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July 4,
2006
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CANADEXPORT

Min. des Affaires étrangères
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JUL - 4 - 2006

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Volume 24 > Number 12
July 4, 2006

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Ask seven questions when evaluating a foreign supplier

One of the keys to successful exporting is limiting the “unknowns.” For some, this includes foreign suppliers. Success is more likely when Canadian exporters have a sound understanding of all the elements of the export process.

A foreign supplier can play an important role in an export venture. The supplier may be a strategic partner providing a key component of a product or service. This could be a raw material for a processing operation or a value-added item required to make the exportable commodity or service complete. Regardless of the role of the supplier, experts agree that there are seven questions that require thorough answers before an exporter decides to work with a foreign supplier:

What is the company’s history? Exporters can put their research skills to good use to obtain information about the supplier’s reputation and background.

What do you know about the key personnel? All relationships are new at some point and it takes time to reach a level of comfort. Take the necessary time to find out if the supplier is new to the business or an established player. Ask for references and follow up on them. If a supplier has nothing to hide, he or she will not be upset by a few questions.

Does the supplier have experience with Canadian companies? If possible, seek out any Canadian businesses that have worked with the supplier. Ask them about their experiences, both positive and negative.



When it comes to exporting, look before you leap.

Does the supplier have a sound financial history?

While access to information varies from country to country, it is often possible to determine whether a company has had financial difficulties. A financially challenged supplier can create unwanted challenges for exporters.

see page 2 - Grow with you



Foreign Affairs and
International Trade Canada

Affaires étrangères et
Commerce international Canada

Canada

New energy sector opportunities in Germany

Germany's four major energy companies have recently announced plans to spend some \$43 billion over the next six years on the country's energy network—\$14 billion more than expected. This increase may provide opportunities for Canadian suppliers of energy equipment and services, both in traditional and renewable areas.

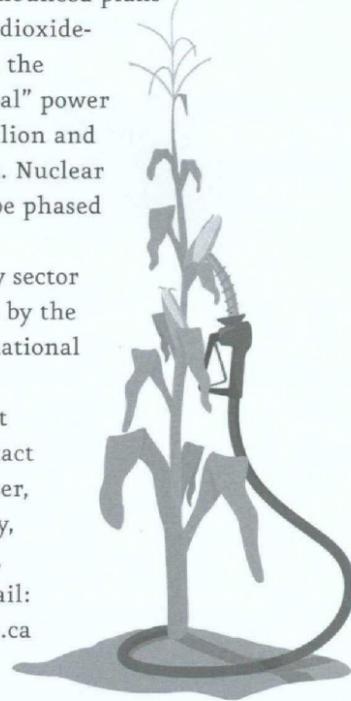
The German government is looking to the renewable energy sector to provide 25% of Germany's energy demands by 2020. Currently, this sector accounts for only 4%. In return, it has pledged to increase funding for energy research and development by one-third to \$2.8 billion by 2009.

Providers of renewable energy sources have indicated plans to invest some \$54 billion over the six years. Opportunities may be found in wind technology, biomass and biofuels, as well as coal-fired power plants. Research and development is also being conducted on the new generation of 700°C plants. Germany's largest

power producer, RWE, has announced plans to build the first-ever carbon dioxide-free coal-fired power plant in the world. The so-called "clean coal" power station will cost about \$1.5 billion and could start operations by 2014. Nuclear energy in Germany is due to be phased out by 2021.

More information on energy sector opportunities should be available by the end of 2006, once Germany's national energy policy is finalized.

For more information about Germany's energy sector, contact Bruno Wiest or Steffen Preusser, Canadian Embassy in Germany, tel.: (011-49-30) 20-312-363/365, fax: (011-49-30) 20-312-363, email: bruno.wiest@international.gc.ca or steffen.preusser@international.gc.ca.



Grow with you - continued from page 1

What is the operational capacity of the supplier? It is important to work with a supplier that can meet and grow with exporter demands. Take the time to ask about the supplier's facilities and capabilities.

What terms and pricing are they offering? In most business sectors, there are competing firms. If one supplier seems unreasonably expensive, there is nothing preventing exporters from conducting some price comparisons. Ultimately, the costs associated with suppliers must be in line with financial projections in the export plan.

Are they prepared to offer any additional support? All business relationships should be mutually supportive. It is important to feel that a foreign supplier has the exporter's best interests in mind. Whether it is a co-promotional opportunity or an unexpected change to an order, it is reassuring to know that a supplier will work with exporters, not against them.

For more information on all aspects of exporting, go to Team Canada Inc's website at www.exportsource.ca, or call the Export Information Service at 1 888 811-1119.

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For address changes and cancellations, return your mailing label with changes. Allow four to six weeks.

Publication Mail Agreement Number: 40064047

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Fax > (613) 992-5791
canad.export@international.gc.ca

Return undeliverable Canadian addresses to:
CanadExport (CMS)
125 Sussex Drive
Ottawa, ON K1A 0G2



CanadExport is published twice a month by International Trade Canada's Communications Services Division.
Circulation: 54,000

CanadExport paraît aussi en français.
ISSN 0823-3330

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Hong Kong gateway has many advantages

Exporters looking to expand their R&D capabilities into Asia should look to Hong Kong as the place to start.

"With five major universities, five specialized R&D centres, two high-tech parks and numerous private and government organizations doing research or providing support to science and technology, Hong Kong offers a full range of facilities," says James Gilmour, Vice-Consul and Trade Commissioner with the Canadian Consulate General in Hong Kong. In 1999, Hong Kong launched the Innovation and Technology Fund which provides \$710 million to projects that contribute to its innovation and technology industry.

Gilmour says that while Hong Kong universities and organizations cover the full spectrum of R&D, most opportunities are in biotechnology, health and pharmaceuticals, including Chinese medicine. There are also opportunities in nano-technology, advanced materials, ICT, textiles and clothing, automotive parts, and logistics and supply chain management.

Hong Kong is strategically located as a gateway to China and Asia and is within five hours of half of the world's population. "Hong Kong businesses are well connected to facilities in mainland China and Asia, and they offer high-tech equipment and infrastructure not available in other regions," says Gilmour.

Moreover, English is widely spoken and many Hong Kong researchers have worked, studied and taught in Canada, and companies are looking for strategic partnerships, education exchanges and professional internships.

For more information, contact James Gilmour, Canadian Consulate General in Hong Kong, tel.: (011-852) 2847-7414, fax: (011-852) 2847-7441, email: james.gilmour@international.gc.ca, website: www.dfait-maeci.gc.ca/asia/hongkong.

Thailand opens border to Canadian beef

Boneless beef and beef products from Canada may be exported to Thailand now that terms of an export certificate have been finalized. This ends the ban imposed three years ago after a case of mad cow disease was detected in Canada.

With any luck, Thailand's decision could open doors for Canadian beef exporters to other valuable markets in Asia. Since fall 2005, the two countries have been working together to pave the way for Canadian exporters of beef and beef products to take advantage of new market opportunities in Thailand. Following a series of reciprocal visits, Thailand agreed to allow the importation of Canadian beef and beef products from cattle under 30 months of age.

"Resolving market access issues for beef and cattle, based on sound science, is one of the Government's key trade priorities," says David Emerson, Minister of International Trade. "This is an important milestone in our efforts to restore market access for Canadian



Take a number for service?

beef with all of our trading partners and is good news for the Canadian beef industry."

Thailand is the latest in a growing number of countries to recognize the effectiveness of Canada's mitigation measures against the disease and to resume trade in beef and beef products. However, the markets of South Korea, Taiwan and China still maintain restrictions. It is hoped that Thailand's decision could send an important message to these countries.

For more information, go to www.itcan.gc.ca and www.agr.gc.ca.



Virtual Trade Commissioner
Access a World of Trade Knowledge

Our services abroad for Canadian business clients

Whether you are ready to ship your latest products to Buenos Aires, to meet with a potential investor from Denmark or to enter a technology partnership with a Japanese company, the Trade Commissioner Service is here to help.

Our fields of expertise are trade, investment and science and innovation.

With a network of 900 trade commissioners in 12 regional offices across Canada and in over 140 cities around the world, the Canadian Trade Commissioner Service helps new and experienced Canadian companies that have researched and selected their target markets.

More than 800 members of the Canadian Trade Commissioner Service work for Canadian business all over the world. Knowledgeable of the local customs and business practices, these trade commissioners work with Canadian companies who have targeted their markets, and promote the economic interests of Canada in the global marketplace.

All our offices abroad provide the following six core services to Canadian companies that have researched and selected their target market.

Market prospect

We will help you assess the potential in your target market and provide advice on doing business in the market, including an indication of major barriers, regulations and certifications, as well as suggested next steps.

Key contacts search

We can provide you with a list of qualified contacts in your target market. These contacts have the local knowledge you need to refine and implement your market entry strategy. The list can include potential

buyers and partners, financial institutions, technology sources, agents and manufacturers' representatives.

Local company information

We will provide information on local organizations or companies you have identified.

Visit information

Once you decide to visit the country in which you want to do business, we can provide practical advice on timing and organizing your trip, including lists of local hotels, interpreters and translators, local support services and notification of trade events and activities happening during your visit.

Face-to-face briefing

One of our trade commissioners will meet with you to discuss your future needs, the most recent developments in your target market, as well as a follow-up plan on your visit.

Troubleshooting

We provide advice on resolving market access problems and other business challenges.

For more information, go to www.infoexport.gc.ca and select Our Offices Abroad.

With the Virtual Trade Commissioner, increase your chances of success in markets abroad. This tool provides export services, business leads, market information and direct access to our network of Trade Commissioners in Canada and around the world, as well as our partners' services. To register, go to:

www.infoexport.gc.ca

Export promotion: more funding, more reach

The Program for Export Market Development (PEMD) for Associations will help more Canadian exporters succeed abroad this year following a record funding announcement of \$4.7 million.

The money will go to 64 national trade associations in 16 industrial sectors.

Since 2001, the Government of Canada program has steadily increased in size. As a result of this year's competition, 11 more client associations will benefit from \$1.7 million in additional funding.

The program provides financial support to national sectoral associations on a cost-shared basis for export promotion. The funding allows associations to develop international marketing tools, help Canadian businesses participate in trade fairs and missions overseas, and organize visits by potential international buyers.

In other words, the government program allows small and medium-sized enterprises to benefit from export development activities they would not necessarily be able to undertake on their own.

Benefits may exceed \$20 million

One client association, the Canadian Association of Mining Equipment and Services for Export, is a case in point. Last year, the association helped Canadian companies participate in 12 international trade exhibitions. Organizers estimate that the companies obtained nearly a thousand sales leads at these exhibitions and signed immediate and near-term contracts worth \$9.5 million.

These prospects may exceed \$20 million as business relationships are developed.

"Canada's prosperity hinges on our businesses succeeding in the global economy, and our trade associations have become a significant resource to help them succeed," says David Emerson, Minister of International Trade, who announced the funding at the Canada Export Centre in Vancouver (see box). The government's funding is expected to result in millions of dollars in increased sales and prospects for future sales. Given the program's success, it was

renewed in 2004 for another five years—good news for Canadian exporters.

For more information about the Program for Export Market Development for Associations, go to www.international.gc.ca/pemd.

Canada in a showroom

Located within two blocks of the World Trade Centre and the Vancouver Convention and Exhibition Centre, the Canada Export Centre is a permanent and high-profile export sales and exhibition facility. Showcasing hundreds of Canadian products and services, this facility is Canada's only permanent export-focused trade show.

Opened last year, the centre supports Canada's exporters by attracting inbound trade delegations and visiting business people looking for trade opportunities. In its first year of operation, the centre generated over \$54 million in contracts for its exhibitors.

The centre will soon be the site of a partnering project between the Program for Export Market Development (PEMD) for Associations and its clients. The associations will use PEMD funds to showcase their members and sectoral capabilities to the constant influx of international delegates and business people.

For more information on the Canada Export Centre, go to: www.canadaexportcentre.com.



Playing to win at computer fair

Tokyo, September 22-24, 2006 > Canadian companies with cutting edge development tools, middleware, hardware and software can showcase their products at the **Tokyo Game Show**, an international trade fair featuring the latest trends in computer entertainment.

The fair is the largest event of its kind in Asia, attracting over 200,000 visitors. Canadian game developers can meet with Japanese publishers and digital content managers from industry giants like Nintendo, Sega-Sammy, Nintendo and Sony Computer Entertainment. Japan's major mobile phone carriers—DoCoMo, KDDI and Vodafone—will be there too.

Canada is recognized as a leader in computer graphics technology and organizers say this fair is an opportunity to build on that reputation in Japan. Participants can present their wares to game developers, mobile phone carriers, publishers and other potential buyers. They can also attend a networking reception and take part in one-on-one meetings.

For more information, contact Stéphane Beaulieu, Canadian Embassy in Tokyo, tel.: (011-81-3) 5412-6232, fax: (011-81-3) 5412-6250, email: jpn.commerce@international.gc.ca, website: <http://tgs.cesa.or.jp/english>.

A first for ethnic, specialty and organic foods

Mississauga, September 10-11, 2006 > Canada's \$100-billion food service and retail food industries now have the country's first dedicated trade event for ethnic, specialty and organic foods.

The **Ethnic & Specialty Food Expo** will provide manufacturers, distributors, importers and wholesalers of ethnic, specialty and organic food products access to buyers from retail and food service operations from around the world.

"This show is both for local producers seeking international markets, and for Canadian buyers looking to expand their offerings," says Bob MacGregor, Managing Director of Diversified Business Communications Canada.

"Brazil and Thailand were among the first to join the event, recognizing the value of the Canadian market."

Some unique attractions at this event include a special program that will showcase Canadian start-up companies introducing new food products, and a product-awareness platform designed to facilitate contacts between exhibitors and international buyers. In addition, a U.S. buyer program will be organized by Agriculture and Agri-Food Canada.

For more information, contact Donna Wood, Event Director, tel.: (905) 948-0470, ext. 231, email: dwood@divcom.com, websites: www.ethnicfoodcanada.com and www.divbusiness.com.

Build your business at Mexican housing fair

Mexico City, October 17-21, 2006 > Canadian companies are invited to join the Canadian pavilion at **Expo CIHAC 2006**, Mexico's international building and housing exhibition.

The event attracts more than 70,000 residential building professionals including developers, builders, architects, engineers, contractors, realtors, manufacturers and distributors. Access to this kind of audience can generate sales and allow participants to deepen business relationships with Mexican partners. As part of the Canadian contingent, companies will be profiled in the official Canadian International Builders Show website (www.canbuild.org) and gain access to marketing intelligence.

Canadian Export Development Inc., in collaboration with the Canadian Embassy in Mexico, invites exporters to participate. Space is booked on a first-come, first-served basis.

For more information, contact Robert Grison, Canadian Export Development Inc., tel.: (613) 825-9916, fax: (613) 825-7108, e-mail cced@sympatico.ca.

Set a course for the Americas

Miami, November 8-10, 2006 > This year's **Americas Food and Beverage Trade Show and Conference**—a key event for exporters looking to establish or strengthen their presence in the growing Latin American and Caribbean food and beverage market—will feature a Canadian pavilion.

Canadian companies will be front and centre as they showcase their products and services to key players from 46 countries in the Western Hemisphere. A wide range of

attendees are expected, including distributors, wholesalers, chefs, and buyers from supermarkets, hotels and restaurants.

A visits program and networking event is also being organized so companies can meet with cruise line representatives.

The Canadian pavilion is being organized by Canadian Export Development Inc., in co-operation with the Canadian Consulate General in Miami. Space is booked on a first-come, first-served basis.

For more information, contact Robert Grison, Canadian Export Development Inc., tel.: (613) 825-9916, fax: (613) 825-7108, email: cced@sympatico.ca, website: www.americasfoodandbeverage.com.

Australia gets a taste of Canada

Melbourne, September 11, 2006 > Canadian food and beverage exporters are invited "down under" to participate in **Taste of Canada**, a unique opportunity for companies to promote their products to buyers from Australia.

Participating buyers will come from high-end restaurants, supermarkets and hotels, and will include wholesalers, importers and distributors. The event will

be held in conjunction with Fine Food Australia, the country's largest food industry event which attracts over 28,000 food industry buyers. Register for Taste of Canada by August 1, 2006.

For more information, contact Ilsa Stuart-Muirk, Canadian High Commission in Canberra, tel.: (011-61-2) 6270-4034, fax: (011-61-2) 6270-4069, email: ilsa.stuart-muirk@international.gc.ca.

FACTS & FIGURES

Canadian economy soared in 2005

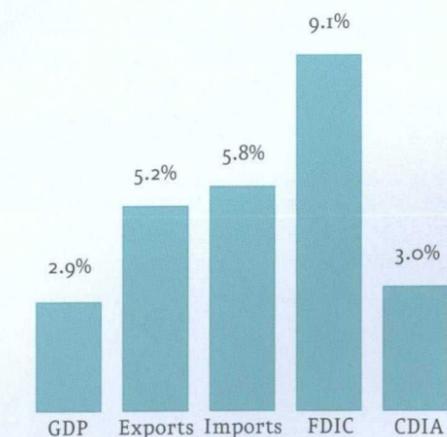
GDP growth came in at 2.9% for the year and unemployment levels dropped to near-record lows. Even with a rising dollar, Canadian exports reached a record high of \$516.4 billion, an increase of 5.2% over 2004.

Exports were particularly strengthened by strong energy exports, which were up 27.9%, a large increase fuelled primarily by higher prices. Imports also increased, rising 5.8% to \$463.1 billion. Foreign direct investment in Canada rose by 9.1%, while Canadian direct investment abroad rose by only 3.0%—the rising dollar led to a decrease in the value of Canadian assets abroad.

For more information on Canada's trade and investment performance, see this year's *State of Trade* publication at www.international.gc.ca/eet.

Provided by International Trade Canada's Current and Structural Analysis Division, Office of the Chief Economist.

Canada's International Trade and Investment Performance in 2005 (annual growth rate)



Data: Statistics Canada

TRADE EVENTS

AEROSPACE AND DEFENCE

New Delhi, December 14-16, 2006 >

Take part in **Aerodrome India**, an international exhibition and seminar on airport infrastructure, security and airport operations. **Contact:** Gurbans Sobti, Canadian Consulate General in Chandigarh, tel.: (011-91-172) 5050-300, email: gurbans.sobti@international.gc.ca, website: www.aerodromeindia.com.

AGRICULTURE, FOOD AND BEVERAGES

Amman, September 19-23, 2006 >

Food Expo, the main food and drink event in Jordan, is a great showcase for innovative manufacturers and a major meeting place for the world's buyers. **Contact:** Flora Hasso, Expo Jordan, tel.: (011-962-6) 582-9771/2/3, fax.: (011-962-6) 582-9774, email: info@expoJordan.org, website: www.expoJordan.org.

BIO-INDUSTRIES

Kuala Lumpur, August 9-11, 2006 >

Biotechnology Asia 2006 will provide in-depth coverage of all aspects of biotechnology and its development in Malaysia and the region, with a special focus on biodiesel, life sciences, nanobiotechnology and pharmaceuticals. **Contact:** Tresha Tan, Canadian High Commission in Kuala Lumpur, tel.: (011-603-2) 718-3356, fax: (011-603-2) 718-3391, email: tresha.tan@international.gc.ca, website: www.biotechexpo.com.my.

FOREST INDUSTRIES

Ho Chi Minh City, August 4-8, 2006 >

International Furniture & Handicrafts 2006 is the largest exhibition of its kind in Vietnam. The organizer will reserve one-third of all booths for foreign exhibitors. **Contact:** Tu Nguyen, Canadian Consulate General in Ho Chi Minh City, tel.: (011-84-8)

827-9899, fax: (011-84-8) 827-9935, email: hochi-td@international.gc.ca, website: www.trade.hochiminhcity.gov.vn.

ICT

Hong Kong, December 4-8, 2006 >

Don't miss **ITU Telecom World**, the flagship event for the information and communications technology sector. The Government of Canada invites exporters to exhibit with the Canadian pavilion and participate in the matchmaking and business facilitation program. **Contact:** Stéphanie Berlet, International Trade Canada, tel.: (613) 996-2974, email: stephanie.berlet@international.gc.ca, website: www.cata.ca/Media_and_Events/ITUtelecom.

ERRATUM

Expo Comm Argentina, a fair for the communications and IT industry, will take place from October 3 to 6, 2006, instead of September 19 to 22, 2006, as reported in the May 15 edition of *CanadExport*.

Contact: Barbara Brito, Canadian Embassy in Argentina, tel.: (011-54-11) 4808-1000, fax: (011-54-11) 4808-1111, email: bairs-commerce@international.gc.ca, website: www.expocomm.com.ar.

MULTI-SECTOR

Ayer Keroh, Malaysia, September 12-15, 2006 >

The **Melaka International Trade & Investment Fair** looks to promote trans-regional trade and direct investment to the region, and participating countries can showcase a wide range of export products, goods and services. **Contact:** Linda Khoo, Canadian High Commission in Malaysia, tel.: (011-603-2) 718-3356, fax: (011-603-2) 718-3391, email: linda.khoo@international.gc.ca, website: www.melakatrade.com.my.

OIL AND GAS EQUIPMENT AND SERVICES

Stavanger, Norway, August 22-25, 2006 >

Offshore Northern Seas 2006 will bring together oil companies, investors, service providers and research organizations for one of the world's leading offshore oil and gas events. **Contact:** John Winterbourne, Canadian Embassy in Oslo, tel.: (011-47-22) 99-53-33, fax: (011-47-22) 99-53-01, email: john.winterbourne@international.gc.ca, website: www.ons.no.

SERVICE INDUSTRIES

Almaty and Astana, Kazakhstan, October 8-11, 2006 >

The **Canadian Education Fair** will give Canadian education institutions an opportunity to attract and recruit students from Kazakhstan in a uniquely Canadian setting. The Canadian Embassy in Almaty is organising this event in partnership with a local educational agency and with the support of Kazakhstan's Ministry of Education. **Contact:** Raushan Nigmatova, Canadian Consulate in Almaty, tel.: (011-732-7) 250-1151, fax: (011-732-7) 258-2493, email: raushan.nigmatova@international.gc.ca.

Kuwait, December 5-7, 2006 >

The **Kuwait Franchising Forum and Exhibition** is a great way for Canadian business people to explore the great franchising opportunities in the Kuwaiti market, especially given the country's economic growth and prosperity. **Contact:** Canadian Embassy in Kuwait, tel.: (011-965) 256-3025, fax: (011-965) 256-4167, email: kwait-td@international.gc.ca, website: www.infoexport.gc.ca/kw, email: mira@gfc.com.kw, website: www.kuwaitfranchising.com.

ENQUIRIES SERVICE

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

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