

DOCS  
CA1  
EA  
C16  
ENG  
v. 20  
January  
15, 2002  
Copy 1



LATEST ISSUE  
DERNIER  
NUMÉRO

Dept. of Foreign Affairs  
Min. des Affaires étrangères  
JAN 10 2002  
Return to Departmental Library  
Retournez à la bibliothèque du Ministère

# CanadaExport

## IN THIS ISSUE

- 2 Business opportunities
- 3 CCC helps Eco Logic Inc. into U.S. environment
- 4 The electric power and oil and gas sectors in Sub-Saharan Africa
- 6 U.S. Connection: Team Canada West Trade Mission scores
- 7 Hong Kong waste reduction leads  
Canada big winner at China High-Tech Fair
- 8 EDC report: Fog lifting Post-September 11
- 9 Japan Enviro-Shiga 2001 points to opportunities
- 10 Romanian telecom sector
- 12 Contracts awarded
- 13 The film and television market in India
- 14 Canada Export Awards
- 15 Upcoming trade shows and conferences

Vol. 20, No. 1 –  
January 15, 2002

CANADIAN TRADE REVIEW  
(See insert.)

Team Canada

# Trade mission to Russia and Germany

**P** rime Minister Jean Chrétien announced that he will lead the seventh **Team Canada trade mission from February 12-22, 2002, to promote Canada's business ties with Russia and Germany. The Prime Minister will be joined by provincial premiers, territorial leaders and business executives from across the country. They will travel to Moscow, Berlin and Munich.**



Team Canada • Équipe Canada  
2002

In 2000, Canada's two-way trade with Russia reached nearly \$870 million. Canadian exports to Russia have

grown steadily since 1999, and are up significantly in 2001. Opportunities for Canadian business in Russia reflect our geographic and climatic similarities, with vast natural resource wealth, widely distributed urban settlement, and remote service transportation and communication networks. Emerging opportunities are the result of Russia's evolution toward a more consumer-oriented society, with growing demand for a wider range of products and services. Excellent prospects for Canadian

*Continued on page 13 – Trade*

*A successful export "first"*

## Canadian pig scores big in Russia

*The Canadian Swine Exporters Association (CSEA), the Canadian Embassy in Moscow and 535 Canadian pigs play lead roles in the latest Canadian export success story currently unfolding in Russia.*

The story begins in April 2001 with a fact-finding "reconnaissance" mission to Russia, the Baltic States, Belorussia and the Ukraine led by Richard Stein,

*Continued on page 11 – Canadian*



Richard Stein (third from left) during one of his recent marketing trips to Russia.



Department of Foreign Affairs  
and International Trade

Ministère des Affaires étrangères  
et du Commerce international

Canada

# IBOC: Trade leads

## KENYA — Numerical-Hydraulic Turbine Governor Equipment —

The Kenya Electricity Generating Company Limited (KenGen) invites sealed tenders from manufacturers and suppliers for the design, manufacture, supply, delivery, installation and commissioning of numerical-hydraulic turbine governor equipment for Kambururu Hydro Power Station in Kenya. Cost of bid documents (non-refundable; postage and courier costs not included): 5,000 Kenya shillings (Kshs) or equivalent in a freely convertible currency. Closing date: **February 21, 2002**. For bid documents or more information, contact Procurement Manager, Kenya Electricity Generating Company Limited (KenGen), 2nd Floor, Phase III, Stima Plaza, Kolobot Road, Parklands, Nairobi, fax: (011-254-2) 3202-6200 or 248 848. Contact Charity Kabaya, Commercial Assistant, Canadian High Commission, Nairobi,

Kenya, fax: (011-254-2) 21-53-05, e-mail: [charity.kabaya@dfait-maeci.gc.ca](mailto:charity.kabaya@dfait-maeci.gc.ca) quoting case no. **011205-05454**. (Notice received from the Canadian High Commission in Nairobi.)

## THAILAND — Overhead Connectors —

The Metropolitan Electricity Authority invites sealed bids for overhead connectors (bid no. MA5-7530-WBX). Cost of bid documents: Baht 750.00 per copy. Courier cost for addresses outside Thailand: US\$45.00, to be remitted by bank draft drawn on Krung Thai Bank Public Co. Ltd., Samyod Branch, 632 Mahachai Road, Bangkok 10200, Thailand, in favour of Purchases & Stores Department. Closing date: **February 22, 2002**. For details, contact Pradit Suveeranont, Director, Metropolitan Electricity Authority, Foreign Operations Section, Foreign Procurement Division, Purchases & Stores Department, Building No.6, 6th floor, 121 Chakpetch Road, Bangkok 10200, Thailand, Web site [www.mea.or.th](http://www.mea.or.th) Contact Veena Ngaoharoenchitr, Commercial Officer, Canadian Embassy, Bangkok, Thailand, fax: (011-66-2) 636-0568, e-mail: [veena.ngaoharoenchitr@dfait-maeci.gc.ca](mailto:veena.ngaoharoenchitr@dfait-maeci.gc.ca) quoting case no. **011205-05462**. (Notice received from the Canadian Embassy in Bangkok.)

## NEPAL — Rural Telecommunications Services (RTS) Licence —

The Nepal Telecommunications Authority (NTA) invites sealed bids in the form of Request for Applications (RFA) for Licence to provide RTS in the Eastern Development Region of Nepal. This invitation follows general procurement notices that appeared in *Business Development* in July 2000, October 2000 and November 2001. Bidding will be conducted in accordance with World Bank Guidelines. Closing date: **February 25, 2002**. Cost per RFA document (non-refundable; purchase obligatory): US\$625.00 (NRs 50,000.00).

Add US\$100.00 (NRs 8,000.00) per RFA for courier service, payment to be made in favour of Nepal Telecommunications Authority, account no. A/C0106011664201, Nepal Arab Bank Ltd., Kantipath, Kathmandu, Nepal. Bid security: US\$100,000.00 (NRs 8,000,000.00). For RFA documents, contact Singh Durbar, Chairman, Nepal Telecommunications Authority, Kathmandu, Nepal, tel.: (011-977-1) 221-944, fax: (011-977-1) 260-400, Web site [www.nta.gov.np](http://www.nta.gov.np) For details, contact Alka Malik, Trade Assistant, Canadian High Commission, New Delhi, India, fax: (011-91-11) 687-5387, e-mail: [alka.malik@dfait-maeci.gc.ca](mailto:alka.malik@dfait-maeci.gc.ca) quoting case no. **011126-05290**. (Notice received from the Canadian High Commission in New Delhi.)

*IBOC trade opportunities — find out more at [www.iboc.gc.ca](http://www.iboc.gc.ca)*

Editor-in-Chief: Suzanne Lalonde-Gaëtan  
Managing Editor: Louis Kovacs  
Editor: Julia Gualtieri

Layout: Yen Le

Circulation: 70,000  
Telephone: (613) 992-7114  
Fax: (613) 992-5791  
E-mail: [canad.export@dfait-maeci.gc.ca](mailto:canad.export@dfait-maeci.gc.ca)  
Internet:  
[www.infoexport.gc.ca/canadexport](http://www.infoexport.gc.ca/canadexport)

Extracts from this publication may be reproduced for individual use without permission, provided the source is fully acknowledged. However, reproduction of this publication in whole or in part for purposes of resale or redistribution requires written permission from *CanadExport*.

*CanadExport* is published twice monthly, in English and French, by the Department of Foreign Affairs and International Trade (DFAIT), Communications Services Division (BCS).

*CanadExport* is available in Canada to interested exporters and business-oriented people. For a print subscription, call (613) 996-2225. For an e-mail subscription, check the *CanadExport* Internet site above.

For address changes and cancellations, simply send your mailing label. Allow four to six weeks.

Mail to:  
CanadExport (BCS)  
Department of Foreign Affairs  
and International Trade,  
125 Sussex Drive, Ottawa K1A 0G2.  
ISSN 0823-3330

CanadExport

A little company from Rockwood, Ontario, may well save the world from itself. *ELI Eco Logic Inc. has invented a unique process that safely breaks down hazardous organic compounds, such as those found in weapons of mass destruction. In a world that has recently come far too close to the threat such weapons pose, Eco Logic's current technology-testing contract in the United States could not be more timely.*

contracts over the years, but in early 2000 we got our first big breakthrough in allowing us to prove and test our technology," explains Howlett.

That contract, valued at US\$3.2 million, included the sale of a GPCR™ system and eight months of operation in order to test various methods and components in a U.S. Army test facility.

From the beginning, Eco Logic requested, and received, CCC assis-

*CCC backs U.S. Army contract*

## A safer environment

Within a year, it could be providing the alternative-to-incineration 'Total Solution' that the U.S. Army is seeking to safely dispose of its stockpiled weapons at Blue Grass, Kentucky. And Canadian Commercial Corporation (CCC) is behind the company every step of the way.

Incorporated in 1987, Eco Logic is a small environmental technology firm of 25 employees. Its patented Gas-Phase Chemical Reduction™ (GPCR™) process has been used to destroy polychlorinated biphenyls (PCBs), chemical warfare agents and other persistent organic pollutants, creating a product gas-rated as boiler industrial fuel and non-toxic materials. "It's a safe and cost-effective alternative to incineration," explains the company's Chief Financial Officer Brian Howlett.

It was, in fact, the U.S. Army's search for an alternative to incineration for its chemical weapons that brought Eco Logic into the U.S. market. The United States is one of 143 nations that have ratified the Chemical Weapons Convention, requiring signatories to destroy their chemical weapons by 2007.

In 1997, Eco Logic became one of seven teams contracted to conduct demonstrations of technologies that destroy or decontaminate assembled chemical munitions components, under the U.S. Army's Assembled Chemical Weapons Assessment (ACWA) program. "We had a few small

tance. Acting as prime contractor, CCC provided performance guarantees and other contract-related assistance, including processing of the progress payments.

"We went with CCC because it helped us in a huge way with cash flow," says Howlett. "CCC helped us understand how to make the pay flow work more quickly. They're just always there standing behind us, supporting us."

In spring 2001, the company received contract amendments (valued at US\$5.8 million) for two more phases under the ACWA program. Working in partnership with several U.S. engineering firms, Eco Logic has been contracted to test different materials, as well as to design and give cost estimates for a full-scale plant to be built at the Army's Blue Grass Depot in Lexington, Kentucky.

From the original seven teams, the ACWA competition for Blue Grass is now down to three competitors, including Eco Logic. "It's like a game of Survivor," laughs Howlett. "Every year they throw another team off the island. They're looking for the one team that can provide the 'Total Solution.'"

The Request for Proposal for that 'Total Solution' — an estimated US\$500-million, 10-year contract to design, build, operate and dismantle the Blue Grass Depot plant — is expected to be issued in 2002. "We're hoping to be selected to bid on the final phase,"

## SHAPING TRADE SOLUTIONS FOR OUR EXPORTERS



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

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

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

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

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

says Howlett. "And at that stage, CCC's performance guarantees can make a huge difference. We want them to work with us, no question."

CCC feels the same way. "This project has wide ramifications for environmental clean-up," says CCC Project Manager Gabriela Gref-Innes. "We will do all we can to help the company win the final phase."

If the company does win, it could go on to be chosen to provide a supplementary solution for secondary waste destruction for the eight other U.S. military chemical weapons stockpile sites. And then there are other Chemical Weapons Convention signatory nations that have committed to destroying their chemical weapons. Says Howlett, only half in jest: "We believe we're going to save the world."

For more information, contact Brian Howlett, CFO, tel.: (519) 856-9591, ext. 205, fax: (519) 856-9235, e-mail: [brian.howlett@ecologic.ca](mailto:brian.howlett@ecologic.ca) Web site: [www.ecologic.ca](http://www.ecologic.ca)

(For the unabridged version, see [www.infoexport.gc.ca/canadexport](http://www.infoexport.gc.ca/canadexport) and click on "Export Sales and Contracting.")



## 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](http://www.iboc.gc.ca) (particularly our E-Leads® and Web-Leads®).

## SUB-SAHARAN AFRICA

With a team of 500 business professionals in more than 130 cities around the world, the **Trade Commissioner Service** has the market knowledge you need to succeed in your target market. Our Market Research Centre and our offices abroad have prepared over 600 market studies available for free on our Web site. These studies will help you identify foreign business opportunities and learn more about your target market.

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

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



Canadian companies are tapping into the booming energy sector in Sub-Saharan Africa. Export Development Canada and international financial institutions, such as the World Bank, continue to support worthy oil and gas projects. Most important, many African governments have identified the expansion of electrical capacity and oil and gas production as strategic priorities, creating significant opportunities for Canadian firms.

Trade staff at our embassies abroad report that the potential is particularly high in South Africa, Nigeria, and Mozambique. Good prospects also exist in Angola, Cameroon, Côte d'Ivoire, Democratic Republic of Congo, Kenya, Senegal, Tanzania, Uganda and Zambia.

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

See insert for your Electric Power and Oil and Gas Industries contacts in Sub-Saharan Africa.

HELPING YOU LEARN FROM EXPERIENCE. OURS.  
THE CANADIAN TRADE COMMISSIONER SERVICE



# The Electric Power and Upstream Oil and Gas Sectors

Over 600 market reports in 25 sectors available at:

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

### Market Overview

In Sub-Saharan Africa, the development and distribution of energy resources have historically been held by state-owned companies. However, privatization is underway, with a greater receptivity toward private-sector operators. Foreign and domestic companies are increasing their presence in the energy sector through joint-ventures and production sharing agreements.

The continent is constrained by low connection rates and recurring electricity shortages for industries and consumers already connected. However, many national authorities realize how critical electrification is for the development of their economies. This has led to a wide range of government initiatives aimed at expanding the electrical power generating capacity, transmission and distribution infrastructure in the region.

The government of Nigeria offers one such example, having earmarked \$460 million of its 2001 budget for a power development program. This project entails the refurbishing of existing generating plants and the building of new thermal generated power plants.

In Mozambique, a major expansion of capacity is underway with the building of the Mepanda Uncana hydro station (2500 MW), the Moatize thermal plant (1000 MW) and the Cahora Bassa northern expansion (550 MW). The building of a natural gas pipeline to South Africa as well as the development of energy from sea breezes and solar power are also being considered.

Oil and gas activity in the region has been tremendously reinvigorated in response to recent rises in the price of oil. Exploration and development are occurring onshore and increasingly offshore throughout Sub-Saharan Africa. Public incentives for production and use of natural gas are increasing and various pipelines are planned.

**Opportunities**  
The demand for Canadian expertise in the Sub-Saharan power market is evident. Besides opportunities in oil and gas exploration, construction of new transmission and distribution

lines is seen as another growth area. Opportunities in the power sector also stem from projects related to the extension of national or transnational electricity grids linking various regions or countries.

### See Potential?

To learn more about the opportunities and market entry strategies in Sub-Saharan Africa, we invite you to read the new study: *Business Opportunities in the Sub-Saharan Africa Electric Power and Upstream Oil and Gas Sectors*, available on line at the Trade Commissioner Service Web site,

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



# 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](mailto: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.

Participation the name of the game

## Team Canada West scores

The inaugural Team Canada West Trade Mission to Dallas, Texas and Los Angeles, California wrapped up its four-day visit in Los Angeles on November 30, 2001. Prime Minister Jean Chrétien was accompanied by the four Western premiers, the three territorial leaders and more than 190 delegates.

"Our objectives for Team Canada West have been met," said Prime Minister Chrétien. "We established stronger links between the two regions — adding to a long history of cooperation. We helped Canadian and American businesses build stronger ties and we reaffirmed our commitment to the U.S. as a good neighbour, reliable business partner and close ally."

The first-ever Team Canada West Trade Mission also signals a new partnership between the Government of Canada, the territories and the Western provinces.

### Success — every step of the way

A total of 148 Canadian organizations registered for the Mission, netting agreements worth approximately \$58.3 million in Dallas and \$34.5 million in Los Angeles. That all adds up to one word: success!

### CANADA AND THE UNITED STATES SIGN SMART BORDER DECLARATION

See details at [www.dfait-maeci.gc.ca/anti-terrorism/can-us-border-e.asp](http://www.dfait-maeci.gc.ca/anti-terrorism/can-us-border-e.asp)

**Proeco Corporation**, an Edmonton-based waste management company, struck deals with two companies, worth a total of \$35 million. Company president Brian Winter says Proeco had been actively pursuing both companies but "being with Team Canada increased their desire to sign the contracts because it showed that there was a political will behind doing business."

**Pioneer Log Homes** of Williams Lake, B.C. is exporting its pioneering spirit to Colorado by signing a distribution deal worth \$6.2 million. "After September 11th we need to show the Americans that Canadians are good people," says company president Bryan Reid. "U.S. clients were not just impressed with Pioneer's products, but by the spirit of goodwill that was present during Team Canada functions."

Business development at **Metamend Software and Design Ltd.** is in the fast lane after signing contracts during the mission worth nearly \$6 million. According to Metamend CEO Richard Zwicky, "The people who were invited to Team Canada functions were the decision-makers, not the scouts. I'm not sure they would have come if the Prime Minister, the Minister of Trade, and the Premiers

### Mini (10<sup>-9</sup>) tech deal with a mega future

During the Team Canada West Trade Mission to Dallas, the University of Texas at Dallas (UTD) signed a letter of intent to foster academic cooperation on nanotechnology with the National Research Council of Canada (NRC) and the University of Alberta.

Canada recently announced the establishment of a national nanotechnology centre at the University of Alberta in Edmonton, with the collaboration of the NRC.

Nanotechnology, which is emerging as one of the next frontiers of scientific discovery, explores the study and application of science on a nanometre — one-billionth of a metre (10<sup>-9</sup>) — scale. Still in its infancy, nanoscience has the potential to revolutionize such disparate fields as electronics, medicine, communications and manufacturing. ❖

weren't there. Our Team Canada fee was worth every dollar!"

The phones at **Harvest Sun Seed & Grain Company** in Regina are ringing off the hook and the company's Web site is logging record visits, thanks to Team Canada! "Clients liked our product but they didn't know where Saskatchewan was," says company president Randy Johnson. "But after they saw the amount of support we were getting from federal and

Continued on page 8 — Team

Hong Kong's deteriorating environment has become a pressing issue over the past two years as a result of intense economic activity and massive infrastructure development. In a 1999 policy address, the Chief Executive of the Hong Kong SAR government renewed the government's commitment to improving the quality of the environment, calling it "as vital as economic growth". To that end, an ambitious environmental agenda has been launched to restore Hong Kong's environment over the next decade and attain its vision of becoming "the World City of Asia".

Despite the \$42-million Waste Reduction Framework Plan ("re-duce," "re-use" and "re-cycle") launched by the government in 1998, waste management in Hong Kong has reached a crisis point. For the past five years the overall volume of waste has been increasing 3.5% annually, with a 4% increase each year in domestic waste alone. This increase in domestic waste is

disproportionately high, considering that the population of Hong Kong is growing at less than 1% each year. With over 6.5 million tonnes of waste being deposited annually into landfill

new initiatives to ensure the plan stays on target. This includes a \$20-million injection into the Environmental and Conservation Fund and the designation of land for use in a 20-hectare

Solutions needed now

## Hong Kong's waste reduction plan



sites (equivalent to almost one tonne of waste per resident per year) landfill space could easily run out in ten years.

### Strategies

Based on a September 2001 review of progress to date, Hong Kong's Environment and Food Bureau has announced

Recovery Park by early 2004. So far, the recycling industry has been assigned eight lots through short-term tenancy agreements.

The Hong Kong government is also working with the business sector to examine the feasibility of various waste reduction strategies, including waste-to-energy facilities and trial programs to recycle special waste, such as glass bottles, batteries and computers. Waste islands, landfill restoration and after-use, landfill gas utilization, clinical waste treatment and organic waste composting are also under serious review.

### Opportunities

Hong Kong's waste management agenda has created a broad range of opportunities in trade, technology transfer, consultancy services, engineering, joint ventures and investment for Canadian firms with expertise in waste-to-energy incinerators, treatment of organic waste and special waste, municipal waste sorting and recycling, landfill restoration and recovery of gases.

For more information, contact Fatima Lai, Commercial Officer, Canadian Consulate General, Hong Kong, tel.: (011-852) 2847-7494, fax: (011-852) 2847-7441, e-mail: [fatima.lai@dfait-maeci.gc.ca](mailto:fatima.lai@dfait-maeci.gc.ca) Web site: [www.hongkong.gc.ca](http://www.hongkong.gc.ca) or Marcel Belec, Senior Advisor, Hong Kong Trade, DFAIT, tel.: (613) 995-6962, e-mail: [marcel.belec@dfait-maeci.gc.ca](mailto:marcel.belec@dfait-maeci.gc.ca) ❖

A double win for Canada at China High-Tech Fair 2001

### All eyes on Canada

The Canadian Consulate General in Guangzhou once again drew the attention of the international information and communication technology (ICT) community at the third annual **China High-Tech Fair**, taking double honours for the design and organization of Canada's national stand. For the Canadian participants, standing beneath the Team Canada Inc banner in the award-winning stand was the ideal place to be in China, the world's ICT hot spot.

This year's Fair, held October 12-17, 2001 in Shenzhen's Exhibition Centre, was hosted by the People's Republic of China ministries of Foreign Trade and Economic Cooperation, Science and Technology, Information Industry, and the Chinese Academy of Sciences and the Shenzhen Municipal People's Government. Britain and Italy were among the 12 countries that exhibited and both countries were cited for the organization of their national stands.



Commercial Officer Cathy Yao, Canadian Consulate General in Guangzhou, displaying the double honour awards.

Despite its short history, the **China High-Tech Fair** ([www.chtf.com/english](http://www.chtf.com/english)) is already China's largest high-tech gathering, and the country's only nationally authorized show in this field. Shenzhen plays a strategic role in the Chinese economy and has attracted massive amounts of foreign direct investment in recent years.

Canada has demonstrated its ICT expertise at the Fair since its inception in 1999, and the Canadian Consulate

Continued on page 12 — China

The trauma of September 11 brought an entirely new meaning to the notion of uncertainty for economic forecasters. Befuddlement would be more appropriate.

The core issue for the outlook for Canadian exporting companies is the U.S. economy, which will be driven by its consumers. In the aftermath of September 11, the great unknown

Fog gradually lifting

# Post-September 11

by Stephen S. Poloz, EDC Vice-President and Chief Economist

was the impact the terrorist attacks would have on consumer psychology and willingness to spend.

U.S. consumer confidence plunged in October, by about 12 points, and it declined a further three points in November, to 82. Fortunately, the drop in confidence so far has been much less than the 20 points it fell after the bombing of the World Trade Center in 1993, which led to a short retrenchment in the economy, or the nearly 50 points it fell during the Gulf War, which spawned a deep and difficult recession. Still, the U.S. labour market is being hammered — 800,000 U.S. jobs were lost in October and November. This has people worried about a second wave of the economic downturn, which could drag consumer confidence down further and hold back the recovery. In other words, it is too soon to break out the champagne.

### Falling confidence but solid spending

Nevertheless, U.S. households have been doing a lot of shopping, for houses, cars and most other things. What this combination of falling

confidence and solid spending tells us is that the stimulative fiscal and monetary policies that have been put in place are actually working. Falling confidence would normally cause consumers to boost their savings. True, the latest statistics show that Americans have increased their savings significantly. But they can do this while actually spending more because their purchasing power has risen —

their lows. These markets indicate that a broad range of investors, who vote with their portfolios as well as with their wallets, are becoming increasingly confident that the worst is behind us.

These signals are encouraging, but it still may be several months before it all adds up to something real for Canadian exporting companies. Although the U.S. economy may be starting to mend, Europe, Canada and Japan are just now dealing with the echo effect of the earlier U.S. slowdown. A generalized global upturn will probably take at least until mid-2002 to emerge. But if the U.S. situation continues to mend, other economies will not be far behind.

The bottom line? The economic signals remain mixed, and the outlook still uncertain, but the news could easily have been much worse by now. Aggressive monetary and fiscal policies are laying the foundation for the next expansion, and the fog should be lifting noticeably, soon. \*



EDC's Stephen S. Poloz

directly, through tax rebates, and indirectly, through lower interest rates. Every household with a mortgage is saving a considerable sum on debt

service today, and that money can be saved or spent — and most people are doing both.

People who have lost their jobs obviously do not have this choice. However, the outlook for the economy depends not on the 0.7% of the population that has been laid off, but

on the psychology of the 94% of the population that still has a job. People may travel less, leading to layoffs in the airline and tourism industry, world-wide. But the money that was originally earmarked for the family vacation is being partly saved, and partly spent on other things, boosting those sectors of the economy.

### Encouraging signs

Financial markets are taking their cue from these signs of economic encouragement. Most of the major stock markets are back up to August levels, and the major bond markets have retreated back to August levels. Also, the Canadian and Australian dollars, traditional bellwethers of the global economy, have both recovered from

## Team Canada West

— Continued from page 6

provincial agencies, they knew they would get their product."

Calgary-based **Fusion Media Group's** star is rising after signing lucrative contracts on the mission and laying the foundation for millions of dollars in future business. "While some dot-com companies are disappearing," says the company's Director of Business Development, Reuben Segelbaum, "by being with the Prime Minister and the Premier of Alberta, we said to the world: we're here and we're real and we have real people backing us up."

For more details about the Team Canada West Trade Mission, visit: [www.tcm-mec.gc.ca/welcome-e.asp](http://www.tcm-mec.gc.ca/welcome-e.asp) and click on "Completed Missions!" \*

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

THE CANADIAN  
TRADE COMMISSIONER  
SERVICE *Serving Canadian Business Abroad*

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

## Electric Power and Oil and Gas Industries

Your sectoral contacts in the *Sub-Saharan Africa*

 **Cameroon**

**Honoré Justin Mondomobé**


Commercial Officer

Canadian High Commission

Yaoundé, Cameroon

T: (011-237) 23-23-11

F: (011-237) 22-10-90

 **Côte d'Ivoire**

**Jean-Claude Diplo**

Commercial Officer

Canadian Embassy

Abidjan, Côte d'Ivoire

T: (011-225) 20-30-07-00

F: (011-225) 20-30-07-21

 **Kenya**

**Benjamin Wamahiu**

Commercial Officer

Canadian High Commission

Nairobi, Kenya

T: (011-254-2) 21-48-04

F: (011-254-2) 21-53-05

 **Nigeria**

**David Dix**

Trade Commissioner

Canadian Deputy High Commission

Lagos, Nigeria

T: (011-234-1) 262-2512

F: (011-234-1) 262-2516

 **Senegal**

**Voulimata N'Diaye**

Commercial Officer


Canadian Embassy

Dakar, Senegal

T: (011-221) 823-92-90

F: (011-221) 823-87-49



 Department of Foreign Affairs and International Trade

Ministère des Affaires étrangères et du Commerce international

Canada

anadExport

anadExport  
Third Quarter of 2001

### Key Trade Indicators

Annual Rates  
Third Quarter 2001

Real GDP (annual % change)	-0.8
Real GDP (quarterly % change)	12,300
Consumer price index (annual % change)	7.1
Consumer price index (quarterly % change)	2.7
Unemployment rate (annual % change)	2.3
Unemployment rate (quarterly % change)	0.6468
Trade balance (billions of dollars)	-21.4
Current account (billions of dollars)	-10.3

Third quarter was 2.7%, down from 2.7% in the second quarter, and core inflation (excluding food and energy) remained unchanged from 2.7%. Thus, inflation remains between 1% to 3% that has been the case in Canada.

Value in the third quarter was \$0.649 in the previous quarter.

Figures are adjusted for seasonality and are preliminary, with the exception of investment

Canada

The trauma of September 11 brought an entirely new meaning to the notion of uncertainty for economic forecasters. Befuddling would be more appropriate.

The core issue for the outlook for Canadian exporting companies is the U.S. economy, which will be driving its consumers. In the aftermath of September 11, the great unknown

## Fog gradually lifting Post-September 11

by Stephen S. Poloz, EDC Vice-President

was the impact the terrorist attack would have on consumer psychology and willingness to spend.

U.S. consumer confidence plunged in October, by about 12 points, and it declined a further three points in November, to 82. Fortunately, the drop in confidence so far has been much less than the 20 points it fell after the bombing of the World Trade Center in 1993, which led to a short retreat in the economy, or the nearly 50 points it fell during the Gulf War which spawned a deep and difficult recession. Still, the U.S. labour market is being hammered — 800,000 jobs were lost in October and November. This has people worried about a second wave of the economic downturn, which could drag consumer confidence down further and hold back the recovery. In other words, it is soon to break out the champagne.

### Falling confidence but solid spending

Nevertheless, U.S. households have been doing a lot of shopping, for houses, cars and most other things. What this combination of falling

THE CANADIAN  
TRADE COMMISSIONER  
SERVICE *Serving Canadian Business Abroad*

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

## Electric Power and Oil and Gas Industries

Your sectoral contacts in the *Sub-Saharan Africa*

### South Africa

#### François Biatrix

Commercial Officer

Canadian High Commission  
Trade Office

Johannesburg, South Africa

T: (011-27-11) 442-3130

F: (011-27-11) 442-3325

### Tanzania

#### Gaspar Tarimo

Commercial Officer

Canadian High Commission

Dar-es-Salaam, Tanzania

T: (011-255-22) 211-2837

F: (011-255-22) 211-6897

### Zambia

#### Benoit Gauthier

Trade Commissioner

Canadian High Commission  
Lusaka, Zambia

T: (011-260-1) 25-08-33

F: (011-260-1) 25-41-76

### Zimbabwe

#### Bertha Faranisi

Commercial Officer

Canadian High Commission  
Harare, Zimbabwe

T: (011-263-4) 252-181

F: (011-263-4) 252-186

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

## Canadian Trade Review

A Quarterly Review of Canada's Trade Performance  
Third Quarter 2001

This trade and investment quarterly reports on Canada's economic growth in the third quarter of 2001, and highlights our trade and

### Continued Weak Canadian Exports Accompanied by Slowdown in Imports in the Third Quarter of 2001

In the third quarter, the decline in the U.S. economy, combined with the sluggishness in the economic performance in Europe, Asia and Latin America, contributed to a decline in the international demand for Canadian goods and services.

Canada's current dollar exports of goods and services declined by 21.4% (s.a.a.<sup>1</sup>) in the third quarter of 2001—a continuation of the contraction in exports initiated in the previous quarter after four years of unbroken export growth.

In contrast to the situation in the second quarter, imports also experienced a decline in the third quarter. Taken together, imports of goods and services declined by 10.3% in the July to September third quarter.

Canada's real gross domestic product (GDP) declined by 0.8% in the third quarter. The deterioration in the performance of the foreign trade sector accounted for 0.3 percentage points of this 0.8% decline in real GDP. Despite the overall real GDP decline, business investments increased during the quarter—led by added investments in machinery and equipment.

Job creation slowed during the quarter—a net increase of 12,300 jobs was reported, down from 40,000 in the second quarter and 34,000 in the first quarter. The average unemployment rate edged up to 7.1% from 7.0% in the previous quarter—slightly above the 26-year low of 6.8% experienced in 2000.

Table 1: Canada's Economic and Trade Indicators

Percent Change at Annual Rates Third Quarter 2001 over Second Quarter 2001	
Real GDP	-0.8
Employment (quarterly increase, level)	12,300
Rate of Unemployment (third quarter average in percent)	7.1
Consumer Price Index (third quarter 2001 over third quarter 2000 percent change)	
All Items	2.7
Core (excludes food and energy)	2.3
Canadian \$ in U.S. funds (third quarter average)	0.6468
Exports of Goods and Services (based on current dollars)	-21.4
Imports of Goods and Services (based on current dollars)	-10.3

Source: Statistics Canada

Overall, inflation in the third quarter was 2.7%, down from 3.5% in the second quarter, and core inflation (excluding food and energy) remained unchanged from the previous quarter at 2.3%. Thus, inflation remains within the target range of 1% to 3% that has been established by the Bank of Canada.

The average U.S. dollar value in the third quarter was C\$0.647—a slight decline from C\$0.649 in the previous quarter.

<sup>1</sup> 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

The broader-based current account surplus for the third quarter was \$22.1 billion—down from \$36.0 billion in the second quarter. The nine months' surplus this year still exceeds the record high of \$26.9 billion for 2000 as a whole. The drop in the current account surplus in the third quarter can be explained by a substantial decline in the merchandise trade surplus (down \$16.7 billion), a marginal increase in the persistent services trade deficit (increased by \$328 million) and a small increase in the portfolio investment income deficit (increased \$254 million). On the other hand, a reduction in the deficit for income generated from direct investments contributed to improve the current account balance by \$3.1 billion.

Both inward and outward direct investments declined in the third quarter. Outward direct investment flows declined by 18.8% from the previous quarter, whereas inward direct investment flows declined by 37.5%. Outward direct investment exceeded inward direct investment by \$6.3 billion in the third quarter, up from \$4.7 billion in the second quarter.

On the portfolio side, outward investments saw a dramatic decline in the third quarter, led by a 70.9% drop in Canadian purchases of foreign stock, but were somewhat offset by a more limited increase in Canadian purchases of foreign bonds. For inward portfolio investments, foreign purchases of Canadian stocks and bonds declined, but were more than offset by increases in foreign-held loans and deposits in Canada.

## The Slowdown in U.S. and Other Economies Limited Canada's Exports

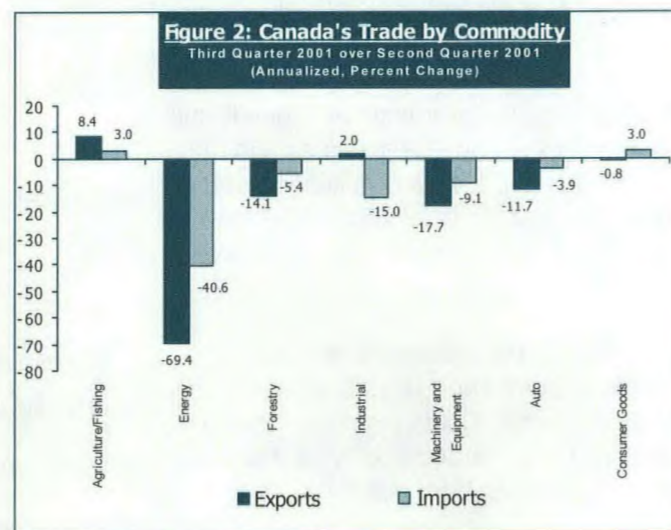
Exports of goods and services declined to \$456.5 billion in the third quarter from \$484.8 billion in the second quarter. Merchandise exports totalled \$403.0 billion in the third quarter compared to \$428.4 billion in the previous quarter—down 21.7%.

The largest decline in exports was experienced by energy exports (down 69.4%), but machinery and equipment, forestry products and automobiles also experienced declines. Exports to all countries declined. Exports to the United States fell by 21%, while exports to all other countries, with the exception of exports to the United Kingdom (down 4.4%) and Japan (down 20.0%), experienced larger rates of declines.

Imports also decreased in the third quarter, in contrast to the modest increase recorded in the second quarter. Imports of goods and services declined from \$422.7 billion in the second quarter to \$411.3 billion in the third quarter. Similarly, merchandise imports fell from \$360.5 billion in the second quarter to \$351.8 billion in the third quarter.



Source: Statistics Canada



Source: Statistics Canada

Although imports of services declined at a faster pace than merchandise imports, the largest decline in merchandise imports occurred in imports of energy (down 40.6%) and industrial goods. Although imports from the United States and the United Kingdom declined in the third quarter, imports from Japan and European Union (EU) countries other than the United Kingdom increased in the third quarter.

The merchandise trade surplus declined from \$67.9 billion in the second quarter to \$51.2 billion, led by a steep decline in the merchandise trade balance in energy products. As most of the Canadian exports in energy products are destined for the United States, the merchandise trade balance with the United States experienced a severe decline over the previous quarter. However, the merchandise trade balance with all major trading partners deteriorated in the third quarter, with the exception of the United Kingdom.



Source: Statistics Canada

## Services Trade Deficit Reverses Its Previous Decline

In the third quarter, Canada's services exports declined to \$53.5 billion compared to \$56.4 billion in the second quarter, while services imports declined to \$59.5 billion from \$62.1 billion in the previous quarter. The more rapid decline in services exports than services imports led to an increase in the services trade deficit of \$328 million.

Canada's international travel deficit worsened in the July to September quarter after reaching the lowest deficit recorded since the third quarter of 1986 in the previous quarter. The increase in the deficit was primarily a result of a sharp drop in the spending in Canada by foreign visitors (down 28.0% over the previous quarter), which overshadowed a more modest decline in Canadian travel expenditures abroad (down 11.2%). On the other hand, Canadian travel expenditures in the United States declined at a faster rate than the decline in U.S. travel expenditures in Canada. This led to a further decline in the travel deficit with the United States, which reached its lowest level in more than 10 years.

Trade in commercial services, which account for about half of all imports and exports of services, experienced declines in both exports and imports in the third quarter. However, as the decline was larger in imports than in exports, the commercial services trade deficit fell by \$500 million.

## Inward and Outward Foreign Direct Investment Declined

Both inward and outward direct investment flows declined in the third quarter from the second quarter. Outward flows in the form of Canadian direct investment abroad (CDIA) declined from \$19.1 billion in the second quarter to \$15.5 billion in the third quarter, and inflows of foreign direct investment (FDI) similarly declined from \$14.7 billion to \$9.2 billion in the same period.

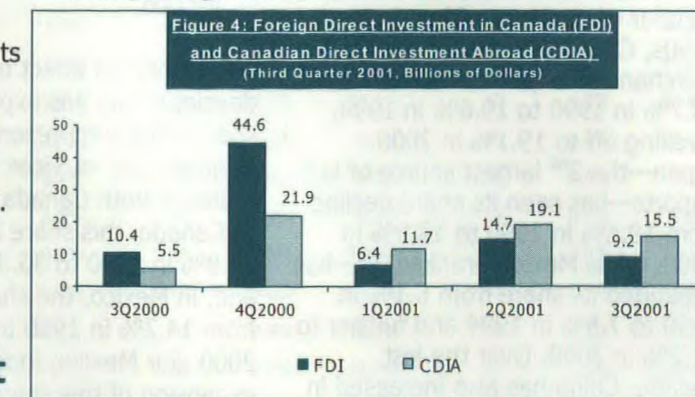
For CDIA, the wood and paper sector experienced an almost tenfold increase in the third quarter from the

second quarter. On the other hand, CDIA declined in both the machinery and transport sector, and the finance and insurance sector. CDIA in the energy sector, which surged in the second quarter, eased off in the third quarter. The decline in CDIA occurred predominantly in the investment that was directed to countries that are not members of the Organization for Economic Co-operation and Development and to EU countries other than the United Kingdom.

FDI experienced a dramatic drop in the other industries sector—down \$5.6 billion (or 80%) in the third quarter from the second quarter. Although FDI in the machinery and transport sector was also down in the third quarter, this was offset by increases in the wood and paper, and energy sectors. FDI from the United States registered an increase in the third quarter over the second quarter, but this was more than offset by a large decline in FDI from the United Kingdom and by escalating disinvestments from the EU countries other than the United Kingdom.

As mentioned, the sharp reduction in Canadian purchases of foreign stocks in the third quarter over the second quarter was the main contributing factor to the decline in the flow of portfolio investments abroad from a rate of \$12.3 billion in the second quarter to \$5.0 billion in the third quarter. The sharp decline in the flow of Canadian equity investments abroad overshadowed a \$1.5-billion increase in Canadian purchases of foreign bonds in the third quarter compared to the second quarter.

Similarly, the flow of foreign portfolio investments in Canada also declined in the third quarter from the second quarter—a combination of declining purchases of Canadian bonds and disinvestments in Canadian stocks among foreign investors.



Source: Statistics Canada

## Canada's Official International Reserves Record a Marginal Decline

Canada's official reserve assets were reduced by a marginal \$130 million in the third quarter—comparable to the decline in the second quarter. This reversed a trend of substantial additions to the reserves in the prior three quarters.

# Features Section

## Canada and Mexico Trade with the United States

### Introduction

In the last decade, Canadian and Mexican exports to the United States have risen sharply. Although Canada still ranks as the premier source of imports into the United States, the more rapid recent growth in U.S. imports from Mexico has prompted speculation that Mexico would surpass Japan and subsequently Canada to take the lead as the major source of imports into the United States. The following analysis intends to review the structure and category composition of Mexican exports to the United States to examine the basis for, and validity of, the above referenced prediction.

### Background

Canada has maintained its ranking as the most important source of imports into the United States over the last decade, notwithstanding increases in U.S. imports from a number of other countries. In the 1990s, Canada's share of total U.S. merchandise imports increased from 18.7% in 1990 to 19.6% in 1994, levelling off to 19.1% in 2000. Japan—the 2<sup>nd</sup> largest source of U.S. imports—has seen its share decline from 18.1% in 1990 to 12.0% in 2000, while Mexico—ranked 3<sup>rd</sup>—has expanded its share from 6.1% in 1990 to 7.5% in 1994 and further to 11.2% in 2000. Over the last decade, China has also increased in importance as a source for U.S. imports. In 1990, China accounted for 3.1% of U.S. imports and ranked as the 8<sup>th</sup> largest source country, but moved up to rank as the 4<sup>th</sup> largest source country and to account for 8.2% of U.S. imports in 2000.

With respect to both Mexico and Canada, two parallel developments have enhanced the role of their exports to the United States:

1. An increasing share of overall exports destined for the United States, obviously stimulated by the Free Trade Agreement (FTA) (in effect since 1989 between Canada and the United States) and the North America Free Trade Agreement (NAFTA) (in effect among Canada, United States and Mexico since 1994). For Canada, the combined share of goods (merchandise) and services exports destined for the United States has increased from 71.2% in 1990 to 81.9% in 2000, while, for Mexico, the share has grown from 76.4% in 1990 to 82.1% in 2000.
2. Exports represent a growing share of gross domestic product (GDP) in both Canada and Mexico.

The combined effect of these two developments has expanded the share of GDP represented by exports of goods and services to the United States in both Canada and Mexico. In Canada, this share increased from 17.9% in 1990 to 36.3% in 2000, and, in Mexico, the share expanded from 14.2% in 1990 to 25.8% in 2000. For Mexico, most of the expansion of this share has taken place in the 1994-2000 period, i.e. following Mexico's entry into the NAFTA.

### Category Composition of U.S. Imports from Mexico

Our analysis of Mexico's penetration of the U.S. import market over the last decade—and the comparison with Canada's exports to the United States—is based on a review of the top 25 Mexican export categories shipped to the United States in 2000 (See Table 1.). Such a focus will of course lead to a positive bias in Mexico's favour. However, this bias is minimized by an overlap in the Canadian and Mexican category composition for their major exports to the United States—among the top 10 Mexican products in 2000, seven of the categories are also ranked among the top 10 Canadian U.S. export products<sup>1</sup>. Among the top 20 Mexican U.S. export products in 2000, 14 can also be found among the top 20 Canadian products.

Since 1990, most of Mexico's top 25 export categories to the United States, as measured by U.S. import data, have expanded rapidly. The three top categories of Mexican exports to the United States in the 1990-2000 period are **electrical machinery and electronics, motor vehicles and machinery and engines**. The dominance of these three categories has increased over time. Taken together, they accounted for 45.7% of Mexican exports to the United States in 1990, 54.4% in 1994 and 57.9% in 2000. Similarly, the top 25 categories also accounted for an increasing share of Mexican shipments over time. They accounted for 84.7% of Mexican exports to the United States in 1990, 87.7% in 1994 and 90.3% in 2000. The largest increase in the share of total Mexican exports to the United

States is accounted for by **motor vehicles**. Its share increased by a total of 7 percentage points in the 1990-2000 period, of which 4.7 points were added under the NAFTA since 1994. The share of **machinery and engines** increased by 4.6 percentage points from 1990 to 2000, led by an increase of 3.0 percentage points in the 1990-1994 period. On the other hand, the share accounted for by **mineral oils and fuels** decreased by 8.1 percentage points, led by a decline of 7.2 percentage points in the 1990-1994 period.

### Mexico's Market Penetration into the United States

Among Mexico's top 10 export categories, **edible vegetables** accounted for the largest U.S. import market share (for the individual category) at 59.8% in 2000, although this market share had declined from 68.4% in 1990. Seven of the top 10 categories increased their market share in the United States with more than five

percentage points in the 1990-2000 period. Increased U.S. import market penetration by Mexican shipments under the NAFTA have been particularly notable for **knitted and crocheted clothing**, where market penetration increased by 9.1 percentage points, **motor vehicles** (up 8.5 percentage points), **machinery and engines** (up 4.3 percentage points) and **electrical machinery and electronics** (up 4.0 percentage points).

Table 1: Major Categories Exported by Mexico to the United States

Category (HS Chapter) - Listed According to Year 2000 Mexico Ranking	1990			1994			2000		
	Category Ranking in Mexican Exports to United States	Category's Share of Total Mexican Exports to United States	Mexico's Share of Total U.S. Import of Category	Category Ranking in Mexican Exports to United States	Category's Share of Total Mexican Exports to United States	Mexico's Share of Total U.S. Import of Category	Category Ranking in Mexican Exports to United States	Category's Share of Total Mexican Exports to United States	Mexico's Share of Total U.S. Import of Category
HS-85 - Electrical Machinery, Electronics	1	25.7%	13.3%	1	29.1%	15.2%	1	26.3%	19.2%
HS 87 - Motor Vehicles, Motorcycles	3	12.1%	4.9%	2	14.4%	7.4%	2	19.1%	15.9%
HS-84 - Machinery and Engines	4	7.9%	3.6%	3	10.9%	5.1%	3	12.5%	9.4%
HS 27 - Mineral Oils and Fuels	2	17.5%	8.2%	4	10.3%	9.0%	4	9.4%	9.6%
HS 62 - Woven Clothing	8	1.8%	3.9%	7	2.6%	6.0%	5	3.8%	15.6%
HS 90 - Optical, Medical Instrumentation	6	2.2%	5.0%	5	3.7%	9.4%	6	3.3%	12.1%
HS-94 - Furniture and Lamps/Fixtures	7	2.2%	10.3%	6	2.6%	13.4%	7	2.8%	16.0%
HS 61 - Knitted and Crocheted Clothing	37	0.3%	1.0%	11	1.0%	4.2%	8	2.6%	13.3%
HS 73 - Articles of Iron or Steel	12	1.0%	4.6%	9	1.2%	7.5%	9	1.2%	11.2%
HS 07 - Edible Vegetables; Roots/Tubers	5	3.1%	68.4%	8	2.0%	65.1%	10	1.2%	59.8%
HS 22 - Beverages, Spirits and Vinegar	16	0.8%	6.4%	17	0.7%	7.4%	11	0.9%	15.3%
HS 39 - Plastics and Articles Thereof	19	0.8%	3.4%	12	1.0%	4.7%	12	0.9%	6.2%
HS 72 - Iron and Steel	14	0.9%	3.5%	10	1.2%	4.7%	13	0.8%	7.3%
HS 83 - Misc. Articles of Base Metal	29	0.5%	9.2%	25	0.5%	10.3%	14	0.6%	17.1%
HS 70 - Glass and Glassware	21	0.8%	13.2%	15	0.8%	14.2%	15	0.6%	18.2%
HS 08 - Edible Fruits and Nuts	11	1.1%	14.3%	14	0.9%	16.8%	16	0.5%	18.6%
HS 63 - Other Made-up Textile Articles	30	0.5%	11.8%	24	0.5%	12.7%	17	0.5%	14.9%
HS 95 - Toys, Games, Sporting Goods	17	0.8%	2.9%	13	0.9%	4.2%	18	0.5%	3.5%
HS 74 - Copper and Articles Thereof	23	0.7%	8.5%	20	0.6%	10.4%	19	0.5%	12.8%
HS 40 - Rubber and Articles Thereof	32	0.4%	2.3%	29	0.4%	2.7%	20	0.4%	5.8%
HS 86 - Rail Transportation, Tramways	72	0.0%	1.0%	44	0.1%	6.1%	21	0.4%	29.4%
HS 48 - Paper, Paperboard	25	0.6%	2.3%	32	0.3%	1.8%	22	0.4%	3.3%
HS 71 - Pearls, Precious Stones, Jewellery	13	0.9%	2.4%	22	0.6%	2.0%	23	0.4%	1.7%
HS 03 - Fish, Crustaceans, Molluscs	18	0.8%	5.5%	19	0.6%	5.6%	24	0.4%	6.2%
HS 09 - Coffee, Tea, Maté and Spices	10	1.2%	16.1%	18	0.7%	11.9%	25	0.3%	14.5%
Subtotal		84.7%			87.7%			90.3%	

1 Missing from the top 10 Mexican export products to the United States in 2000 are the corresponding top 10 Canadian exports to the United States: **wood and wood products** (ranked as the 5<sup>th</sup> largest Canadian U.S. export product in 2000); **aircrafts** (ranked 9<sup>th</sup>); and **aluminium** (ranked 10<sup>th</sup>).



## Comparison between Mexican and Canadian Penetration of the U.S. Import Market

The ratio between the Canadian market share of U.S. imports of a particular category and the equivalent Mexican market share (the MSR) is used here as an analytical tool to review the

evolution of the Canadian market share in U.S. imports in relation to the equivalent Mexican market share. An MSR exceeding one indicates an absolute market share advantage for Canada over Mexico, and a ratio below one indicates an absolute Mexican market share advantage over Canada.

The results of the MSR analysis on a category-by-category basis is mixed.

In general, although Mexico has made progress in diminishing the scope of the absolute advantage that Canada enjoyed in most of the major categories in 1990 (with the exception of **electrical machinery and electronics**), the expansion of Mexico's market shares for these categories in the 1990-2000 period has not altered the fact that Canada still maintained an absolute market share advantage in 2000.

Table 2: Changes in the Canadian over Mexican Market Share Ratio (MSR) by Categories

Reduction in the Canadian to Mexican Market Share Ratio (MSR) between 1990 and 2000							
	Commodity	Mexican Rank 2000	Canadian Rank 2000	Market Share Ratio 1990	Market Share Ratio 2000	% Change in MSR 1994-2000	% Change in MSR 1990-2000
Canadian Absolute Market Share Advantage in 1990	HS 87 - Motor Vehicles, Motorcycles	2	1	7.19	2.15	-59.3%	-70.0%
	HS-84 - Machinery and Engines	3	3	3.16	1.10	-48.1%	-65.1%
	HS 90 - Optical, Medical Instrumentation	6	13	1.00	0.65	7.1%	-35.0%
	HS-94 - Furniture and Lamps/Fixtures	7	8	1.95	1.39	-15.7%	-28.7%
	HS 73 - Articles of Iron or Steel	9	11	4.15	2.20	-27.6%	-47.2%
	HS 22 - Beverages, Spirits and Vinegar	11	25	2.21	0.70	-64.2%	-68.4%
	HS 39 - Plastics and Articles Thereof	12	7	6.38	5.63	-5.1%	-11.8%
	HS 72 - Iron and Steel	13	16	4.67	2.07	-43.4%	-55.8%
	HS 83 - Misc. Articles of Base Metal	14	28	1.26	1.10	-21.6%	-13.3%
	HS 70 - Glass and Glassware	15	33	1.14	0.88	-28.7%	-23.0%
	HS 74 - Copper and Articles Thereof	19	21	3.72	1.86	-42.5%	-50.1%
	HS 40 - Rubber and Articles Thereof	20	15	9.00	4.02	-52.0%	-55.3%
	HS 86 - Rail Transportation, Tramways	21	31	71.26	1.52	-86.4%	-97.9%
	HS 48 - Paper, Paperboard	22	6	32.74	19.86	-50.2%	-39.3%
HS 03 - Fish, Crustaceans, Molluscs	24	19	4.60	3.23	-0.7%	-30.4%	
Mexican Absolute Market Share Advantage in 1990	HS-85 - Electrical Machinery, Electronics	1	4	0.59	0.47	17.9%	-19.9%
	HS 62 - Woven Clothing	5	29	0.19	0.17	-40.7%	-12.1%
	HS 61 - Knitted or Crocheted Clothing	8	26	0.76	0.25	-43.5%	-66.8%
	HS 08 - Edible Fruits and Nuts	16	67	0.18	0.16	-3.7%	-14.5%
	HS 63 - Other Made-up Textile Articles	17	64	0.21	0.21	6.5%	-0.2%
Increase in the Canadian to Mexican Market Share Ratio (MSR) between 1990 and 2000							
	Commodity	Mexican Rank 2000	Canadian Rank 2000	Market Share Ratio 1990	Market Share Ratio 2000	% Change in MSR 1994-2000	% Change in MSR 1990-2000
Canadian Absolute Market Share Advantage in 1990	HS 27 - Mineral Fuels and Oils	4	2	1.87	2.46	-0.2%	32.1%
	HS 71 - Pearls, Precious Stones, Jewellery	23	12	2.76	5.90	-6.0%	113.9%
Mexican Absolute Market Share Advantage in 1990	HS 07 - Edible Vegetables; Roots/Tubers	10	40	0.16	0.32	83.0%	99.4%
	HS 95 - Toys, Games, Sporting Goods	18	35	0.59	0.92	23.5%	57.7%
	HS 09 - Coffee, Tea, Maté and Spices	25	73	0.03	0.20	332.4%	653.2%

In addition, Canada increased its absolute market share advantage in the **mineral oils and fuels** over this period. On the other hand, in the 1990-2000 period, Mexico has strengthened the absolute market share advantage it initially enjoyed in a number of categories—such as **electrical machinery and electronics, textiles and clothing. Electrical machinery and electronics** is ranked as the 4<sup>th</sup> most important category in Canadian exports to the United States, whereas **textiles and clothing** are of lesser significance and are not included among Canada's top 25 export categories.

Table 2 presents a summary of the development of the MSR and indicates that, out of the top 25 Mexican export categories to the United States, the MSR declined—to the detriment of Canada—for 20 categories over the 1990-2000 period. For 15 out of these 20 categories, Canada had established a market share advantage in 1990, while Mexico enjoyed a market share advantage for five categories in 1990. On the other hand, the MSR increased—to the benefit of Canada—for five categories in the same period. Canada enjoyed a market share advantage for two of these categories in 1990, and Mexico enjoyed a market share advantage for the other three categories in 1990.

Despite the fact that Canada experienced a decline in the MSR for a number of major Canadian export categories to the United States between 1990 and 2000—**motor vehicles** (with a decline in the ratio of 70.0%), **machinery and engines** (down 65.1%), and **articles of iron or steel** (down 47.2%)—a reversal of Canada's market share advantage in 1990,

which established a Mexican market share advantage in 2000, only occurred for three categories: **beverages; glass and glassware; and optical and medical instrumentation**<sup>2</sup>.

However, as is evident from Table 2, the developments of the MSR are neither uniform between categories over the 1990-2000 period nor between the 1990-1994 and 1994-2000 subperiods. Although the implementation of the NAFTA in 1994 may be the most obvious aspect to distinguish the two periods, there are a number of macroeconomic factors to consider.

During the 1990-1994 subperiod, the negative effects of the global recession resulted in very limited growth in annual Canadian real GDP, with a 1.9% decline in real GDP in 1991, while Mexico enjoyed substantial annual real GDP growth throughout this entire period. The exchange rate between the Canadian dollar and the Mexican peso was C\$0.41/peso in 1990 and C\$0.40/peso in 1994, i.e. a marginal decline in the value of the Mexican peso by 2%. Thus, exchange-rate differences between the Canadian dollar and the Mexican peso are too insignificant in this period to have had a serious effect on Mexican and Canadian exports to the United States.

However, the situation is rather different in the 1994-2000 period. First, the economic crisis experienced in Mexico led to a substantive economic restructuring and a decline in Mexican real GDP by 6.2% in 1995. As part of an integrated measure of the economic restructuring, Mexico devalued the peso by 47.2% to C\$0.21/peso in 1995. In addition to the devaluation in 1995, the Mexican peso continued

to slide against the Canadian dollar for the remainder of the decade to C\$0.16/peso in 2000. The combined effective depreciation of the Canadian dollar/Mexican peso exchange rate of 61.2% in the 1994-2000 period was a major factor behind the faster growth in Mexican exports to the United States.

In addition, 1994 remains the starting point for sharply increased inflows of foreign direct investment (FDI) into Mexico. FDI flows into Mexico more than doubled between 1993 and 1994, and remained at or exceeded that level throughout the rest of the 1990s. The growth in FDI into Mexico also boosted Mexican exports to the United States.

For the majority of the 15 categories where Canada enjoyed an absolute market share advantage in 1990, the MSR declined between 1990 and 2000. The categories with significance to Canada include **motor vehicles** (with the MSR falling by 26.3% in the 1990-1994 period and by a further 59.3% in the 1994-2000 period), **machinery and engines** (with the MSR falling 32.7% between 1990 and 1994, and 48.1% between 1994 and 2000); and **furniture and lamp/fixtures** (with the MSR falling 15.4% between 1990 and 1994, and 15.7% between 1994 and 2000). The notable exception is **paper and paperboard**, Canada's 6<sup>th</sup> largest U.S. export product in 2000, where the MSR increased by 32.7% in the 1990-1994 period, but experienced a decline of 50.2% in the 1994-2000 period.

**Electrical machinery and electronics** is the only category among Canada's top 25 U.S. exports that is included in the group of categories where Mexico enjoyed an

<sup>2</sup> With respect to beverages (including spirits and vinegar)—ranked as Canada's 25th largest export category to the United States in 2000—the decline in Canadian exports can, to a large extent, be explained by an increase in cross-licensing arrangements between U.S. and Canadian brewers and beverage producers, which has largely reduced the need to ship large quantities of beverages across the border. Optical and medical instrumentation ranked as Canada's 13th largest export category to the United States in 2000, and glass and glassware ranked as the 33rd largest. For both categories, the MSR was only marginally above unity in 1990 and moved to marginally favour Mexico in 2000.

absolute market share advantage in 1990 and where the MSR declined in the 1990-2000 period. For this category, a decline in the MSR by 32.0% in the 1990-1994 subperiod overshadowed an improvement in the MSR by 17.9% in the 1994-2000 subperiod. The improvement in the MSR in the 1994-2000 subperiod is largely explained by expanding Canadian shipments of telecommunications equipment. However, both Canada and Mexico can be expected to face increased competition in the electrical products, electronics and telecommunications sector from Asia in the future—not only from traditional Asian exporters to the United States such as Singapore, Hong Kong, Taiwan and Malaysia, but also increasingly from China.

The group of categories where Canada enjoyed a market share advantage in 1990 and where the MSR improved in Canada's favour includes **mineral oils and fuels** (ranked as the 2<sup>nd</sup> largest Canadian U.S. export category in 2000) and **pearls, precious stones and jewellery** (ranked 12<sup>th</sup>). Both categories experienced a substantive increase in the MSR in the 1990-1994 subperiod, which was followed by a marginal decline in the MSR between 1994 and 2000.

The MSR has increased between 1990 and 2000 for three categories where Mexico enjoyed an absolute market share advantage in 1990. All three categories recorded an increase in the 1990-1994 as well as in the 1994-2000 period. Although neither of these three categories are ranked very highly on the list of major Canadian export products to the United States, it is of interest to note that **toys, games and sporting goods**—ranked as the 35<sup>th</sup> largest category of Canadian exports to the United States in 2000—is one of the categories where Canada is enjoying an increase in the MSR.

## Summary and Conclusions

Although Mexico has experienced tremendous growth in exports to the United States over the past decade, so far it has not seriously threatened Canada's position as the primary import source for the United States. In fact, Mexico's expanding market share in the United States has, to a large degree, been at the expense of Japan. In the future, Canada and Mexico alike may have to focus more on the emerging competition from China for market share in U.S. imports, particularly following China's recent entry into the World Trade Organization (WTO). Similarly, following the revival of the U.S. economy (expected in the latter part of 2002), Mexico, as well as Canada, will have to face increasing competition from other Asian economies. However, based on their respective export mix, it is likely that future growth in Asian exports to the United States will occur more at the expense of Mexican than Canadian exports and will consequently limit further growth in Mexico's share of U.S. imports.

The economic downturn in the U.S. economy is currently putting stress on a number of Mexican businesses relying on the United States as their product market. Recent reports<sup>3</sup> indicate that some Mexican auto-parts makers are experiencing increasing difficulties in servicing their debt following a drop in demand from the U.S. auto industry—their major client. A widespread extension of debt-servicing problems among Mexican companies can undermine the stability of Mexican banks and, in the longer run, can reduce the inflow of FDI on which Mexico has been relying for their export expansion into the United States.

Thus, on the supply side, there is a legitimate question about the degree to which the Mexican manufacturing sector servicing the U.S. import market can weather (a prolonged) downturn in the United States. Even if the United States can avoid a substantive contraction in import demand, the Mexican export sector, which is established on the assumption of a continued expansion in U.S. import demand, may still face profitability and debt-servicing problems.

As noted above, during the 1994-2000 period, Mexican and Canadian trade with the United States has been stimulated by the NAFTA. At the same time, the Mexican peso was continuously devalued in relation to the Canadian dollar. Consequently, it is extremely difficult to determine the extent to which the relationship between Mexican and Canadian imports to the United States has been affected by the NAFTA and to what extent the increase in U.S. imports from Mexico was influenced by import price elasticities triggered by the continued peso depreciation in this period. Recent developments indicate that the peso's slide versus the Canadian dollar has been halted—the peso appreciated against the Canadian dollar from C\$0.15/peso in January 2001 to C\$0.17/peso in October 2001. Thus, unless the peso currency depreciates substantially again, it is highly unlikely that Mexico will replace Canada as the primary source for imports into the United States in the foreseeable future.

THE CANADIAN  
TRADE COMMISSIONER  
SERVICE

### Helping You Target New Markets

The Market Research Centre assists Canadian exporters with their international market research needs. The Centre produces timely market reports that identify specific foreign market opportunities for your products or services, while providing a quick snapshot of the local economic landscape. Our market reports can help you discover new markets, while saving you time and money. Over 600 market reports in 25 sectors are available at [www.infoexport.gc.ca](http://www.infoexport.gc.ca)

MARKET  
RESEARCH  
CENTRE

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

Canada

## A YEN FOR JAPAN

forefront of environmental technology. Canadian exhibitors gained a valuable opportunity to meet with representatives from over 60 Kansai companies that were highly receptive to Canadian environmental solutions.

and numerous industries in the Kansai region. In 1984, Shiga Prefecture held the first International Conference on the Conservation and Management of World Lake Environments, and the prefecture continues to be

# Canadian environmental solutions on display Enviro-Shiga 2001 in Japan

Consul General Mackenzie Clugston presided over the official opening ceremony of the Canada Pavilion and offered his congratulations for the pavilion's success.

### Growing waste, growing opportunities

Japan's Kansai region, with a population of 22 million and the world's seventh-largest GDP, provides excellent opportunities for Canadian exporters, in particular small and medium-sized businesses. Kansai's burgeoning economy, however, has also manufactured a host of waste disposal problems. Hence, local businesses are now looking for environmentally acceptable ways to dispose of toxic and hazardous waste, such as PCBs, dioxins and organic waste, as well as technological solutions for emission control, water treatment and wastewater management.

### Environmental responsibility

Japan, home of the Kyoto Protocol, has long been a hub for environmental consciousness. Shiga Prefecture, located in the heart of Japan, is responsible for the environmental health of Lake Biwa, Japan's largest freshwater lake, and an indispensable source of water for 14 million people

an enthusiastic proponent of protecting global freshwater resources.

The conferences are held biannually in locations throughout the world and this year's was held in Shiga from November 11-16. Timed to coincide with the popular Enviro-Shiga 2001, the ninth International Conference hosted 3,650 participants from 71 countries.

Canadian participation in such events sends a strong message to the Japanese that Canada is not only a leader in environmental technology, but can also be an important partner in protecting the global environment. **Enviro-Shiga 2002 will be held at Nagahama Dome from November 6-8, 2002.**

For more information, contact Jean-Pierre Petit, Trade Commissioner, Japan Division, DFAIT, tel.: (613) 996-2467, fax: (613) 994-2397, e-mail: [jeanpierre.petit@dfait-maeci.gc.ca](mailto:jeanpierre.petit@dfait-maeci.gc.ca)



<sup>3</sup> "Mexico exporters hit," Wall Street Journal article reprinted in the Globe and Mail, October 22, 2001.

absolute market share advantage in 1990 and where the MSR declined in the 1990-2000 period. For this category, a decline in the MSR by 32.0% in the 1990-1994 subperiod overshadowed an improvement in the MSR by 17.9% in the 1994-2000 subperiod. The improvement in the MSR in the 1994-2000 subperiod is largely explained by expanding Canadian shipments of telecommunications equipment. However, both Canada and Mexico can be expected to face increased competition in the electrical products, electronics and telecommunications sector from Asia in the future—not only from traditional Asian exporters to the United States such as Singapore, Hong Kong, Taiwan and Malaysia, but also increasingly from China.

The group of categories where Canada enjoyed a market share advantage in 1990 and where the MSR improved in Canada's favour includes **mineral oils and fuels** (ranked as the 2<sup>nd</sup> largest Canadian U.S. export category in 2000) and **pearls, precious stones and jewellery** (ranked 12<sup>th</sup>). Both categories experienced a substantive increase in the MSR in the 1990-1994 subperiod, which was followed by a marginal decline in the MSR between 1994 and 2000.

The MSR has increased between 1990 and 2000 for three categories where Mexico enjoyed an absolute market share advantage in 1990. All three categories recorded an increase in the 1990-1994 as well as in the 1994-2000 period. Although neither of these three categories are ranked very highly on the list of major Canadian export products to the United States, it is of interest to note that **toys, games and sporting goods**—ranked as the 35<sup>th</sup> largest category of Canadian exports to the United States in 2000—is one of the categories where Canada is enjoying an increase in the MSR.

## Summary and Conclusions

Although Mexico has experienced tremendous growth in exports to the United States over the past decade, so far it has not seriously threatened Canada's position as the primary import source for the United States. In fact, Mexico's expanding market share in the United States has, to a large degree, been at the expense of Japan. In the future, Canada and Mexico alike may have to focus more on the emerging competition from China for market share in U.S. imports, particularly following China's recent entry into the World Trade Organization (WTO). Similarly, following the revival of the U.S. economy (expected in the latter part of 2002), Mexico, as well as Canada, will have to face increasing competition from other Asian economies. However, based on their respective export mix, it is likely that future growth in Asian exports to the United States will occur more at the expense of Mexican than Canadian exports and will consequently limit further growth in Mexico's share of U.S. imports.

The economic downturn in the U.S. economy is currently putting stress on a number of Mexican businesses relying on the United States as their product market. Recent reports<sup>3</sup> indicate that some Mexican auto-parts makers are experiencing increasing difficulties in servicing their debt following a drop in demand from the U.S. auto industry—their major client. A widespread extension of debt-servicing problems among Mexican companies can undermine the stability of Mexican banks and, in the longer run, can reduce the inflow of FDI on which Mexico has been relying for their export expansion into the United States.

Th  
le  
to  
se  
mi  
do  
if  
su  
de  
wh  
as  
ex  
mi  
se  
  
As  
20  
tra  
be  
the  
wa  
rel  
Co  
to  
rel  
Ca  
St  
NA  
inc  
wa  
ela  
CO  
pe  
inc  
the  
ha  
ag  
C\$  
C\$  
un  
sul  
un  
Ca  
im  
for

THE CANADIAN  
TRADE COMMISSIONER  
SERVICE

### Doing business abroad?

You've researched and selected your target market. Now you want to assess your potential in your target market. That's a *Market Prospect*. And we can provide it. We are 500 trade professionals in more than 130 cities around the world, and we can provide advice on doing business in your target market. We can give you an indication of major barriers, regulations and certifications. We can notify you of upcoming events. We're the next logical step. We're the Canadian Trade Commissioner Service. We serve Canadian business abroad. Visit us at [www.infoexport.gc.ca](http://www.infoexport.gc.ca)

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

Canada

**T**he fourth *International Environmental Business Exhibition, Enviro-Shiga 2001*, was an ideal venue for Canadian environmental technology exporters scouting opportunities in Japan's rapidly developing Kansai region. Kansai's dynamic economy has produced environmental challenges — and business opportunities — for Canadian firms with proven expertise in waste management.

This year's *Enviro-Shiga* ([www.pref.shiga.jp/event/messe-e/](http://www.pref.shiga.jp/event/messe-e/)), held November 14-17, 2001 at Nagahama Dome and Maihara Hall in the Shiga Prefecture, attracted 63,600 manufacturers and traders from the Kansai region and featured exhibitions by 267 companies and research institutes from nine countries, including Canada. *Enviro-Shiga* is one of Japan's largest trade exhibitions for the environmental sector and has contributed to many successful business outcomes for small and medium-sized companies.

The Exhibition has been expanding rapidly since its inception in 1998 and, given Japan's recently introduced recycling legislation, will undoubtedly attract even larger numbers of visitors in the future as local government officials seek solutions to their waste management problems.

The Canadian Consulate General in Osaka and the Government of British Columbia organized display areas in a Canadian Pavilion for four Canadian environmental technology exporters: **Enkon Information Systems, Aqua-Plant Construction** (also representing **ADI International Inc., AZCO Industries and Turborator Technology Inc.**), **Hydrogenics Corp.** and **Raax Co. Ltd.** (agents for **Waterloo Hydrogeologic Inc.**).

As an added bonus, the Consulate General organized the Canadian Environmental Business Seminar, held November 14, which featured speakers from Canadian firms on the

forefront of environmental technology. Canadian exhibitors gained a valuable opportunity to meet with representatives from over 60 Kansai companies that were highly receptive to Canadian environmental solutions.

and numerous industries in the Kansai region. In 1984, Shiga Prefecture held the first International Conference on the Conservation and Management of World Lake Environments, and the prefecture continues to be

## Canadian environmental solutions on display Enviro-Shiga 2001 in Japan

Consul General Mackenzie Clugston presided over the official opening ceremony of the Canada Pavilion and offered his congratulations for the pavilion's success.

### Growing waste, growing opportunities

Japan's Kansai region, with a population of 22 million and the world's seventh-largest GDP, provides excellent opportunities for Canadian exporters, in particular small and medium-sized businesses. Kansai's burgeoning economy, however, has also manufactured a host of waste disposal problems. Hence, local businesses are now looking for environmentally acceptable ways to dispose of toxic and hazardous waste, such as PCBs, dioxins and organic waste, as well as technological solutions for emission control, water treatment and wastewater management.

### Environmental responsibility

Japan, home of the Kyoto Protocol, has long been a hub for environmental consciousness. Shiga Prefecture, located in the heart of Japan, is responsible for the environmental health of Lake Biwa, Japan's largest freshwater lake, and an indispensable source of water for 14 million people

an enthusiastic proponent of protecting global freshwater resources.

The conferences are held biannually in locations throughout the world and this year's was held in Shiga from November 11-16. Timed to coincide with the popular *Enviro-Shiga 2001*, the ninth International Conference hosted 3,650 participants from 71 countries.

Canadian participation in such events sends a strong message to the Japanese that Canada is not only a leader in environmental technology, but can also be an important partner in protecting the global environment.

**Enviro-Shiga 2002 will be held at Nagahama Dome from November 6-8, 2002.**

For more information, contact Jean-Pierre Petit, Trade Commissioner, Japan Division, DFAIT, tel.: (613) 996-2467, fax: (613) 994-2397, e-mail: [jeanpierre.petit@dfait-maeci.gc.ca](mailto:jeanpierre.petit@dfait-maeci.gc.ca)



<sup>3</sup> "Mexico exporters hit," Wall Street Journal article reprinted in the Globe and Mail, October 22, 2001.

Liberalization signals a new era

# Romanian telecom

January 2003 — the target date for the complete liberalization of Romania's telecommunications industry — could herald the beginning of the communications era in Romania. Although preparations are already underway, Romania will need foreign investment to help fuel its transition into a modern, market-based global economy.

The leisurely pace of development in Romanian telecommunications is picking up. There are a number of signs that market forces will soon be at work: more than 20 licenses for radio frequency (RF) data transmission have been awarded; RomTelecom (the national carrier) and local ISPs have agreed to lower Internet access fees; and RomTelecom has introduced its new DCS-1800 mobile phone service. As market-based operations replace state-run monopolies, the Romanian government is hoping to attract the attention of foreign investors.

## Mobility the new watchword

In 1999, mobile telephony was Romanian telecom's star performer, with the number of subscribers reaching 1.4 million, an increase of 110% in one year. The predicted 12-15% growth rate is one of Europe's highest.

**RomTelecom** — Despite over US\$1 billion spent in upgrades to network infrastructure, only 19% of Romanians have regular telephone service. The quality of service remains poor, even by emerging market standards, and the average waiting time for service installation is three years.

**Telemobil** — The company has introduced the SunTel service using Low Emission Mobile System technology.

**MobiFon** — Company shareholders include TIW (Telesystem International Wireless) of Canada (54.7% of shares). By the end of 2000, MobiFon had signed up over one million customers for its Connex GSM network services.

**MobilRom** — The company finished 2000 with over one million customers.

**CosmoRom** — Owned and operated by RomTelecom, the company launched its DCS-1800 service in May 2000 and is currently vying with MobilRom for leadership in mobile telephony.

## EUROPE

### Cable operators tuning up

The local industry has enjoyed outstanding success over the past decade, with companies offering a range of bundled services including programming, data transmission and Internet access. More than 1,400 licences have been issued, some 250 companies are now in business, and sales reached US\$100 million, a ten-fold increase in the last four years. Almost one-half of Romanian households subscribe to cable television, paying monthly fees as low as US\$3.

With direct access to households affording them national coverage, cable television operators are uniquely positioned to capture market share.

### Internet and data transmission

Using the Internet is expensive in Romania: the cost of a PC is so high that only 3% of Romanians can afford to own one and 20 hours of online time costs one-third of the average monthly wage.

Independent ISPs offer a variety of service modes, including dial-up or leased lines, fibre optic cable and radio frequency (RF).

### Canadian voice

**Connex (MobiFon SA)** — For the third straight year, Canadian-owned

MobiFon was voted the best company operating in Romania by the Romanian monthly *Business Central Europe*. The company offers a full range of services to over a million Connex voice network customers.

**Teleglobe Inc.** — After 20 years in the Romanian market, Teleglobe has opened a local office and now offers a range of cable and satellite services.

**Data Trans Ltd.** — The Canadian-funded company designs networks and distributes networking and communication equipment throughout Romania and surrounding countries.

### Gearing up for the future

Major telcos and equipment manufacturers are preparing for 2003 by expanding infrastructure and restructuring internal operations.

**Agentia de Telecomunicatii (CFR-ATCFR)** — is currently upgrading and expanding its fibre optic network.

**Radiocomunicatii** — operates microwave systems and is adding new services to remain competitive.

**Alcatel Network Systems Romania (ANSR)** — is installing 650,000 new digital lines.

**Intrarom** — is installing two million digital lines.

**Electromagnetica** — has restructured and is now involved in joint ventures with foreign firms.

**ICME Ecab** — is currently upgrading its fibre optic capabilities.

**Ericsson** — is manufacturing five million mobile phones.

**Cisco Systems Inc.** — is involved in large communications projects, including e-business ventures.

For more information, contact Corina Stanescu, Commercial Assistant, Canadian Embassy, Bucharest, tel.: (011-40-1) 307-5093, fax: (011-40-1) 307-5015, e-mail: [corina.stanescu@dfait-maeci.gc.ca](mailto:corina.stanescu@dfait-maeci.gc.ca) Web site: [www.dfait-maeci.gc.ca/bucharest](http://www.dfait-maeci.gc.ca/bucharest) ✪

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

— Continued from page 1

president of the CSEA at the time. That visit led to an almost text-book-like sequence of export market development — with the Canadian Embassy in Moscow playing a pivotal role — that resulted in the first-ever Russian order of Canadian breeding swine.

### Preliminary research

Richard Stein's fact-finding tour provided valuable insight into Russian market conditions.

"I learned that Russia is currently suffering a serious shortage of meat, pork in particular, that started long before last year's hoof-and-mouth disaster," explains Stein. "The swine population in Russia had already been reduced 10-fold over the last decade so that meat prices are now simply out of the average Russian's reach."

Stein emphasized that chronic underproduction by Russian pork producers, combined with the reduced role that European suppliers now play, has left the market wide-open for Canadian swine producers.

### "The Russians are coming"

As well as providing a view of the market, the CSEA tour netted several agreements to explore future business opportunities and laid the groundwork for a return visit that took place from June 20 to July 2, 2001 which introduced the Russians to 19 industry players from Manitoba and Ontario.

The CSEA's well-organized program during that trade mission so impressed the 11-member Russian team that the Russians ordered 535 heads of Canadian breeding swine, worth \$750,000.

### To market, to market

Precisely how did 535 Canadian breeding swine find their way to the Russian market? According to Graham Rush, Minister-Counsellor (Commercial) at the Canadian Embassy in Moscow: "Marina Fomitcheva played a pivotal role in the entire transaction. As Business Development Officer, her tireless efforts, including timely and critical interventions in veterinary matters, logistical arrangements, customer liaison and the air delivery of the swine

to seven different Russian destinations, made the whole deal successful."

The three-month deal, which began in July, concluded at the end of September with the delivery of the breeding swine (both male and female) to seven major joint-stock Russian companies.

### Building interest

In fact, this story of an export "first" in Russia has proven to be such an

# Canadian pig in Russia

excellent promotional tool for both the swine industry and Canadian agricultural technology that it has caught the attention of several elite Canadian agricultural companies that have embarked on fact-finding missions of their own in Russia.

As usual, the Embassy has been there to help with arrangements and was recently engaged in organizing a series of privately funded seminars in various locations in Russia.

### A new chapter

As anyone in the agri-food business knows, exporting breeding stock opens the door to future export business. Furthermore, as Richard Stein observes: "Russia is a gateway to vast markets in the Caucasus, Central Asia and even China which is actively involved in developing trade relations with former Soviet republics." To this end, as a member of the Russian-Canadian Agricultural Working Group (AWG), Stein has become a driving force for future business in Russia.

The following companies are already at work in Russia: **Chisholm, Jamesway Incubator Company, McCain, Maple Leaf, Export Packers, Conicor Group, KMK Management Inc., and Pacific Link Industries Ltd.**

### Lesson learned

Richard Stein offers this advice to Canadian exporters interested in Russia: "Whatever else you do, take the Embassy's advice! We needed the Embassy's business development team at every stage in the process,

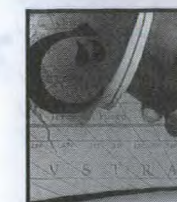
from identifying initial business leads to getting our pigs cleared through Russian customs. Without their help to navigate the extremely bureaucratic Russian system, I think our 535 little pigs would have stayed home."

The one recurring comment from his Russian counterparts that still rings in Stein's ears is "Why didn't you Canadians come here sooner?"

For more information, contact Marina Fomitcheva, Business Development Officer, Canadian Embassy, Moscow, tel.: (011-7-095) 956-6666, ext. 3358, fax: (011-7-095) 232-9939, e-mail: [marina.fomitcheva@dfait-maeci.gc.ca](mailto:marina.fomitcheva@dfait-maeci.gc.ca)

To participate in next month's Team Canada trade mission, see contact information at the bottom of p. 13. ✪

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



THE CANADIAN TRADE SERVICE

## Showcase your business abroad!

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



## Kraus helps clean up New Delhi air

Winnipeg-based **Kraus Group Inc.**, a manufacturer of transportation refueling systems, has won a \$8-million contract with Indraprastha Gas Ltd. (IGL), New Delhi, for the design, manufacture, supply and installation of 15 compressed natural gas (CNG) refueling stations in India. The new deal, which was facilitated by Manitoba Trade and Investment, marks the first major sale of Kraus alternative fuels equipment to this enormous market. The company's high technology environmental equipment is already helping to clean the air in other major global centres such as Mexico City, Cairo and Beijing.

IGL is part of a nationwide effort to reduce air pollution in India's major centres by converting urban transportation to clean-burning fuel.

## Foresight in Bangkok

The National Research Council of Canada (NRC) and the Asia-Pacific

Economic Cooperation (APEC) Centre for Technology Foresight recently launched the Internet-based **APEC Technology Foresight Network (ATFN)** in Bangkok. The new network will facilitate the exchange of ideas, information and expertise among foresight experts in order to stimulate the development of new techniques and best practices in the foresight field.

The APEC Centre for Technology Foresight is hosted by Thailand's National Science and Technology Development Agency (NSTDA) which has a longstanding relationship with the NRC involving technical support to industry and the promotion of international science and technology cooperation.

## New sewage strategy for Bombay

The sewage problem in Bombay is growing and so is the market for solutions. The Municipal Corporation of Greater Bombay has awarded a US\$5-million contract to **R.V. Anderson Associates Ltd.** (<http://rvanderson.com>) and Mott MacDonald of the U.K.

to develop a 25-year master plan for sewage collection, treatment and disposal. The joint-venture team will be assisted by Indian partners PHE Consultants Ltd. and Mahindra Acres Consulting Engineers Ltd.

In addition to its work in Bombay, R.V. Anderson's subsidiary Anderson Operations Inc. has recently undertaken a project, with the support of the Canadian International Development Agency (CIDA), for Karnataka Urban Infrastructure Development Finance Corporation (KUIDFC) to provide training support and operations assistance for five wastewater and water treatment facilities.

## PAS selects Bombardier

**Bombardier** ([www.bombardier.com](http://www.bombardier.com)) has won a \$30-million contract to supply two 50-seater Q300 regional jets to Petroleum Air Services (PAS), Egypt, with the potential to sell five more planes. The Canadian Embassy in Cairo contributed to this successful transaction by actively promoting Bombardier to PAS. ✪

(representing Prime Minister Zhu Rongji), Mr. Alferov rivetted attention with his public proposal that Russia, China and India cooperate to improve their crop yields and the efficiency of food production through the use of genetically modified organisms (GMO). Canada was represented at the forum last year by Wilkin Chen, Vice-President of Nortel Networks (China) and Managing Director of Guangdong Nortel. This year, Canada's 13 year old CEO Keith Peiris of London, Ontario-based Cyberteks Design was a hit with the television and print media.

The **fourth China High-Tech Fair** will be held **October 12-17, 2002** in **Shenzhen**.

For more information, contact Gretchen Bozak, Senior Trade Commissioner, Canadian Consulate General, Guangzhou, tel.: (011-86-20) 8666-0569, fax: (011-86-20) 8667-2401, e-mail: [gretchen.bozak@dfait-maeci.gc.ca](mailto:gretchen.bozak@dfait-maeci.gc.ca) Web site: [www.canada.org.cn](http://www.canada.org.cn) ✪

## 2001: the "Year of Success"

This year's Fair attracted record numbers of visitors and produced deals worth some US\$10.4 billion — a significant increase over last year. A high-tech forum included seminars chaired by executives of corporations, scholars and government officials on the forefront of technology. Hot topics this year were new venture capital markets, future development of information technology, and bio-tech in the new century.

The roster of speakers was double that of last year and included Nobel Laureates such as Hartmut Michel (on GMO), Zhores Alferov (on ICT), Robert Mundell (on venture capital), as well as chief scientists from the UK Biotechnology and Biological Sciences Research Council (BBSRC), Syngenta UK, and Stanford University. During the special audience with State Councillor Wu Yi

## China High-Tech Fair 2001 — Continued from page 7

General in Guangzhou has twice been singled out for Excellent Organization. Participants this year included **Nortel Networks, Nordx/CDT, Advantech Advanced Microwave Technologies Inc., AMA Infotech Development Inc., Eicon Networks, Evans Consoles Inc., Harris Corporation-China, Hummingbird Ltd., Norva Technologies Incorporated, Pace Integration Inc., Access Career Centres, Eduserve China Ltd., Canadian Education Centre, Cyberteks Design** and the **Alberta Government Hong Kong Office**.

ICT will continue to be an important focus for future China High-Tech Fairs, however, the focus will widen to include the bio-technology fields of agri-biotech and pharma-biotech. This shift will reflect new trends within China, as well as Canada's rapidly developing expertise in these fields.

# The film and television market in India

With an annual output of more than 800 feature films, India's "Bollywood" is renowned as one of the world's most prolific film industries. India's television industry is also drawing increased international attention, having transformed from a "one-government-channel universe" to a carrier of more than 40 privately owned satellite channels. Worth approximately US\$3.5 billion, India's entertainment industry offers tremendous opportunity to Canadian companies.

## Indian film production in Canada

Indian film producers increasingly use Canada as a site for shooting feature films. As foreign box office markets, including Canada, gain in importance for Indian films, several producers are filming lengthier portions of story elements abroad. Canada's large Indo-Canadian communities allow Indian producers to hire many secondary actors, dancers, crew, even catering services for their productions — an advantage not found in other foreign locations. Canada's well-developed film infrastructure also offers state-of-the-art equipment and processing facilities for Indian producers to enhance their productions in a cost-effective manner.

## Television programming

India has an estimated 50 million TV households. Cable industry penetration, estimated at 35 million households, is expected to grow two-fold in the next five years. There is a pressing

demand for programming, including English-language television serials and films. Of particular interest would be historical, documentary, natural science and educational programming.

## Canada-India cooperation in animation

Canada-India cooperation naturally exists in animation, as Canada is the world's second-largest producer of animation, and India is emerging as a key player in animation outsourcing. Currently, several Canadian companies are outsourcing portions of their cell and computer animation work to Indian companies.

Another development in this area is the planned establishment of a Computer Animation Training Academy in Mumbai by Modi Entertainment in partnership with the Vancouver Film School. The school will teach animation to approximately 700 full-time students, using the latest equipment and software. As India trains more animators, Canadian outsourcing will increase and will provide Canadian companies with distinct international cost advantages.

## Marketing value-added services in Canada

The logical growth pattern in this sector is to encourage Indian producers to use special effects and other value-added production services in the course of their filming in Canada. A recent South Indian production shot numerous sequences in Vancouver and Whistler, and was one of the few Indian films to employ Canadian stunt talent and animal actors. Feature films such as *Nayak* and *Indian* have also used Canadian special effects facilities and stunt personnel. As well, Indian producers, while shooting in Canadian locations, have used lab processing facilities in Canada to achieve better quality prints of their films.

## Increasing Canada-India film and television linkages

To facilitate bilateral productions, Canada and India are currently discussing prospects for a Film and Television Co-Production Treaty.

For more information, contact our officers in Canada, e-mail: [psa@dfait-maeci.gc.ca](mailto:psa@dfait-maeci.gc.ca) or in India, e-mail: [amarjeet.rattan@dfait-maeci.gc.ca](mailto:amarjeet.rattan@dfait-maeci.gc.ca) ✪

## Trade mission to Russia and Germany

— Continued from page 1

companies exist in many sectors, in particular oil and gas, agri-food, energy, mining, construction, transportation, information and communications technologies, and educational services.

Germany, with 82 million affluent consumers and a highly advanced industrial structure, offers unparalleled opportunities for Canadian businesses. As the world's largest importer and third-largest economy, Germany also provides strong links to both Western and Eastern Europe.

In 2000, Canada's two-way trade with Germany reached nearly \$11 billion. Germany and Canada are also key investment partners, with over \$10 billion invested between the two countries. Team Canada will visit Berlin, which is experiencing a dramatic renaissance as a centre for political decision-making, culture and new media, and Munich, headquarters to some of Germany's most important businesses. Opportunities for Canadian businesses exist in many

sectors including information and communications technologies, construction, environmental industries and technologies, transportation, energy, agriculture and agri-food, health and financial services, and educational technologies and services.

For more information on how to become a **Team Canada 2002** participant, contact the Team Canada Division at the Department of Foreign Affairs and International Trade, tel.: (613) 944-2520, fax: (613) 996-3406, e-mail: [team-equipecanada@msn.com](mailto:team-equipecanada@msn.com) Web site: [www.tcm-mec.gc.ca/welcome-e.asp](http://www.tcm-mec.gc.ca/welcome-e.asp) ✪

Every year, the **Canada Export Awards** congratulate outstanding Canadian companies for their talent and innovative spirit in exporting. These companies are international ambassadors, presenting Canada as a nation of ideas, innovation and quality. Since 1983, the Awards have honoured more than 200 companies for successfully expanding their businesses beyond Canada's borders.

## The Canada Export Awards

# Recognizing excellence in exporting

The nomination and application period for the 2002 program has begun. If you know of a deserving firm, please nominate them. If you are a Canadian company that has actively exported for at least three years, you are eligible to apply.

Throughout the year, finalists and winners are recognized in the national media for their achievements and their contribution to the success of the Canadian economy. Acknowledged

as the country's top exporters, the recipients of the awards will be honoured at the annual convention of **Canadian Manufacturers & Exporters**, which, this year, will take place on October 7 in Vancouver.

To nominate a company, send the company name, address, contact and e-mail address to the following: **Lucille Latremouille-Dyett**, Canada Export Awards Officer, DFAIT, tel.: (613) 944-2395.

To obtain an application form or further information, consult the

The publicity generated by this award has been fantastic and has further raised our profile and credibility both domestically and internationally. We have received notes of acknowledgments and congratulations from all parts of the world and, more importantly, the morale of our employees has been lifted at a time when it's most needed.

Frank Delfino  
President  
Canadian and International Markets  
**Teknion Corporation**  
Exporter of the Year 2001

Canada Export Awards Web site  
[www.infoexport.gc.ca/awards-prix](http://www.infoexport.gc.ca/awards-prix)

We encourage companies to submit their applications by e-mail. If you do not have access to the Internet, you can contact **Lucille Latremouille-Dyett**, Canada Export Awards Officer, DFAIT, tel.: (613) 944-2395.

The deadline for applications is **March 31, 2002**. \*

Fund has invested over US\$2.75 billion toward eliminating biodiversity losses, climatic changes, depletion of the ozone layer, degradation of international waters, and deforestation.

For more information, contact **Aude Perron**, World Trade Centre Montreal, tel.: (514) 849-8811 or 1-877-590-4040, e-mail: [aperron@wtcmontreal.com](mailto:aperron@wtcmontreal.com) or for the Quebec City region: **Nathalie Plante**, Société de promotion économique du Québec métropolitain, tel.: (418) 681-9700, e-mail: [nplante@speqm.qc.ca](mailto:nplante@speqm.qc.ca) \*



IFInet is your Internet gateway to procurement business funded by international financial institutions (IFIs) and UN agencies.  
[www.infoexport.gc.ca/ifinet/menu-e.asp](http://www.infoexport.gc.ca/ifinet/menu-e.asp)

## Trade Mission to the UN on the environment sector

**NEW YORK, NEW YORK** — February 12-13, 2002 — The World Trade Centre Montreal ([www.wtcmontreal.com](http://www.wtcmontreal.com)), with the collaboration of Team Canada Inc ([http://exportsource.gc.ca/index\\_e.cfm](http://exportsource.gc.ca/index_e.cfm)) and the Société de promotion économique du Québec métropolitain [Greater Quebec Economic Development Corporation] ([www.speqm.qc.ca](http://www.speqm.qc.ca)), is holding its second trade mission to the United Nations for suppliers of goods and services in the environment industry.

Participants will gain an understanding of bidding and contract-awarding procedures and be able to establish contacts through networking and one-on-one meetings.

Priority sectors include the atmosphere and energy efficiency, water and ecosystem management and protection, waste management,

and the fight against deforestation and desertification.

Participants will meet representatives responsible for managing projects from the UN Environment Program ([www.unep.org](http://www.unep.org)), UN Development Program ([www.undp.org](http://www.undp.org)), UN Office for Project Services ([www.unops.org/web\\_forms/welcome.htm](http://www.unops.org/web_forms/welcome.htm)), and Department of Economic and Social Affairs ([www.un.org/esa/desa.htm](http://www.un.org/esa/desa.htm)).

Through its various agencies, the UN develops worldwide programs geared toward protection of the environment. For example, the Multilateral Fund for the establishment of the Montreal Protocol aims to eliminate substances that deplete the ozone layer. Between 2000 and 2002, it has provided UN agencies with almost US\$440 million for projects of all sizes. Since 1998, the Global Environment

## Upcoming trade shows and conferences

For the full details on the following events, see **Canadexport on-line** at [www.infoexport.gc.ca/canadexport](http://www.infoexport.gc.ca/canadexport) and click on "Trade Fairs and Missions" or visit [www.dfait-maeci.gc.ca/arts](http://www.dfait-maeci.gc.ca/arts)

**MUMBAI, INDIA** — February 5-8, 2002 — **NASSCOM 2002** will be the largest information technology event ever held in India, and will bring together the key players of the Indian information technology, e-commerce and telecommunications industries, as well as international IT experts. It will comprise seminars, buyer-seller meetings, a technology summit, an IT-enabled services forum and a country perspective forum.

**CAPE TOWN, SOUTH AFRICA** — February 12-14, 2002 — **Indaba 2002** is a mining conference aimed at companies interested in mining exploration and development in Africa. Sponsored by Natural Resources Canada, Export Development Canada and the Department of Foreign Affairs and International Trade, this event will be attended by international mining executives and Ministers of Mines from across Africa.

**MOSCOW, RUSSIA** — February 25-28, 2002 — The **Plastics Industry Show 2002** will take place in conjunction with **Tires & Rubber 2002**, both sponsored by various Russian and Moscow governmental organizations. The **Plastics Industry Show** will feature machinery and equipment; tools and moulds; accessories; injection moulding machines; packaging machines; and recycling.

**Tires & Rubber 2002** will showcase rubber manufacturing; rubber industrial products and technologies; tire manufacturing machinery and raw materials; tires, including repairs and recycling; research programs and information technologies.

**SEOUL, KOREA** — February 26-March 1, 2002 — **ExpoComm 2002** is the major telecommunications show in Korea, and is expected to attract over

500 companies from 40 countries and more than 60,000 visitors. Korea's wireless sector is booming, and the country holds the record for the highest broadband Internet penetration rate in the world.

**BARCELONA, SPAIN** — March 4-8, 2002 — Considered one of the most comprehensive food and beverage exhibitions in the world, the 14th **Alimentaria International Food and Beverage Exhibition** will feature 3,000 exhibitors from 51 countries, and more than 117,000 visitors from 98 countries are expected to attend. The Canadian Embassy in Madrid will again organize a Canadian pavilion for the show.

**MONTREAL, QUEBEC** — March 5-6, 2002 — The **International Building and Design Show** is the only trade event in Canada exclusively for industry professionals. The show features all the major sectors of design plus residential, commercial and industrial construction, including building/housing systems and technology, doors and windows, furnishings, environment, healthy materials and renovation.

**TOKYO and OSAKA, JAPAN** — March 13 and 15, 2002 — Canadian new media developers are invited to explore the Japanese market at the **Canadian New Media Showcase**. During this two-day event, four to eight Canadian companies in each city will present information on their companies and products to key representatives of the Japanese industry, including Hitachi, SONY and Toshiba. Targeted recruitment will be undertaken by the Canadian Embassy and Canadian Consulate General in Osaka, together with Japanese new media and IT associations.

**LONDON, U.K.** — March 17-19, 2002 — The **London Book Fair** is a major feature of the international publishing calendar, and attracts more visitors and exhibitors each year.

**SEOUL, KOREA** — March 18-19, 2002 — **Food Showcase Korea** will occur the week following **Foodex** in Japan, and is the major venue to promote food products to Korean importers. Korea is one of the most dynamic Asian economies.

**TEL AVIV, ISRAEL** — March 19-21, 2002 — **Bio-Tech Israel 2002, National Biotechnology Week, Conference and Exhibition** — The Canadian Embassy in Tel Aviv, in cooperation with Technology Partnership Canada and Industry Canada, is planning a number of activities in conjunction with this event, including a partnering event for Canadian biotech companies with Israeli counterparts.

**LONDON, U.K.** — April 5-6, 2002 — The **British and International Franchise Exhibition** focuses on quality franchisors accredited by the British Franchise Association. As well as face-to-face meetings with franchisors, visitors will have the opportunity to obtain free advice from leading banks, solicitors and franchise consultants.

**CAIRO, EGYPT** — April 9-11, 2002 — **Middle East and Africa Ports and Maritime Exhibition and Conference** will showcase technological advancements in the ports and maritime transport sector and is expected to be regarded as one of the leading events of its kind. The event coincides with substantial investment and major reforms in the Middle East and Africa, as well as the Egyptian government's plans to build new ports and modernize existing ports.

**DAKAR, SENEGAL** — April 9-12, 2002 — The international agri-food fair, **SIAGRO 2002**, will showcase new production, processing, packaging

*Continued on page 16 - Upcoming*

## Upcoming trade shows and conferences

— Continued from page 15

and conservation technologies for agri-food raw materials, farming (dairy and poultry) and fisheries.

**BOLOGNA, ITALY** — April 10-13, 2002 — The **Bologna Children's Book Fair** is the major international event for children's publishing.

**GLASGOW, SCOTLAND** — April 18-20, 2002 — **Aquaculture International 2002** will cover all aspects of cold water aquaculture, including salmon and shellfish, and will feature exhibits of all types of equipment and services for this industry.

**GLASGOW, SCOTLAND** — April 18-20, 2002 — **Fishing**, Europe's premier commercial fisheries trade fair and largest gathering of fishing professionals, attracts over 10,000 visitors each year from 38 countries and approximately 400 exhibitors from 20 countries. **Fishing 2002** will include a vast range of equipment and services.

**MUSCAT, OMAN** — April 21-24, 2002 — The **Oil & Gas West Asia Conference and Exhibition** is the only energy event that brings together the interests of this region's producers and refiners. **OGWA 2002** will focus on the revival of the Oman oil industry through new national and commercial investment programs, and the participation of key West Asian nations — India, Iran and Pakistan.

**TOKYO, JAPAN** — May 15-17, 2002 — **International Food Ingredients and Additives Exhibition** — October 9-11, 2002 — **Health Ingredients Japan** — Agriculture and Agri-Food Canada and the Department of Foreign Affairs and International Trade are organizing Canadian participation in these two events, which are the major shows in these sectors in Japan with over 500 exhibitors between them. Japan is the third largest food ingredient market in the world, and one of the most developed markets for bioactive ingredients, functional foods, and nutraceuticals.

**LONDON, U.K.** — May 21-23, 2002 — **London International Wine Trade Fair** is recognized as the U.K.'s most important trade event for the wine and spirit industry. The 2001 show had representation from 33 wine-producing countries and attracted a large number of international visitors, reinforcing the show's status as a global tasting arena for buyers.

**SYDNEY, AUSTRALIA** — May 28-30, 2002 — **CeBIT Australia** is Australia's premier information and communications technologies (ICT) exhibition and conference. Based on **CeBIT Hannover**, **CeBIT Australia** is expected to draw more than 12,000 visitors including decision makers involved in specifying, recommending or approving the purchase of ICT.

**MELBOURNE, AUSTRALIA** — June 2-5, 2002 — Following the success of the 2001 show, held in Sydney, Canadian exporters will be able to participate in **Interbuild Australia 2002**, Australia's largest building exhibition, which showcases the latest in building products and technology for residential, commercial and industrial construction.

**HONG KONG** — June 11-14, 2002 — The 10th Asian International Electrical, Electronic Engineering, Lighting Technology, Ventilation and Heating, and Refrigeration Show, **Asian Elenex 2002**, is the region's leading international electrical engineering show, and highlights all aspects of building and infrastructure projects. This year the show's focus will be on automation.

The 7th Asian International Security, Safety and Fire Protection Show and Conference, **Asian Securitex 2002**, will be held in conjunction with **Asian Elenex**. It is the region's leading international security show, and links the latest high-tech electronics with the newest developments in building-related technologies. In the wake of September 11, the interest should be even stronger.

**ALGIERS, ALGERIA** — June 13-24, 2002 — The 35th **Algiers International Fair (FIA)** will offer Canadian companies opportunities to enter the Algerian market. (Algeria is Canada's largest trading partner in the Middle East and North Africa.) An internationally renowned multisectoral exhibition, the 2001 show featured 1,500 exhibitors and attracted more than 500,000 visitors. 🍁

### Enquiries Service

DFAIT's Enquiries Service provides counselling, publications, and referral services to Canadian exporters. Trade-related information can be obtained by calling **1-800-267-8376** (Ottawa region:

**944-4000**) or by fax at **(613) 996-9709**; by calling the Enquiries Service FaxLink (from a fax machine) at **(613) 944-4500**; or by accessing the DFAIT Internet site at [www.dfait-maeci.gc.ca](http://www.dfait-maeci.gc.ca)

SXCI/B1

1E

1F

Return requested  
if undeliverable:  
CanadExport  
c/o MDS  
2750 Sheffield Road, Bay 1  
Ottawa, ON K1B 3V9

Canada Post  
Agreement Number 40064047