-974) 551-7971, fax: (011-974) 443-2891, email: mgebrael@ifpqatar.com.

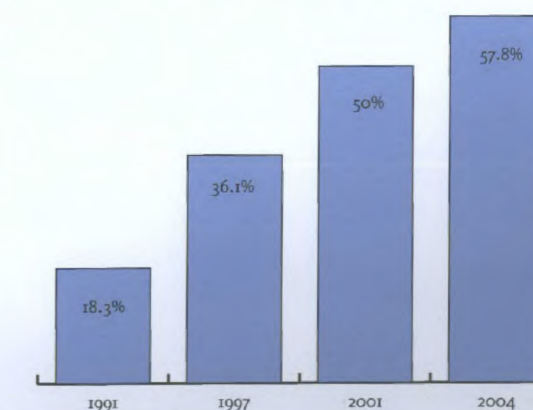
FACTS & FIGURES

Global value chains are helping to drive growth in emerging markets

Firms are increasingly making use of global value chains in order to keep pace with international competition. Foreign controlled firms, for example, are behind much of China's exports, accounting for 57.8% of total exports in 2004, up from 18.3% in 1991. The large amounts of production moving to emerging economies such as China, India and Southeast Asia, have also been driving growth in these countries. In China, for instance, foreign affiliates employ more than ten million people and account for more than one quarter of total industrial production.

Provided by the Trade and Economic Analysis Division
(www.international.gc.ca/eet)

Foreign Affiliate Share
of Chinese Exports



Data: China Statistical Yearbook

TRADE EVENTS

AGRICULTURE, FOOD & BEVERAGES

Brussels, Belgium

May 9-11, 2006

Be part of the Canadian pavilion at the **European Seafood Exposition**, the largest seafood show in the world and the most powerful sales and positioning tool available to this industry.

Contact: Judith Gaw, Agriculture and Agri-food Canada, tel.: (613) 759-7722, fax: (613) 694-2449, email: gawj@agr.gc.ca, website: www.ats.agr.gc.ca/ese.

Jerez de la Frontera, Spain

May 28-31, 2006

The Canadian Embassy in Spain will provide an opportunity for Canadian wine producers to promote their range of ice wines and late harvest wines at **VINOBLE 2006**. This important fair is the only wine show dedicated exclusively to fortified, dessert and natural sweet wines and will attract buyers from all over the world.

Contact: Marc Lionel Gagnon, Canadian Embassy in Madrid, tel.: (011-34-91) 423-3228, fax: (011-34-91) 423-3252, email: marc.l.gagnon@international.gc.ca, websites: www.canada-es.org and www.vinoble.com.

Des Moines, Iowa, U.S.A.

June 8-10, 2006

The **World Pork Expo** is a trade show for the pork industry worldwide and it's the perfect showcase for companies who wish to build valuable relationships with the world's pork producers.

Contact: Canadian Consulate General in Minneapolis, tel.: (612) 333-4641, fax: (612) 332-4061, email: mnpls-td@international.gc.ca, websites: www.minneapolis.gc.ca and www.worldpork.org.

CONSUMER PRODUCTS

Fukuoka, Japan

June 7-9, 2006

Last year's inaugural **Fukuoka International Gift Show** attracted over 28,000 trade-only visitors. This year's fair promises to be even bigger and interested Canadian companies can benefit from a 50% discount to exhibit or display promotional material.

Contact: Kazuhiro Uemura, Canadian Consulate in Fukuoka, email: jpn.commerce@international.gc.ca.

HEALTH INDUSTRIES

Jerusalem, Israel

May 29-31, 2006

Biomed Israel 2006 is a conference and exhibition that will feature the cutting edge in medical devices, drugs, gene therapy, vaccines, computer-aided drug discovery and bioinformatics, nano biotechnology and bio-electronics.

Contact: Mona Mansour Ashkar, Canadian Embassy in Israel, email: mona.mansour-ashkar@international.gc.ca, website: www.kenes.com/biomed/wel.asp.

METALS, MINERALS AND RELATED EQUIPMENT

Thessaloniki, Greece

June 1-4, 2006

Metallon 2006 is an international exhibition of metal processing, machinery, industrial materials, automation and tools.

Contact: Marianna Saropoulos, Canadian Embassy in Athens, tel.: (011-30) 210-727-3352/53, fax: (011-30) 210-727-3460, email: marianna.saropoulos@international.gc.ca.

MULTI-SECTOR

Amman, Jordan

May 8-11, 2006

This year's **Rebuild Iraq 2006** marks the third international exposition of its kind and will feature opportunities in building and construction, electricity, bridges and railroads, airports and seaports, telecommunications, water and sanitation, oil and gas, health, agriculture, education, security, information technology, and food and hotels, among many others.

Contact: Khaled Burgan, IFP Near East, tel.: (011-962-6) 560-7900, fax: (011-962-6) 560-7904, email: info@ifpjordan.com, websites: www.ifpjordan.com and www.rebuild-iraq-expo.com.

Wroclaw, Poland

May 31-June 2, 2006

Futurallia is a multi-sector match-making event dedicated to active SMEs from all over the world seeking to establish trade, financial, strategic or technological partnerships.

Contact: Canadian Embassy in Warsaw, tel.: (011-48-22) 584-3360, fax: (011-48-22) 584-3195, email: wsaw-td@international.gc.ca, websites: www.international.gc.ca/warsaw and www.futurallia2006.com.

OIL & GAS

Kuala Lumpur, Malaysia

June 12-14, 2006

GeoAsia 2006 is a major geosciences conference and exhibition and will take place at the same time as the **11th Asia Oil and Gas Conference**, which will bring together the major oil industry players in Asia and beyond.

Contact: Canadian High Commission in Malaysia, tel.: (011-603) 2718-3333, fax: (011-603) 2718-3391, email: klmpr-td@international.gc.ca, websites: www.international.gc.ca/kualalumpur and www.geo-asia.com.

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International Trade Canada's Enquiries Service provides departmental information, publications and referral services to Canadian exporters. Contact us at: **1 800 267-8376** (National Capital Region: (613) 944-4000), TTY: (613) 944-9136, email: enqserv@international.gc.ca, website: www.international.gc.ca.

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