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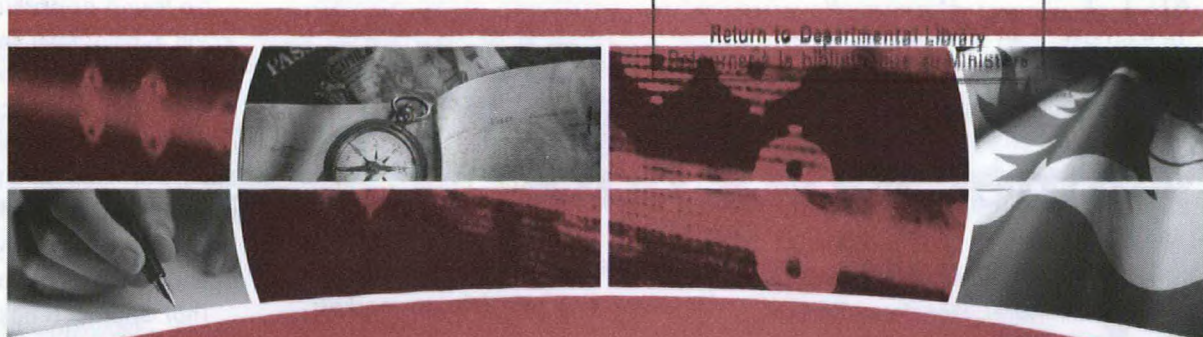
Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Dept. of Foreign Affairs
Min. des Affaires étrangères

JUN 13 2003

Canada



CanadaExpo

Japan International Cooperation Agency

Great opportunities for partnerships

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Canadian consulting firms already successful with multilateral development banks (MDB) know the importance of partnerships. They may, however, be missing a source they have not previously considered: Japan. Teaming up for the long term, Canadian and Japanese consulting firms can open doors for each other to a whole new range of opportunities.

For Canadian firms, opportunities can come through Japanese development assistance organizations such as the **Japan International Cooperation**

Agency (JICA). A new on-line report provides an excellent starting point for learning about the JICA procurement process and identifying potential partners.

Canadians know how to win World Bank (WB) and Asian Development Bank (AsDB) projects, while Japanese companies have shied away from these MDBs. Carrying out a successful MDB-financed project together can pave the way for the Japanese partner to offer subcontracting opportunities for third-country projects funded through JICA.

continued on page 4 — JICA

Canada makes its mark at book fair in Italy



At the Canadian stand in Turin (from left): Nicole Saint-Jean, Association nationale des éditeurs de livres; Linda Cameron, President, Association of Canadian Publishers; and Michael Brock, Director General, International Cultural Relations Bureau, DFAIT.

see story on page 8 — Book

Vol. 21, No. 11
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Supplement
PERU: THE HIDDEN TREASURE
(see insert)

"It takes patience"

A Canada Export Award winner looks back

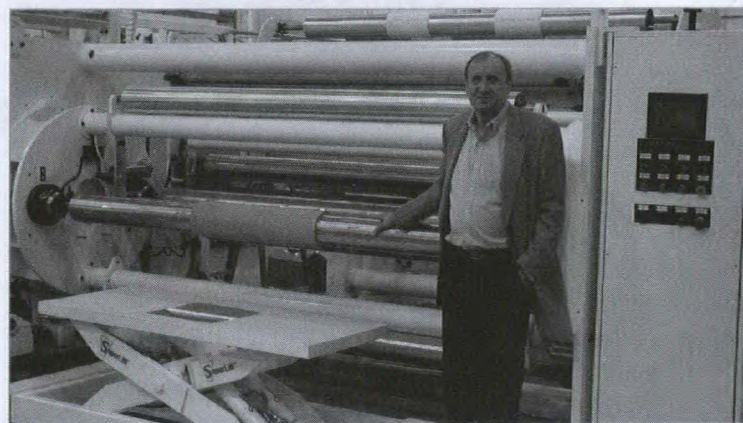
When Czech immigrant Mirek Planeta arrived in Canada in 1974, he was overwhelmed by the generosity of his new colleagues and friends in Burlington, Ontario. Even the plant manager where he first worked loaned him a car to get around. "I wish everyone immigrating had that experience," says Planeta. Now President of Canada Export Award-winning **Macro Engineering and Technology**, Planeta is an example

of an entrepreneur who succeeded by expanding into foreign markets.

Planeta graduated from the University of Prague in 1969 as a chemical engineer, and worked in Czechoslovakia before moving to the United Kingdom and then Canada. "It was not an

He found opportunities in Korea, Japan, China, then Europe, and is now moving into Russia and the Ukraine. He offers some advice for would-be exporters: "Don't get discouraged with the export market. It takes time; you have to be patient. You can't expect to get orders right away. Get a good agent who knows that market."

That approach has been successful for Planeta and his company, which employs 100 people and earns more than \$20 million annually. In Macro's boardroom, the 1995 Canada Export Award is displayed; he says "it impresses people from abroad when



Canada Export Award winner Mirek Planeta, President and founder of Macro Engineering and Technology, at his Mississauga, Ontario, plant.

easy time for me and I did not speak English well then." In 1978, he started Macro Engineering and Technology, now a world-recognized designer and manufacturer of advanced extrusion systems and components for barrier and specialty films.

Although Planeta has received over 30 patents, he downplays his accomplishments, suggesting that in the early days "we went to the customers and asked what they wanted and then built it." He had been relying almost exclusively on U.S. and Canadian sales until tough times hit in 1987, and began looking into exporting overseas. "I thought that if one area of the world is down, there must be another where the economy is up."

they learn we won it." As one of 200 award winners, he is definitely in good company.

The **20th Canada Export Awards** will take place in Toronto on **November 24, 2003**, as part of the **Canadian Exporters Conference**, organized by Canadian Manufacturers and Exporters (www.cme-mec.ca).

For more information, contact Andrew Caddell, Team Canada Inc Trade Liaison Unit, DFAIT, tel.: **(613) 944-0118**, e-mail: andrew.caddell@dfait-maeci.gc.ca or check the Canada Export Awards Web site: www.infoexport.gc.ca/awards-prix/menu-e.htm.

UBC takes technology transfer program to Seattle

The Canadian Consulate General in Seattle collaborated with three local sponsors—Silicon Valley Bank, Grant Thornton Accounting and the law firm of Gray Cary—to host "Tech Transfer: Primed for Evolution," a biotech CEO breakfast program.

The idea came from the critical role that technology transfer programs from local universities play in getting new ideas, science and technology into the market. At the University of Washington (UW), this role has suffered of late, while the **University of British Columbia (UBC)** model is a shining beacon of success, albeit little known in the Seattle biotech community.

The program featured Jim Severson, Vice Provost, Office of Intellectual Property and Technology Transfer from UW, and Angus Livingstone, Managing Director, University Industry Liaison Office (UILO) at UBC. Both set the stage for the process, track record and positioning of each university in their tech transfer offices. A panel discussion then involved two companies—one from Seattle and one from Vancouver—that were formed around university technologies.

By collaborating on this event, the Canadian Consulate General in Seattle was able to build greater awareness in the Seattle area for the UBC UILO office and its outstanding record of commercialization and licensing in the area of life sciences—a worthwhile initiative since UW has come under scrutiny from the local business community for not commercializing a proportionate amount of its research.

UBC's UILO has been instrumental in the creation of a majority of British Columbia's (B.C.) biotechnology companies like **QLT**, **Angiotech**, **Inex Pharmaceuticals** and **Xenon Genetics**, to name a few. Without the UILO's support and guidance for these companies—among many others in their early stages—B.C. would simply not have the biotechnology industry it has today.

At this event, UBC was also able to showcase its leadership position and research and development capabilities and, hopefully, stimulate interest in collaborative research from the local community. More than 60 participants, including company representatives, venture capital firms and the Washington State governor's Executive Policy Office, attended this cross-border event.

For more information, contact Jane Shaw, Business Development Officer, Canadian Consulate General in Seattle, tel: **(206) 770-4081**, fax: **(206) 443-9735**, e-mail: jane.shaw@dfait-maeci.gc.ca.

For more information on UBC's UILO, go to www.uilo.ubc.ca.

Sanctions lifted in Iraq

Reconstruction opportunities for Canada

With the adoption of resolution 1483 on May 22, 2003, the United Nations (UN) Security Council lifted most sanctions against Iraq—with the exception of the arms embargo—while the purchase of oil from Iraq is subject to some conditions under that resolution. Canada is undertaking measures to implement resolution 1483.

Opportunities

Reconstruction efforts in Iraq are at a very early stage and are currently limited to U.S. government-funded contracts, most of which are administered by the United States Agency for International Development (USAID). However, subcontracting for U.S. government reconstruction contracts offers opportunities for Canadian companies. The Canadian Embassy in Washington is following developments closely with U.S. officials and has prepared a Web site to help Canadian exporters pursue potential opportunities (www.dfait-maeci.gc.ca/sell2usgov/iraquaid-en.asp). U.S. officials have confirmed that Canadian bidders are welcome.

California-based Bechtel Corporation has been selected by USAID to lead the design, rehabilitation, upgrading and reconstruction of Iraq's infrastructure. Details are available at the Bechtel Web site at www.bechtel.com/iraq.html.

Canada's role

On May 14, 2003, Prime Minister Chrétien announced that Canada will allocate a further \$200 million to meet humanitarian and reconstruction needs in Iraq, bringing Canada's total contribution to more than \$300 million, and demonstrating Canada's ongoing commitment to the international effort underway to assist the people of Iraq.

continued on page 8 — Iraq

Editor-in-Chief: vacant
Managing Editor: **Louis Kovacs**
Editor: **Michael Mancini**
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Web site: www.dfait-maeci.gc.ca/canadexport

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125 Sussex Drive, Ottawa, ON K1A 0G2

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JICA opportunities — continued from page 1

Providing an edge for success

While Japanese companies are particularly strong in engineering, Canadian suppliers have expertise in the "softer" areas such as health, education, governance, environment and women in development—increasingly important components of MDB and JICA development activities. Proposals for WB and AsDB projects are judged on both technical competence and cost-competitiveness. The addition of Canadian content can help a Japanese business to achieve a more cost-competitive bid, since the Canadian dollar is very attractive compared to the Japanese yen. Canadians can also assist Japanese companies in writing expressions of interest and put together successful proposals (which must be submitted in English).

Huge market opportunity

In turn, JICA-funded projects represent a

huge market opportunity for Canadian consulting firms. JICA is responsible for the technical cooperation aspect of Japan's official development assistance (ODA). Japan offers the most generous development assistance programs in the world, providing nearly one-quarter of the world's total ODA in recent years, accounting for some US\$20 billion annually.

Of most interest to Canadian suppliers are the development study schemes—such as feasibility studies—that JICA employs to plan grant aid or loan-funded follow-up projects. Since JICA contracts only with firms that are incorporated in Japan and pre-registered, subcontracting is the best option for Canadian firms.

JICA report outlines options

A new on-line report prepared by the Canadian International Development Agency, "JICA Contracting of Foreign

Consultants," (www.infoexport.gc.ca/ifinet/jica-e.htm) outlines the JICA procurement process and provides valuable marketing tips and key contacts. The report also lists the top 20 Japanese consulting firms that win 70% of JICA-funded projects.

Once a potential partner has been identified from this list, the Canadian Embassy in Tokyo can facilitate those important introductions, as well as provide tips on business protocol. Companies willing to invest in the effort to visit with Japanese consulting firms active on JICA-funded projects, and develop the trust necessary for successful long-term relationships, have excellent prospects for success.

For more information, contact Masanobu Tsukada, Commercial Officer, Canadian Embassy in Tokyo, tel.: **(011-81-3) 5412-6223**, e-mail: tokyo.er@dfait-maeci.gc.ca, Web site: www.jica.go.jp/english/.

(For the unabridged version, see www.dfait-maeci.gc.ca/canadexport and click on "A Yen for Japan".)

Need financing for an Asian expansion?

Look to Hong Kong

After Japan, Hong Kong is the strongest regional base for private equity funds in Asia. There are several hundred private equity firms in Hong Kong managing about US\$50 billion, or roughly 30% of the total private equity capital pool in the region. Private equity companies provide capital to a variety of businesses from younger to more established companies involved in everything from new technology to infrastructure projects.

But Hong Kong financiers are not lenders of last resort. Hong Kong companies are, however, receptive to financing Canadian companies with a strong Asian connection and strategy.

With the volatility in equity markets in the past year, private equity funds are facing pressure from their own investors to produce better returns from their portfolios. Recently, Hong Kong investors have tended to support later-stage companies—as opposed to start-ups—and aim for management control. Most prefer to invest in more mature companies with proven technology and

clear applications to Asian markets. Referrals from known Canadian or American venture capitalists are very important as most local venture capital firms do not have the resources to review many deals. Referrals from existing investors from earlier rounds are also important.

Find a local partner

Because of its extremely competitive manufacturing base and large domestic market, China is a priority market for many Asian venture capitalists, particularly those in Hong Kong. A

strong local strategic partner is often the key to success, and a venture capitalist can be a partner. Local venture capitalists suggest that Canadian companies should leverage their way to Asian markets using Asia-based manufacturing and/or distribution partners. In China, for example, companies with established distribution networks are actively seeking partners with leading technology to integrate into their products. China also provides a world-class, low-cost manufacturing base in sectors ranging from information technology, to medical devices, health care and processed food.

If you have a proven track record, and if financing is key to your China strategy, look to Hong Kong.

For more information, contact Amy Yung, Trade Commissioner, Canadian Consulate General in Hong Kong, tel.: **(011-852) 2847-7414**, e-mail: amy.yung@dfait-maeci.gc.ca.

June 2003

PERU: The Hidden Treasure

A Country Eager to Attract Canadian Business and Investment

Peru at a glance

GENERAL

Population: 26.7 million (2002e)
Capital: Lima, pop. 8.0 million (2002e)
Pop. growth rate: 1.3% (2000-2015 average)
Total area: 1,285,215 square kilometres
Currency: C\$1=2.38 Nuevo Sol (May 15, 2003)

ECONOMIC

GDP: \$55.6 billion (2002e)
Real GDP growth rate: 4.8% (2002e)
GDP per capita: \$2,076 (2001)
Inflation rate: 2.0% (2002e)
Unemployment rate: 8.9% (2002)

BILATERAL TRADE

Exports to Peru: \$167 million (2002)
Imports from Peru: \$293 million (2002)





Peru's free-market economy and non-discriminatory treatment of foreign investment permits a dynamic and open business environment that increasingly appeals to Canadian companies and investors. Canadian direct investment in Peru is estimated by our embassy at \$3.8 billion (cumulative book value), principally in mining, hydroelectric transmission and printing. More than 70 Canadian companies operate in Peru, and another 200 have local representatives. Peru is Canada's third largest trading partner in the Andean region. Exports to Peru totalled \$167 million in 2002 and imports added up to \$293 million.

Services are playing an increasingly prominent role in Canada's export growth. According to a survey by our embassy in July 2002, exports of services to Peru amounted to about \$96 million in the previous 12 months. Although services exports are related chiefly to mining and capital projects, they also show potential for growth in other sectors such as energy, water and sanitation, telecommunications and security. Investment opportunities exist in agro-industry and aqua-culture.

A geographically diverse country with some 2,000 kilometres of Pacific Ocean coastline, Peru encompasses 84 of the world's known ecological zones. Its significant natural resources include gold, copper, natural gas and vast tropical forests. Fishing and agriculture represent other sources of the country's natural wealth.

Peru is Latin America's seventh largest economy and has a population of 27 million. It offers investors a favourable macroeconomic climate, a stable currency, low inflation and low country risk as measured by the price of its sovereign debt against U.S. Treasury bonds. Peru has managed to maintain a sound economy over the last two years and is now in the midst of a full economic recovery. This has enabled Peru to differentiate itself from other countries in the region, especially given the current political turmoil and economic difficulties experienced by its South American neighbours. Peru boasted the fastest growth in the region last year, with gross domestic product (GDP) expanding 5.2%. Economic trends for 2003 and 2004 also appear positive.

Canada and Peru have been working to strengthen trade and investment ties between our two countries. The Tax convention between Canada and Peru¹, for example, entered into force on February 17, 2003. As well, on August 7, 2002, Canada and the Andean Community countries (Peru is one of five member countries) announced that they would enter into discussions toward a possible free trade agreement.

Canadian companies have been welcomed in Peru. Peruvians still remember Canada's lead role in helping to restore democracy to Peru in 2000. A growing legacy of good corporate citizenship by Canadian companies now in Peru is helping to maintain a warm reception for new players.

¹ Convention between the Government of Canada and the Government of the Republic of Peru for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital.

Peru presents many business opportunities in sectors where Canadian companies have a clear competitive advantage, such as forestry, mining, oil and gas, and information and communications technologies. The services of an agent or distributor are generally required to assist with sales, translation, customs clearance and servicing requirements.



FORESTRY

With the eighth largest forest resource in the world, Peru holds significant potential for the forestry sector. The 72 million hectares of lush Amazon rainforest are one of the country's most important untapped resources: most Peruvian lumber companies operate with outdated technologies, the industry contributes a mere 1% to GDP, and Peru currently has a negative trade balance in this sector. According to FONDEBOSQUE (a local organization dedicated to promoting forestry development), there are few Peruvian companies capable of accessing international markets with value-added products. An investment of some \$640 million is needed to reposition assets for the different stages of harvesting, primary and secondary transformation, transportation and market development.

In 2000, the Peruvian government promulgated a law that increased the size and duration of concessions that could be granted to companies and native groups. In an effort to promote sustainable development, this law requires a grantee to produce a forestry management plan that includes a conservation component and stipulates auditing of the concession every five years. Despite some resistance among loggers who hold smaller concessions, the government has successfully auctioned some 4.1 million hectares and will tender another 5.0 million this year. Peru is now open to foreign investment in this sector. The potential for Canadian exports of technology, equipment and services is quite large.

FONDEBOSQUE has just signed a technology transfer agreement with the Canadian company Forintek. This could mark the start of a closer relationship between Peruvian and Canadian companies.

For more information, contact:
Oscar G. Vasquez
Senior Business Development Officer
Canadian Embassy
tel.: (011-511) 444-4015
fax: (011-511) 444-4347
e-mail: lima.commerce@dfait-maeci.gc.ca

Related Web Site
Forest Development Promotion Fund (FONDEBOSQUE):
www.fondebosque.org.pe

MINING

Peru's mineral endowment is one of the richest in the world. Major minerals produced include copper, gold, zinc, silver, tin and lead. Revenues from mining activities contribute 11% of Peru's GDP, accounting for 50% of Peru's total exports. Peru is Latin America's leading gold producer and the world's seventh largest producer of the precious metal, thanks to the development of the Yanacocha gold mine and Barrick Gold Corporation's Pierina gold mine. Barrick's discovery last year of the Alto Chicama gold deposit in northern Peru has spurred great interest in further exploration for gold. The \$3.68 billion Antamina copper and zinc mine, owned in part by Canada's Noranda Inc. and Teck Cominco Ltd., added 1.4% to Peru's GDP in its first full year of operation and accounted for some \$1,120 million in exports last year.

Over the next decade, Peru's Ministry of Energy and Mines estimates a total of \$24 billion will be invested in exploration and development, mine expansion and new projects, increasing the demand for mining equipment and services. Peru benefits from an efficient mining concession registration system and has legislated safeguards for foreign investors, guaranteeing 100% repatriation of profits, capital and royalties. Peru levies a 12% import duty against most mining equipment, an 18% sales tax on all products and a customs fee ranging between 0.5% and 3.0%.

Canadian companies can sell their mining equipment and services directly to the end user or retain an agent or distributor to assist with translation, customs clearance and servicing requirements. It is advisable to establish a local presence in the market by maintaining a service office or product support warehouse in a city close to mines.

For more information, contact:
Oscar G. Vasquez
Senior Business Development Officer
Canadian Embassy
tel.: (011-511) 444-4015
fax: (011-511) 444-4347
e-mail: lima.commerce@dfait-maeci.gc.ca

Related Web Sites
Department of Energy and Mines: www.mem.gob.pe
National Society of Mining, Petroleum and Energy:
www.snmpe.org.pe

OIL AND GAS

In 2002, Peru produced approximately 95,000 barrels of crude oil per day and had a negative hydrocarbons trade balance of \$787.2 million. With 18 sedimentary basins throughout the country, Peru has an estimated potential reserve of 16 billion barrels of crude oil. The Talara basin has seen the most exploration activity whereas the Marañon and Ucayali basins are at the initial levels of exploration. Peru has launched a campaign to attract new investment and boost development of oil and gas reserves hidden deep in the Amazon jungle and beneath the Pacific Ocean.

The natural gas market holds enormous potential, especially with the development of the Aguaytia and Camisea fields, which have an estimated reserve of 13 trillion cubic feet of

natural gas and 600 million barrels of gas liquids. Upstream development of the \$4.8 billion Camisea project is being carried out by a consortium made up of Pluspetrol of Argentina, Hunt Oil of the United States and SK Global of South Korea. Construction of the pipelines necessary to transport the gas and liquids to the coast is being done by another consortium led by Argentina's Techint, while distribution of natural gas in metropolitan Lima will be carried out by Tractebel of Belgium.



Aguaytia Energy, the main gas producer, is planning to expand its supply to the thermoelectric plant, brewery, saw mills, plywood manufacturing companies and other industries in Pucallpa, the second largest city in the Peruvian Amazon region, located 380 kilometres east of Lima and not far from the Brazilian border.

Perupetro is promoting concessions in 14 offshore and two onshore blocks and will possibly negotiate exploration and development contracts for nine jungle blocks that were returned by other companies after initial exploration. Both the new projects and projects already under development offer good opportunities for Canadian operators and suppliers of equipment and services.

For more information, contact:
Oscar G. Vasquez
Senior Business Development Officer
Canadian Embassy
tel.: (011-511) 444-4015
fax: (011-511) 444-4347
e-mail: lima.commerce@dfait-maeci.gc.ca

Related Web Sites
Department of Energy and Mines: www.mem.gob.pe
National Society of Mining, Petroleum and Energy:
www.snmpe.org.pe

INFORMATION AND COMMUNICATIONS TECHNOLOGIES (ICT)

Overview
ICT is a priority area for the Peruvian government and economy. A key engine of investment growth, technological advance and education, ICT has seen average annual growth rates of 22% over the last five years. Fixed and mobile telephone voice services account for the majority of the ICT sector, but the Internet, high-speed data services for corporate clients and new value-added telephone services are growing rapidly in importance.

The Peruvian market offers interesting opportunities for Canadian companies in the domestic and international long-distance carrier sectors, broadcast services, fixed telephony, wireless communications, Internet, broadband, satellite communications and value-added services. In the e-commerce field, market potential in the medium term is very promising, especially for Canadian firms, since Canada introduced the concept of Public Key Infrastructure (PKI) in Peru and is recognized by Peruvians as a world leader in secure e-commerce.

Peru's ICT sector will continue to expand. As efforts continue to increase telephone density rates and as more Peruvians use the Internet, there is a greater need for a well-developed telecommunications infrastructure. Moreover, as more larger Peruvian businesses become further integrated into the global economy, advanced communications tools will be needed to compete effectively.

Opportunities in corporate training and distance learning

The Peruvian education and training services market offers a number of opportunities for Canadian companies in specific areas such as eLearning, distance education, educational software and professional certification. The Peruvian government's Huascarán Project, aimed at providing Internet access to more than 5,000 of the country's schools, offers significant opportunities for Canadian companies. The market for computer-related training will also offer opportunities in the medium term as computer technology becomes available to more Peruvians. Distance education is still developing in Peru, and there are many applications for Canadian skills, especially in adapting existing technologies to suit Peruvian conditions and developing the capabilities of local educators and trainers. ELearning, in particular, has been identified as a key niche market where Canadian companies may have a competitive edge.

eLearning

Following the success of last year's Canadian Technology Week, the Canadian Embassy in Lima will organize an ELearning Seminar on September 29 and 30, 2003. A number of Canadian eLearning companies will deliver presentations about their products and services and meet with potential Peruvian partners, agents and distributors.

For more information, contact:

Katia Rivadeneyra
Business Development Officer
Canadian Embassy
tel.: (011-511) 444-4015
fax: (011-511) 444-4347
e-mail: lima.commerce@dfait-maeci.gc.ca

Related Web Sites

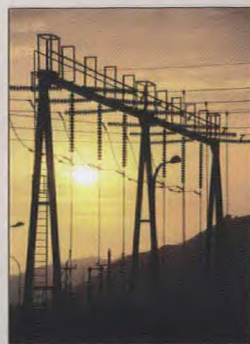
Telecommunications Regulatory Agency: www.osiptel.gob.pe

Department of Transport and Communications:
www.mtc.gob.pe

Department of Education: www.minedu.gob.pe

Huascarán Project:
www.huascarán.gob.pe

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Contacts and Web Sites

The Canadian Embassy in Peru

Street Address:

Calle Libertad 130, Miraflores
Lima, Peru

Mailing Address:

Casilla 18-1126, correo Miraflores
Lima, Peru

Tel.: (011-511) 444-4015

Fax: (011-511) 444-4347

<http://www.dfait-maeci.gc.ca/peru>

E-mail: lima.commerce@dfait-maeci.gc.ca

Hugues Rousseau

Ambassador

Guy Edmond Salessé

Counsellor (Trade and Economic)

Senior Trade Commissioner

Barbara Nadeau

Second Secretary (Commercial)

Trade Commissioner

Marie-Josée Gingras

Trade Commissioner

Bolivia, Ecuador and Peru

South America Division (LSR), DFAIT,
Ottawa

Tel.: (613) 944-7062

Fax: (613) 943-8806

E-mail:

marie-josee.gingras@dfait-maeci.gc.ca

Canada

Department of Foreign Affairs and
International Trade: www.dfait-maeci.gc.ca

Canadian Trade Commissioner Service:

www.infoexport.gc.ca

Industry Canada's Strategis: strategis.ic.gc.ca

Export Development Canada: www.edc.ca

CIDA-Inc: www.acdi-cida.gc.ca/inc

Canadian Commercial Corporation: www.ccc.ca

International Business Opportunities Centre:

www.iboc.gc.ca

Program for Export Market Development:

www.infoexport.gc.ca/programs-e.asp

Team Canada Inc: www.exportsource.gc.ca

Peru

Government of Peru: www.perugobierno.gob.pe

Department of International Trade and Tourism:

www.mincetur.gob.pe

Investment Promotion Agency (ProInversión):

www.proinversion.gob.pe

Canada-Peru Chamber of Commerce: www.canadaperu.org

Commission for the Promotion of Peru (PromPerú):

www.peru.org.pe

Andean Community: www.comunidadandina.org

Newspaper Gestion: www.gestion.com.pe

Newspaper El Comercio: www.elcomercio.com.pe

Prepared by the Canadian Embassy in Peru
and the South America Division



Natural & Organic Products Europe 2003

In April, the Canadian High Commission in London participated for the third year in

Natural & Organic Products Europe 2003 in London. The show is one of the premier events for the natural products industry in the United Kingdom (U.K.) and attracts visitors and exhibitors from all over the world.

Canada had a significant presence again this year with a range of products from all natural cosmetics and toiletries, pure fruit juices and health bars to echinacea throat lozenges. This was the first time the High Commission organized a Canadian showcase whereby companies sent their products and brochures to be displayed at the Canadian pavilion. The display was very well received both by foreign companies looking for new suppliers and by Canadian participants, a sign that such a showcase

may become a permanent feature of the pavilion.

Canadian success

One of the participating Canadian companies, **Canus Goat's Milk**, won the 'Best New Non-Food Product' for its thick, rich body butter. Canus produces



From left: Rick Le blanc, André Beauregard and Claude Beauregard, from Canus, at the Canadian pavilion.

a range of goat's milk products which include fragranced and non-fragranced soap bars, liquid soap, body lotion, body butter, foaming milk bath and a 'li'l goat's

milk' range for children. Recognizing that goat's milk has long been known as a natural skin moisturizer and rejuvenator, Canus began selling its products throughout North America.

The company was created in the mid-1990s by two partners in Quebec. As part of the development effort, they contacted a processor of goat's milk near Montreal. This cooperative had access to over 2,500 goats which led to the production of a complete line of luxury goat's milk products for the skin. Canus products are being introduced into the U.K. and are being distributed by Tree of Life and available at the Health Store.

For more information, or to exhibit at **Natural & Organic Products Europe 2004 (April 4-5, 2004)**, contact Ros Burridge, e-mail: ros.burridge@dfait-maeci.gc.ca or Michelle Gartland, e-mail: michelle.gartland@dfait-maeci.gc.ca.

For a list of Canadian exhibitors and showcase participants, go to the unabridged version at www.dfait-maeci.gc.ca/canadexport under "The European Advantage."

Notables rush to Paris

Canadian lobster on the menu

International Trade Minister Pierre Pettigrew and Raymond Chrétien, Canada's Ambassador to France—with International Trade Deputy Minister Len Edwards in attendance—hosted a dinner to launch the "Menu Tout Homard du Canada" (All-Canadian Lobster Festival). The dinner was held on April 29, in Paris, at the Le Procope restaurant, and received extensive media coverage in France. Le Procope, established in 1686, is the oldest café in the world.

This year marks the 10th anniversary of Canada's involvement with the Frères Blanc as part of Canadian

lobster month in Paris. For the occasion, Chef Jean Soulard of the **Château Frontenac-Fairmont Hotel** in Quebec City, featured a delicious all-Canadian lobster menu of his own creation.

Among the invited guests were: Quebec singer Diane Tell; French singer Line Renaud; René Dupéré, composer for the Cirque du Soleil; Jasmine Seite of Starmania; artist Marcella Maltais; Canadian actress Gabrielle Lazure; and French kick-boxing champion Momo Dridi. These stars attracted considerable attention, drawing to the event a number of journalists from newspapers, magazines and other media such as *Figaroscope*,



At the Le Procope restaurant in Paris (from left): Chef Jean Soulard; singers Diane Tell and Line Renaud; Raymond Chrétien, Canadian Ambassador to France; and actress Gabrielle Lazure.

Figaro Madame, *First Class*, *Gala*, *Ici Paris*, *ParisMatch*, *Le point*, *Point de Vue*, *TV Magazine*, *Télé 7 Jours*, *Valeurs Actuelles*, *Gourmands Associés*, *Express*, *AFP*, *Radio Canada*, *France 3*, and *Europe 1*.

continued on page 6 — Canadian

Levelling the playing field

Fighting corruption with fair trade

Corruption, which imposes a heavy burden on fair trading in international business, has become a "commodity" in global trade and distorts the terms of that trade. It is simply a "hidden tax" on trade, as the Carter Center and PricewaterhouseCoopers reported in a joint study. Canadian exporters have long complained about being disadvantaged overseas by unscrupulous rivals from competing countries who use bribery as a marketing tool. The good news is that the playing field is slowly being levelled.

Taking on corruption internationally...

In 1999, an Organisation for Economic Cooperation and Development (OECD) convention prohibiting the bribery of foreign public officials came into force. This convention now binds all 30 OECD countries along with five non-OECD nations (Argentina, Brazil, Chile, Bulgaria and Slovenia) which voluntarily agreed to be equally bound. Canada's ratification of that convention came through a brand new statute—the *Corruption of Foreign Public Officials Act*—which makes such corruption a criminal offence in Canada. That Canadian ratification also took the number of ratifying countries over the stipulated hurdle, and thus brought the convention into effect. Since then, the convention has been ratified and implemented by virtually all the remaining countries.

In 2000, Canada ratified its earlier signature of the Organization of American States (OAS) Inter-American Convention Against Corruption, a powerful treaty which requires 28 countries in the Americas to create, maintain

and strengthen vigorous standards of anti-corruption and public integrity. A follow-up mechanism to evaluate the implementation of the convention has also been established.

The OECD and OAS conventions are significant steps in the international anti-corruption movement. The UN is well advanced in developing a world-wide anti-corruption convention—quite an extraordinary step in its 60-year history. More stringent measures can be expected in future, reflecting the growing international intolerance of the corruption plague.

...and at home

While Canadian exporters should cheer that the international trade playing field is being levelled, they also have important roles to play in that levelling process. Before one can demand others to be compliant with the new conventions, one must be compliant oneself. Canadian exporters will need to be more vigilant of the actions of their employees (especially their agents) in the pursuit

of international business. A criminal conviction under the new Canadian law would be a calamity of unthinkable proportions for any company's future; even a prosecution or allegation would impose a heavy toll on the corporate reputation of the exporter.

A second—but equally important—role for Canadian exporters is to bring complaints of corruption practised by competitors from OECD or OAS countries to Canadian authorities so that diplomatic intervention can be considered. While direct sanctions may not necessarily result, the "noise" generated by such complaints will be a deterrent to bribe-givers as well as bribe-takers.

Also, internal management due diligence measures by exporters—like the training of employees and agents as well as enforcement—are essential. Such measures will not be lost on third parties, the other players in the marketplace. Awareness and acceptance of the changing international anti-corruption regime will be enhanced and that is key to levelling the playing field. ✪

Contributed by P. K. Pal, Corporate Governance Counsellor to the law firm, Flavell Kubrick LLP, in Ottawa, and a Board Director of the Canadian chapter of Transparency International.

Canadian lobster — continued from page 5

The all-Canadian lobster festival ran from May 12 to June 15, 2003, at nine of the Frères Blanc's Parisian establishments (Charlot, Le Petit Zinc, Le Procope, Brasserie Lorraine, Fermette Marbeuf, L'Appart, L'Alsace, Le Grand Café and Au Pied de Cochon). More than 700 tonnes of fresh Canadian lobster are sent to France each year. Last year, these nine first-class restaurants went through more than 10 tonnes during Canadian lobster month—a sign that such high profile events continue to be a wonderful way to promote Canada's high-quality products.

The partners joining forces with the Frères Blanc were Air Canada, Air Canada Vacations, Agriculture and Agri-Food Canada (AAFC), the Canadian Tourism Commission, the Fairmont Hotel chain and the Canadian Embassy in Paris.

For more information, contact Lucie Tremblay, Trade Commissioner, Canadian Embassy in Paris, tel.: (011-33) 1-44-43-23-70, fax: (011-33) 1-44-43-29-98, e-mail: lucie.tremblay@dfait-maeci.gc.ca, Web site: www.amb-canada.fr/. ✪

Saudi HealthCare 2003

JEDDAH, SAUDI ARABIA — September 28-October 2, 2003 — **Saudi HealthCare 2003** is Saudi Arabia's international medical, insurance, dental, pharmaceutical, scientific equipment and labware exhibition and symposium and will be held concurrently with **Saudi Hospital**, the country's premier international event for non-medical hospital infrastructure, supplies and furnishings. The Canadian Embassy in Riyadh, in partnership with the Association of Ontario Medical

Manufacturers and Ontario Exports Inc., is participating in this event.

For more information, contact Rasha Serry, Commercial Officer, Canadian Embassy in Riyadh, e-mail: rasha.serry@dfait-maeci.gc.ca. Financial assistance may be available through DFAIT's Program for Export Market Development (PEMD) for some of the participation cost.

For more information on PEMD, go to www.infoexport.gc.ca/pemd/menu-e.asp. ✪

Invitation to ANUGA 2003

World's biggest agri-food show

COLOGNE, GERMANY — October 11-15, 2003 — Canadian firms looking to explore opportunities in the agri-food sector should consider participating in the Canadian pavilion at **ANUGA 2003**. In 2001, over 188,000 buyers from 147 countries visited ANUGA.

Agriculture and Agri-Food Canada will organize and manage the Canadian presence at ANUGA 2003. Exhibitors will benefit from a package of high-quality services featuring telecommunications facilities, meeting rooms, market information and intelligence and on-site trade promotion support.

For more information, and to join the Canadian pavilion, contact Brian Bonner, International Affairs Officer, Agriculture and Agri-Food Canada, tel.: (613) 759-7642, fax: (613) 759-7506, e-mail: bonnerb@agr.gc.ca, registration Web site: <http://ats.agr.ca/events/e3419.htm> or www.anuga.com. ✪

Kazakhstan oil and gas

ALMATY, KAZAKHSTAN — October 7-10, 2003 — Inspired by last year's success, the Canadian Embassy in Almaty is planning for a larger Canadian stand at **KIOGE 2003**, the Kazakhstan International Oil and Gas Exposition.

Kazakhstan's oil and gas sector presents significant opportunities for Canadian companies involved in oil extraction, processing, transportation and storage. Due to the specifics of the oil-bearing formations in Kazakhstan (high depth, pressure, sulphur content), Canadian companies with drilling and processing technologies would find

good business opportunities there. Good prospects also exist for Canadian companies producing oil and gas field equipment and machinery, such as drilling and wellhead equipment, Christmas trees, valves, pumps, fishing tools and compressors, as well as for those providing geophysical and engineering services. Space is limited on a first-come, first-served basis. Companies unable to attend can display their promotional material at the Canadian stand.

For more information, contact Michael Reshityk, Trade Commissioner, Eastern Europe Division, DFAIT, tel.:

Healthy mission to Italy

BOLOGNA, ITALY — September 11-14, 2003 — For the second year, the Canadian Consulate General in Milan is organizing a mission of Canadian manufacturers of nutraceuticals, herbal remedies, food integrators and vitamins to **SANA**, the 15th international exhibition of natural products, nutrition, health and environment.

Canadian companies participating in the mission will be able to display their promotional material and products at the Canadian stand, and meet Italian and international exhibitors and visitors.

For more information, contact Sandra Marchesi, Business Development Officer, Canadian Consulate General in Milan, tel.: (011-39-02) 6758-3351, fax: (011-39-02) 6758-3900, e-mail: sandra.marchesi@dfait-maeci.gc.ca, Web site: www.canada.it or www.sana.it. ✪

(613) 996-7701, e-mail: michael.reshityk@dfait-maeci.gc.ca or Sophie Bibeau, Trade Commissioner, Canadian Embassy in Kazakhstan, e-mail: sophie.bibeau@dfait-maeci.gc.ca or Arthur Iralin, Commercial Officer, Canadian Embassy in Kazakhstan, e-mail: arthur.iralin@dfait-maeci.gc.ca, tel.: (011-7-3272) 501-151, fax: (011-7-3272) 582-493, Web sites: www.caspianworld.com, www.iteca.kz or www.ite-exhibitions.com/og/kioge/. ✪

For a market overview, see the unabridged version at www.dfait-maeci.gc.ca/canadexport under "Trade Fairs and Missions."

Trade fairs in India

MUMBAI, INDIA — September 21-22, 2003 — **Globoil India** is an international conference and exhibition on vegetable oils, feed and feed ingredients, oil seeds, and related industries and services. It is the biggest edible oil event in India. **For more information**, contact Ram Gupta, Senior Trade Advisor, Canadian High Commission in New Delhi, tel.: **(011-91-11) 2687-6500**, fax: **(011-91-11) 2687-5387**, e-mail: **ram.gupta@dfait-maeci.gc.ca** or Apurva Mehta, Commercial

Officer, Canadian Consulate in Mumbai, tel.: **(011-91-22) 2287-6027**, fax: **(011-91-22) 2287-5514**, e-mail: **apurva.mehta@dfait-maeci.gc.ca**.

NEW DEHLI, INDIA — January 7-9, 2004 — **IFE India**, the international food, drink and hospitality exhibition, has been rescheduled (from September 2003). **For more information**, contact Anita Verma, Project Manager, ITE Group, fax: **(011-0091-11) 2981-9416**, e-mail: **ite@nda.vsnl.net.in**. *

Book fair in Italy — continued from page 1

Canada was the celebrated country at last month's **Turin International Book Fair**, one of the largest events of its kind in Europe. This honour—and the opportunity to further promote Canadian writers and publishers—is a sign of the great success Canada has had over the past 20 years in developing export markets for Canadian books. More than 200 Canadian writers have been translated into Italian in recent years—a remarkable number given the size of Canada's population—and 22 top Canadian writers, including International Prize Winners Yann Martel, Alistair MacLeod, and Gaétan Soucy, were invited to promote their works in a 5-day blitz of media appearances, packed lectures, panel discussions and book launches. The writers were accompanied by a number of Canadian publishers who were there to sell rights for Canadian books into

Italian, as well as scout out market opportunities. Canada's presence at Turin garnered significant media attention in Italy, with major features in many high-circulation dailies and weeklies, as well as swarms of television cameras at the opening of the Canadian stand. The focus on Canada not only promotes our writers and cultivates further rights sales, but also promotes the image of Canada abroad as a rich and diverse country recognized for its excellence. This, in turn, helps develop greater awareness of Canada and facilitates further trading opportunities. The heart of the Canadian presence—a collaborative effort between the Department of Foreign Affairs and International Trade (DFAIT), Canadian Heritage, the Canada Council for the Arts and the Association for the Export of Canadian Books—was a large stand that showcased more than 300 Canadian books. In addition, a

Iraq — continued from page 3

Prior to the Gulf War, Iraq was one of Canada's most important markets in the Middle East, with Canadian-Iraqi trade peaking at over \$375 million in 1989. While Iraq has the potential to once again be an important market for Canadian firms, major challenges will remain in the short- to medium-term, including the absence of an Iraqi government and large debts. As these issues are resolved, there should be no impediments to full participation by Canadian companies in the long-term redevelopment of Iraq.

For more information on Canada's contribution, go to **www.pm.gc.ca** and **www.acdi-cida.gc.ca/iraq**. The UN Office for the Coordination of Humanitarian Affairs is responsible for the international humanitarian effort in Iraq. **For more information** on supplying the UN agencies currently active in Iraqi humanitarian operations, go to IFInet at **www.infoexport.gc.ca/ifinet/un/agencies-e.htm**. **For general enquiries**, contact DFAIT's Middle East Division, e-mail: **gmr@dfait-maeci.gc.ca** or fax: **(613) 944-7975**. *

local book supplier reported business well beyond expectations, with over 2,500 books of Canadian authors sold.

For more information, contact Patrick Riel, DFAIT, tel.: **(613) 995-1874**, e-mail: **patrick.riel@dfait-maeci.gc.ca**. *

Enquiries Service

DFAIT's Enquiries Service provides counselling, publications and referral services to Canadian exporters. Trade-related information can be obtained by calling **1-800-267-8376** (Ottawa region: **(613) 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 Web site at **www.dfait-maeci.gc.ca**

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