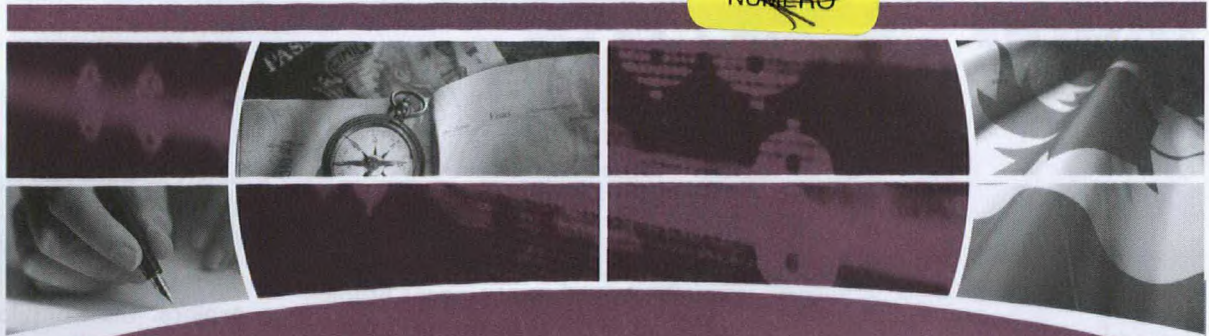


DOCS
CAI
EA
C16
ENG
v. 21
April 1,
2003
Copy 1

CanadaExpo



Bringing art to the masses

Canada's Tilano Fresco cracks U.S. market

In this issue

- 3 Your on-line trade workspace
- 4 CCC bridges cash-flow gap
- 5 NAFTA and the Tex-Mex region
- 6 IKK 2003 in Hannover
- 7 Tokyo Motor Show revs up
China's wood products industry expands
- 8 Trade fairs and missions/news

In just under a year, **Tilano Fresco**, a manufacturer and distributor of decorative tile-making kits, has made its unique product available in more than 400 stores. Although decorative tiles have been popular for years, the founding partners saw an opportunity in letting people make their own tiles using their own pictures and artwork.

Tilano Fresco is the combined effort of three Canadian entrepreneurs: Randy Orr, decorative artist and tile master; Charles Brodeur, operations specialist; and Dann Illicic, branding and packaging expert. "In a sense, what we've done is package my 1500 square foot artist's studio into a neat little kit with everything required to make beautiful, personal fresco tiles," explains Orr.

continued on page 2 — Tilano

The Vikings called it Vinland

Canadian wine in Sweden, Finland and Norway

Despite the fact that Viking Leif Ericsson named the most northern tip of Canada "Vinland" when he discovered it some 1000 years ago, Nordic awareness of Canadian wines is very limited. However, the three Nordic missions—Norway, Finland and Sweden—have begun to change that. In the fall of 2002, the missions arranged a first introduction to Canadian wines in their respective markets.

continued on page 6 — Canadian



Canadian Ambassador to Norway Shirley Wolff Serafini (right), and Knut Bakken of Bakken Vin & Gourmet, enjoying a glass of wine at the wine tasting event.

Vol. 21, No. 6
April 1, 2003

Supplement
CANADIAN TRADE REVIEW
(see insert)

Tilano Fresco cracks U.S. market

— continued from page 1

The company got off to a quick start in Vancouver, but this was not the case as they started moving east. "We still haven't cracked the Toronto market to our satisfaction, so we started looking south into the United States," says Brodeur. "I think the biggest thing we learned was that the U.S. is not just an extension of the Canadian market. Just because we speak the same language doesn't mean we're the same. It's different in the U.S. and we knew we needed

some guidance," says Ilicic. When asked about the differences Brodeur adds, "In Canada, you are asked what your minimum is, and in the U.S. you are asked what your maximum is. The pressures of meeting demand in the U.S. make Canada a very different place to do business."



Tilano Fresco's decorative tiles on display

Trade Commissioner Service at work

In the summer of 2002, the partners got wind of a government-sponsored program that helps Canadian companies enter and compete in the U.S. gift market. This particular program was put together by the Canadian Consulate in Atlanta, Georgia, which, coincidentally, is also home to the Americas Mart—the largest permanent gift showroom facility in the U.S. In September 2002, Sylvie Racine of the Canadian Consulate in Atlanta, organized a rep locator mission to assist Canadian companies in establishing relationships with qualified gift sales agencies. Not only did Sylvie bring in a variety of industry experts, she also arranged a tour of the Atlanta

gift industry. While attending this mission, Tilano Fresco was able to secure one of the top agencies in the country. "The Canadian Consulate in Atlanta had a huge impact on our ability to enter the U.S. market so quickly. The Trade Commissioner Service is definitely a resource that more Canadian companies need to explore. The Consulate's involvement gave our small company a level of legitimacy in dealing with the biggest and most important agencies in the U.S.—and it worked," says Brodeur.

Advice for exporters

As with any new company, the next major challenge will be to manage growth. "We designed a very scalable organization, so we've set up manufacturing and distribution points across North America. We know we have to keep a close watch on our cash flow and we are managing our growth carefully," says Ilicic. For its financing, Tilano is working with the Business Development Bank of Canada, the Canadian Commercial Corporation, and an angel investor. "Secure your financing and make sure you've planned your expansion to match your financing," adds Brodeur. "Also make sure that you get the best reps on board—the strength of your sales reflects how good your reps are."

And sales are good for Tilano. Its product was just picked up by Nordstrom's—a large U.S. department store—and will be available in 28 of its stores along the U.S. east coast. With two new products scheduled for introduction later this year, Tilano Fresco appears to be on the right track.

For more information, contact Charles Brodeur or Daniel Ilicic, Tilano Decorative Products Inc., tel.: **1-866-877-4031**, fax: **1-866-877-4031**, e-mail: **charles@tilanofresco.com** Web site: **www.tilanofresco.com**

Editor-in-Chief: vacant
Managing Editor: **Louis Kovacs**
Editor: **Michael Mancini**
Layout: **Yen Le**
Circulation: **60,000**
Telephone: **(613) 992-7114**
Fax: **(613) 992-5791**
E-mail: **canad.export@dfait-maeci.gc.ca**
Web site: **www.dfait-maeci.gc.ca/canadexport**

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.

CanadExport is available in Canada to interested exporters and business-oriented people. For a print subscription, call **(613) 992-7114**. For an e-mail subscription, check the *CanadExport* Web 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, ON K1A 0G2

ISSN 0823-3330

VIRTUAL
TRADE
COMMISSIONER
PERSONALIZED
INFORMATION AND SERVICES

The Virtual Trade Commissioner puts a world of resources at your fingertips – literally! Password-protected, private and secure, the Virtual Trade Commissioner creates an on-line workspace for you to identify and investigate trade prospects in your industry sector and target markets. Take advantage of personalized services from Canada's trade commissioners all over the globe.

Your On-line Trade Workspace

Your Virtual Trade Commissioner can become your personal on-line trade workspace. That's why we've included a range of features that allow you to customize your Web page and its contents according to your preferences.

From one secure location, you can:

- Store links, contacts and market reports for future reference
- Modify the layout of your Virtual Trade Commissioner page
- Update your company profile—including your industry sectors, target markets and other company details
- Turn e-mail notification on (or off) to stay on top of new information

By using these features, you gain the advantage of a powerful tool for managing your export market development activities.

Put your Virtual Trade Commissioner to work for you. Register today!

Learn more about this service in future editions of *CanadExport*

THE CANADIAN
TRADE COMMISSIONER
SERVICE

For more information on the Virtual Trade Commissioner or to register, visit:

export.gc.ca

www.infoexport.gc.ca/canadexport 3

Bridging the cash-flow gap

CCC helps Canadian exporters

Successful exporting does not follow a simple formula where seller plus buyer equals sale. Rather, exporting is more like algebra, where variables come into play and affect the outcome. Financing is an example of one of these variables. If an exporter does not have sufficient funds to meet cash shortfalls or does not have an arranged payment schedule that provides enough funds at each stage to meet cash requirements to support production, a sale cannot be completed.

Canada has a strong export-oriented infrastructure and a wide range of financing options that are particularly of value to small and medium-sized enterprises (SMEs). CCC is one of several federal government agencies that provide a complementary set of export assistance services to Canadian companies. Companies looking to secure export financing for a specific project, for example, can consider CCC's Progress Payment Program (PPP) as a valuable option.

Progress Payment Program

Developed with the special needs of SMEs in mind, PPP is an innovative financing program designed to provide small Canadian exporters with sufficient project-specific working capital. To many exporters, PPP may be effective in bridging the cash-flow gap to cover production costs during the pre-shipment phase when exporters won't receive payment until the product or service is delivered to the buyer.

As Canada's export contracting agency, CCC has been helping Canadian exporters win sales in government and private-sector markets around the world. Specifically with PPP, CCC facilitates access to commercial sources of pre-shipment financing through arrangements with 19 partner banks and financial institutions. CCC's involvement in the deal means banks may be prepared

to provide funds beyond the client's regular line of credit; CCC provides assurances to banks that the work the banks are financing is being monitored, and that the ultimate risk of loss to banks is minimized by CCC.

Exporters benefit by obtaining a project line of credit to cover the production costs for a particular export sale. That way, exporters can make timely business decisions to maintain their competitive edge, knowing that they will have the financial resources to manage export sales.

Dieco Technologies Limited, a developer of tube processing systems, has supplied more than 150 installations for customers ranging from tube producers to automotive seat frame and structural component manufacturers. Dieco is just one of many successful exporters taking advantage of PPP. Since Dieco began working with CCC in 1999, the company has been able to access more than US\$4 million in pre-shipment financing in order to carry out a number of export contracts with major companies in the U.S. automotive industry.

"Dieco has a strong export focus, and a key component in maintaining our competitive position is the ability to access innovative financing solutions," said Bob Donally, Dieco's President. "CCC's PPP has allowed us to successfully pursue projects that may not have

Put the power of Canada behind your export sales



CCC (Canadian Commercial Corporation) is a Crown corporation mandated to facilitate international trade, particularly in government markets. Acting as a prime contractor, CCC signs export contracts providing access to markets for exporters and a government-backed performance guarantee for buyers. CCC also helps exporters to increase their pre-shipment working capital from commercial sources, and offers its international contracting expertise on a fee-for-service basis. When it comes to exports, CCC means credibility, confidence and contracts.

For more information, contact CCC, tel.: (613) 996-0034, toll-free in Canada: 1-800-748-8191, Web site: www.ccc.ca

been possible otherwise. We consider the PPP to be a strong resource in our continuing growth."

Canadian exporters will be able to qualify for pre-shipment export financing through PPP if:

- annual revenues are less than \$50 million;
- they are negotiating or already have a contract with a foreign buyer;
- they are being paid by Letter of Credit or are prepared to insure their receivable;
- they can finance at least 10% of the cost of the order;
- CCC will be able to establish a contractual relationship with their buyer;
- the contract duration is less than two years.

For more information on PPP, go to www.ccc.ca or call toll-free, 1-800-748-8191. ✪

Canadian Trade Review

A Quarterly Review of Canada's Trade Performance Fourth Quarter 2002

This trade and investment quarterly review reports on Canada's economic activity in the fourth quarter of 2002, highlighting our trade and investment performance in key sectors and markets.

Consumer Spending and Residential Construction Strong, but External Trade Weakens

The Canadian economy continued to expand in the fourth quarter of 2002, with real gross domestic product (GDP) increasing by 1.6% on an annualized basis.¹ Although the Canadian rate was slightly ahead of the revised 1.4% rate registered in the U.S. in the same quarter, it fell short of the more robust 3.1% rate registered in the third quarter.

Expanded consumer spending, in particular for durable goods and autos, and continued strength in the residential housing market supported growth in the fourth quarter, while continued weakness in machinery and equipment investment limited economic expansion in the business sector. Exports of goods and services experienced a small decline of 0.4% during the quarter, mainly due to a reduction of auto sector shipments to the U.S. This decline in exports reversed the trend of export expansion experienced during the first three quarters of 2002. Canada's continuing economic expansion supported a 0.2% increase in imports for the quarter, as a slight decline in merchandise imports was offset by increased services imports. The current account deteriorated in the fourth quarter—primarily due to continued strong expansion of Canadian direct investment abroad combined with a reduction of inward foreign direct investment.

Job creation continued to be strong in the fourth quarter, with a net quarterly increase of 133,100 jobs—of which

Table 1: Canada's Economic and Trade Indicators

Percent Change at Annual Rates Fourth Quarter 2002 over Third Quarter 2002	
Real GDP (annualized)	1.6
Employment (quarterly increase, level)	133,100
Rate of Unemployment (quarterly average)	7.0
Consumer Price Index (January 2003, year-over-year percent change)	
All Items	4.5
Core (excludes food and energy)	3.3
Canadian \$ in U.S. funds (average for 2002, level)	0.6368
Exports of Goods and Services (annualized, current dollars)	-0.4
Imports of Goods and Services (annualized, current dollars)	0.2

Source: Statistics Canada

some 61% were full-time positions. The average unemployment rate fell to 7.0% in the fourth quarter, down from 7.6% in the third quarter.

The 12-month increase in the overall Consumer Price Index (CPI) was 4.5% in January 2003, up sharply from 1.3% in January 2002. Similarly, the CPI rate for core items (excluding food and energy) reached 3.3% in January 2003, up from 1.7% recorded in January 2002.

The average U.S. dollar value of the Canadian dollar in 2002 was US\$0.6368, a 1.4% depreciation from US\$0.6458 in 2001.

¹ To make quarterly data comparable with annual data, the quarterly figures for trade in goods and services are adjusted for seasonality and expressed at annual rates by raising them four times. This process provides seasonally adjusted annual rates or 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

A Small Export Contraction Accompanied by Limited Growth in Imports in the Fourth Quarter

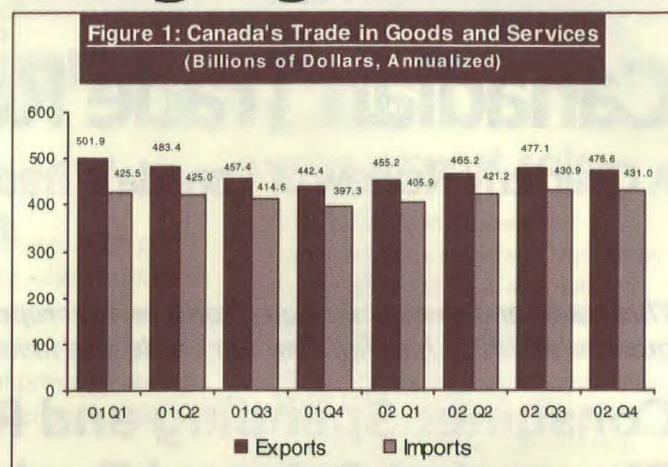
Exports of Canadian goods and services fell by 0.4% in the fourth quarter (Figure 1). The \$1.9 billion decline in merchandise exports was offset by a strong \$1.4 billion expansion in services exports. Imports of goods and services increased by 0.2%—entirely due to growing services imports—as merchandise imports registered a 0.1% decline in the fourth quarter. The \$1.9 billion or 1.8% decline in merchandise exports in the fourth quarter was characterized by mixed performance among the sectors (Figure 2). Strong gains in energy (up 91.5% or \$9.0 billion) were offset by declines in the auto sector (down 31.8% or \$9.4 billion), in agriculture and fishing and in industrial goods. On the imports side, a \$1.0 billion (26.3%) increase in energy imports was offset by a \$1.0 billion (4.7%) decline in auto imports, while a strong advance in consumer goods was sufficient to offset declines in the remaining sectors.

A decrease in merchandise exports to the U.S. (down 3.0% or \$2.7 billion) was the major contributor to the decline in overall exports in the fourth quarter. Merchandise exports to non-OECD countries and the EU also declined, although this was almost entirely offset by increased shipments to Japan and other OECD countries. Similarly, merchandise imports from the U.S. experienced a substantial decline, down 5.0% or \$3.3 billion. However, increased imports from all other major markets, in particular from non-OECD countries, limited the overall decline in imports.

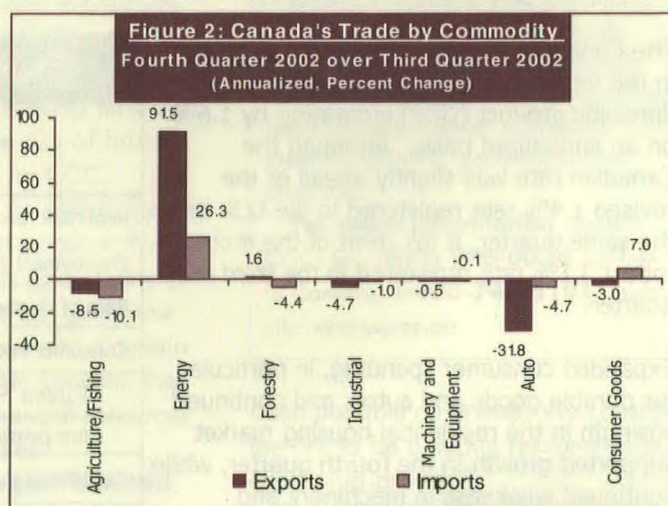
Because of the decline in exports and the rise in imports of goods, the merchandise trade balance with non-OECD countries deteriorated rapidly in the fourth quarter. The merchandise trade balance with the EU also deteriorated, principally as a result of increased goods imports from and declining goods exports to the U.K. The improvement in the merchandise trade balances with all other major markets was not sufficient to offset the losses noted above. As a result, the merchandise trade balance fell by \$1.8 billion in the fourth quarter.

Services Trade Deficit Continues to Decline

Canadian services exports increased by 10.0% in the fourth quarter. Exports increased for all types of services—led by travel and commercial services. With the exception of transport, services imports also rose, as



Source: Statistics Canada



Source: Statistics Canada



Source: Statistics Canada

overall services imports expanded by 1.4% (Figure 3). Because services exports increased more than services imports, the services trade balance narrowed to \$7.1 billion in the fourth quarter—down from \$8.3 billion in the previous quarter.

Outward Foreign Direct Investment Flows Exceed Inward Flows

Canadian direct investment abroad (CDIA) was \$16 billion in the fourth quarter of 2002—more than double the amount recorded in the last quarter of 2001. The increase in quarterly flows was particularly strong in the finance and insurance sector and in other industries, while CDIA in the services and retailing and energy sectors declined compared with the same quarter the previous year. Outward flows were predominantly directed to the U.S. and the EU (other than the U.K.), while non-OECD countries experienced a decline in CDIA flows in the fourth quarter.

Foreign direct investment (FDI) flows into Canada stood at \$5.7 billion in the fourth quarter of 2002—about half the level recorded in the same quarter a year earlier. Most of the decrease in FDI flows occurred in energy, which experienced a drastic 90% reduction in FDI over the same quarter the previous year. The decline in FDI flows stemmed from a decline in FDI from the U.S.,

which decreased its flow of direct investment to \$3.8 billion in the fourth quarter of 2002 from \$15.6 billion in the same quarter the previous year. Partially offsetting this decline were increases in FDI from the EU (other than the U.K.) and non-OECD countries. Overall, outward flows exceeded inward flows in the fourth quarter by \$10.3 billion, a reversal of the situation in the same quarter the previous year, when FDI exceeded CDIA by \$4.1 billion.

Canada Draws Down on Its Official International Reserves

Canada reduced its official reserves of assets in the fourth quarter of 2002 by \$559 million, compared with a \$1.1 billion increase recorded in the same quarter in 2001.

Key Trade and Investment Highlights for 2002

Canada's two-way trade in 2002 increased to \$2.44 billion per day, up from \$2.43 billion in 2001. Two-way merchandise trade advanced marginally (0.2%), while two-way services trade expanded by a more robust 2.3%.

Lower Current Account Surplus

The current account surplus contracted from \$30.0 billion in 2001 to \$17.3 billion in 2002, led downwards by a reduced balance in goods and services, which declined by \$9.3 billion. For the year as a whole, exports of goods and services were down by 0.6%, while imports expanded by 1.6%.

Merchandise Imports Expand while Exports Decline

Merchandise exports fell by 1.0% in 2002—led lower by reduced shipments to the U.S. On the other hand, merchandise imports expanded by 1.6%. Although merchandise imports from the U.K. and U.S. declined, increased imports from all other markets underpinned the expansion in imports. As a result, the overall merchandise trade balance decreased by \$9.8 billion to \$54.2 billion in 2002—down from a record high of \$64.0 billion in 2001. Separately, the merchandise trade balance with the U.K. improved in 2002, while the trade balance with all other major markets declined.

Merchandise Imports and Exports to the U.S. Decline

Canada's annual merchandise exports to the U.S. declined by 0.8% and imports by 0.1% in 2002. Consequently, the record high bilateral merchandise trade surplus of 2001 declined in 2002—from \$95.9 billion to \$93.3 billion.

Bilateral Merchandise Trade with Japan, the EU, Mexico and China

In 2002, both merchandise exports and imports from Japan expanded over 2001. Exports to Japan were up by 2.4%—it was the only major

export market to expand—while imports from Japan increased by 10.9%. As a result, the merchandise trade balance with Japan declined by \$925 million in 2002. Merchandise exports to the EU fell by 4.9% in 2002, led by a 10.1% decrease in exports to the U.K. Imports from the EU increased by 3.0% as a 13.1% reduction in imports from the U.K. dragged down the 11.2% expansion in imports from the remaining EU countries. With fewer exports and more imports from the EU, the merchandise trade deficit with the EU worsened from \$12.8 billion in 2001 to \$14.9 billion in 2002. Shipments to Mexico declined by 13.1% over 2001, while imports from Mexico expanded by 4.8%. Exports to China fell by 5.2% in 2002, while merchandise imports from China grew rapidly, up 25.6%. In 2002, China moved ahead of Japan to rank as the second-largest source country for imports.

Merchandise Trade by Commodity Group

Merchandise exports experienced mixed developments in 2002, with declining exports in energy (down 8.5% over 2001), forestry (down 6.8%), machinery and equipment (down 5.0%) and agriculture (down 1.1%), and increased exports for consumer goods (up 8.6%), autos (up 4.5%) and industrial goods (up 3.9%).

Increased merchandise imports in 2002 reflected strong expansion in autos (up 12.3% over 2001), forestry (up 8.6%), consumer goods (up 8.1%) and agriculture (up 7.0%). At the same time, imports of energy fell by 7.3% and imports of machinery and equipment dropped by 5.9%. The deterioration of the merchandise trade balance in 2002 for autos (down \$4.7 billion), energy (down \$3.4 billion) and agriculture (down \$1.8 billion) explains most of the decline in the overall merchandise

trade balance in 2002. Gains and losses in the other sectors largely offset one another.

Reduction in the Services Trade Deficit

Growth in services exports outpaced growth in services imports (2.8% compared with 1.8%), resulting in a narrowing of the services trade deficit to \$7.9 billion in 2002 from \$8.4 billion a year earlier. Growth was led by commercial services trade—exports of commercial services in 2002 increased by 4.2% over 2001 and imports of commercial services expanded by 2.8%. On the export side, the expansion in commercial services was accompanied by a modest increase in transport services and a reduction in travel services.

Foreign Direct Investment

Both inward and outward FDI flows slowed in 2002, with each about 20% lower than their respective levels a year earlier. As in 2001, outward FDI flows in 2002 outpaced inward FDI flows. However, with inward FDI at \$43.8 billion in 2002 and outward FDI at \$33.6 billion, the difference narrowed to \$10.3 billion compared with \$12.4 billion in 2001. Reductions in outward FDI flows were predominantly in the wood and paper and the services and retail sectors, while the machinery and transport sector registered an increase. A drastic decline in inward FDI in the energy sector, coupled with a more modest decline in the wood and paper sector, explains most of the overall decline in inward FDI. On a regional note, the declines in FDI flows to and from the U.S. were the principal reasons for the reduced inward and outward FDI flows observed in 2002. Outward FDI flows to the U.S. fell from \$33.7 billion to \$15.5 billion, as the U.S. share of outward FDI plummeted to 35.2%

from 61.4% a year earlier—predominantly in favour of outward FDI to the EU (other than the U.K.).

Inward FDI from the U.S. declined from \$38.7 billion in 2001 to \$25.0 billion in 2002, as the share of annual inward FDI flows originating from the U.S. declined from 91.0% in 2001 to 74.7% in 2002. Inward FDI flows from the U.K. saw a sharp decline from 2001 to 2002, while there was a substantial increase in inward investment from the non-U.K. EU countries. Overall, the EU maintained its position as the second-largest source of inward FDI in 2002, after the U.S.

Portfolio Investments

Canadian net investment in foreign securities (bonds and stocks) was \$24.7 billion in 2002, down from \$37.7 billion in 2001—large reductions in stock holdings (to about half of the 2001 levels) were only partially offset by modest increases in bond holdings. Similarly, foreign investments in Canadian securities declined from \$30.1 billion in 2001 to \$17.9 billion in 2002.

Official International Reserves Reduced

Canada reduced its holdings of official international reserves by \$298 million in 2002. In contrast, \$3.3 billion was added to the reserves in 2001.

Area of opportunity

NAFTA and the Tex-Mex region

Since its inception in 1994, the NAFTA has transformed the way business operates. The traditional definition of the border no longer holds true for small and medium-sized enterprises (SMEs). The phenomenon of integration is taking place at the most basic level within the NAFTA community.

The 3,141 kilometre border that separates the powerful U.S. and emerging Mexican economies can no longer be viewed in the same way. The Texas-Mexico border region is a culture and an economy unto itself—neither entirely Mexican nor American. The presence of Canadian trade commissioners on both sides of the border provides Canadian exporters with the tools and support slightly needed to be successful in this burgeoning part of the world.

The Tex-Mex region

The Canadian Consulate General in Dallas covers six states (Texas, Arkansas, Kansas, Oklahoma, Louisiana and New Mexico), which are home to more than 37 million people. Texas accounts for 60% of the area population and 90% of the purchasing power. Texas has outpaced U.S. gross domestic product (GDP) growth in nine out of the last ten years, and is second only to California. The Consulate, with its dedicated staff, is well-placed to provide market intelligence and assistance to Canadian companies.

Nuevo Leon, often described as the jewel of Mexico's north, has been Mexico's economic engine in recent years. Its capital, Monterrey, is at the heart of this tremendous growth. Nuevo Leon has less than 4% of Mexico's population but generates 8% of its GDP. Monterrey is the centre of the region and is responsible for 96% of the commercial activity in the state. In 2001, *Fortune Magazine* ranked

Monterrey as the best city in Latin America in which to do business. Monterrey is also headquarters for the Grupos—some of the largest companies in the world—of which the 10 most prominent generated over \$47 billion in revenue in 2001.

The Canadian Consulate in Monterrey is responsible for the states of Nuevo Leon, Coahuila and Tamaulipas, home to close to 9 million people. The staff at the Consulate, along with those at the newly opened Export Development Canada office, are committed to assisting Canadian companies in finding opportunities in this area.

Importance of the border region

Geography still matters. The four U.S. states along the Mexican border accounted for 65% of all U.S.-Mexico trade flows. Canadian trade offices in Dallas and Monterrey, the Embassy in Mexico City, and other partner institutions are working in concert to promote Canadian interests in the region. The environmental technologies sector is growing steadily as is indicated by the increased scope of the North American Development Bank—the environmental infrastructure institution that operates on both sides of the U.S.-Mexico border. Further, PEMEX—Mexico's state-owned petroleum company—has a procurement office in Houston, which welcomes Canadian bids to assist in the development of the vast oil and gas resources in Mexico.

Additionally, the Dallas Market Center—the world's largest trade show venue—represents a great opportunity for Canadian companies to display their goods and services to American, Mexican and other international buyers. Canadian trade commissioners' sector-specific knowledge, market intelligence and expertise in doing business in the region make them perfect partners to assist Canadian companies in maximizing opportunities in the region.

For more information, contact Juan Aranda-Espejo, Mexico Division, DFAIT, tel.: (613) 996-5547, e-mail: juan.aranda-espejo@dfait-maeci.gc.ca or Barry Davis, U.S. Business Development Division, DFAIT, tel.: (613) 944-2430, e-mail: barry.davis@dfait-maeci.gc.ca or visit the Web sites: www.dfait-maeci.gc.ca/mexico www.dallas.gc.ca www.canada.org.mx ✪

Export USA Calendar

For information about:

- trade missions to the U.S.
 - seminars on the U.S. market
- Visit the Export USA Calendar at: www.dfait-maeci.gc.ca/nebs/menu-en.asp

Canadian wine — continued from page 1

Sweden

Two Europe-based agents, along with a local wine importer, presented 10 different Canadian wineries to a selected audience at the Canadian Embassy in Stockholm. The wines represented were Henry of Pelham, Vineland, Creekside Estate Winery, Gray Monk Estate Winery, Peller Estates, Hillebrand Estates Winery, Andres Wines, Colio Estate and Rodrigues Wines. Also represented was La Face Cachée de la Pomme's ice cider.

The invited group consisted of high-end restaurants and hotel chains, wine distributors, leading wine tasters and wine journalists. The event was very well received and the audience was extremely impressed by the quality of the wines. Results of the tasting include ongoing distribution discussions and forthcoming articles in the leading consumer wine magazine. In fact, Mission Hill Winery of British Columbia has, through its local agent, succeeded in having wines listed with the Swedish alcohol retail monopoly. As of June 1, 2003, Swedes can buy two of Mission Hill's best estate wines. Also, for the first time, the retail monopoly had a tender out for Canadian wines and those selected will be available in September 2003.

Building on the success and interest generated at the wine tasting, the Embassy hosted a Canadian info stand in March at Vinordic, the major trade fair in northern Europe for wines, spirits, beers and ciders.

Finland

The Canadian Embassy in Helsinki also hosted an event to introduce Canadian wines to the Finnish market. Present were some 30 wine importing professionals, as well as media representatives. Guests were taken with the quality and variety of the Canadian wines. The wines represented were

Henry of Pelham, Vineland, Blossom Winery, and La Face Cachée de la Pomme.

Katja Angervo of Alko Inc., the Finnish alcohol trading monopoly, is a key contact in Finland. While she was not able to make it to the event, she and two colleagues did have a chance to taste these Canadian wines at a later date.

EUROPE

From time to time, Alko seeks new products for its general selection. According to Angervo, four Canadian wineries recently sent in an offer to have their wines on Alko outlet shelves. Inniskillin won with its oak-aged 2001 icewine, which is now available at Alko's 300 outlets. Alko regularly conducts searches for new wines from around the world and Angervo suggests that vineyard reps should have a look at Alko's Web site (www.alko.fi), where searches are announced about once a month.

Norway

Canadian Ambassador Shirley Wolff Serafini hosted the event in Norway and some 30 guests were present, including a local wine agent and wine

judge. Together with the two agents from Europe, the event in Norway was a success, especially since this was the first Canadian wine tasting to be held there. The wines represented were Henry of Pelham, Vineland, Creekside Estate Winery, Konzelmann Estate Winery, Royal DeMaria, Legend Wines, Inniskillin, Pelée Island and La Face Cachée de la Pomme.

As of March 2003, the local "Vinmonopolet" (local alcohol retail monopoly) will carry the following Canadian wines: Royal DeMaria's 2000 Vidal icewine and 2000 Gewurztraminer icewine, Creekside's 2000 Chardonnay and its 2000 Laura's Blend red wine and Konzelmann's 1998 Cabernet-Merlot Reserve. This is the first time Canadian white and red wines have been available in Norway, although an Inniskillin icewine has been on the market in Norway for some time.

For more information, contact Maria Stenberg, Canadian Embassy in Sweden, tel.: **(011-46-8) 453-3000**, e-mail: maria.stenberg@dfait-maeci.gc.ca or Nina Pennanen, Canadian Embassy in Finland, tel.: **(011-358-9) 17-11-41**, e-mail: nina.pennanen@dfait-maeci.gc.ca or Barbara Thorjussen, Canadian Embassy in Norway, tel.: **(011-47) 2299-5300**, e-mail: barbara.thorjussen@dfait-maeci.gc.ca ✪

IKK 2003 in Hannover

There's something in the air

HANNOVER, GERMANY — October 8-10, 2003 — **IKK 2003** is the ideal platform for Canadian exporters seeking an international audience for their refrigeration, air conditioning and ventilation applications. Last year's event attracted 23,444 visitors (45% from outside Germany) with products and services showcased by 798 companies.

IKK sets the standards as the world's leading refrigeration exhibition. One reason for IKK's outstanding position is its comprehensive range of refrigeration and air conditioning products. From refrigeration system components for building services, commerce and transport, to refrigerated cabinets, cold storage cells, and tools and supplies for installation and servicing, professionals in

continued on page 8 — IKK 2003

2003 Tokyo Motor Show revs up



TOKYO, JAPAN — October 24-November 5, 2003 — Industry Canada, in cooperation with the Canadian Embassy Tokyo and the Automotive Parts Manufacturers Association, is organizing a Canadian stand at the **2003 Tokyo Motor Show**.

As the premier exposition in Asia for motor vehicles and automotive parts since 1973, the Tokyo Motor Show features hundreds of exhibitors from Japan and other major auto-producing regions of the world, and attracts more than a million visitors, including industry executives, technical and purchasing staff, international media and the general public. The show

provides an excellent opportunity for Canadian companies to demonstrate their capabilities to a global audience, to identify new business leads, and to assess emerging automotive trends, technologies and competitors.

Join the Canadian stand

The stand is intended to showcase Canada's capabilities in automotive parts, materials and technologies and will include leading suppliers such as the **ABCgroup, Dofasco, JIT Automation, Magna International, Westcast Industries** and the **Woodbridge Group**.

Participating companies will also have access to special networking and

promotional events at the show such as the official Embassy reception and press conference. This event is a perennial sell out, but some exhibit space is still available for Canadian manufacturers of auto parts, machinery and related products.

The Government of Canada intends to launch a new global branding campaign for the automotive sector at the **2003 Tokyo Motor Show**. The campaign is designed to raise the international profile of Canada's automotive industry, in support of the federal government's ongoing efforts to promote trade, investment and innovation in the sector.

For more information, contact Brian Sundue, Aerospace and Automotive Branch, Industry Canada, tel.: **(613) 946-8183**, fax: **(613) 952-8088**, e-mail: sundue.brian@ic.gc.ca ✪

China's wood products industry expands

China is in the midst of massive economic, structural and societal changes that are opening doors for manufacturers of Canadian wood products. These changes include the development of wood-frame building codes, housing policy reform and entry into the World Trade Organization (WTO).

Market overview

New inspection and construction codes for wood-frame buildings have already been approved. The federal government, in partnership with the Canadian wood products industry, has worked closely with the Chinese Ministry of Construction (MOC) to address amendments to specific codes that cover wood-frame construction.

While developers were building unfinished concrete boxes in the past, developers in Beijing and Shanghai are now required to provide fully outfitted homes. These new policies will not only create market opportunities for

Canadian wood-frame construction but also for Canadian suppliers of wood products such as kitchen cabinets, windows, doors, hardwood floors, and wall panelling.

In addition, China's entry into the WTO will increase both its imports and exports and strengthen its position as an important competitor. As China is already a huge exporter of many wood products—mainly furniture—Canadian exporters could position themselves to become major suppliers of wood to these industries.



Stiff competition

Canadian exporters of wood products have to face strong competition from the United States, Russia, New Zealand, the European Union and Southeast Asia. Canadian companies will also be competing with builders who use light steel and concrete—by far the most common material used for home construction.

For more information, contact David Hamilton, Trade Commissioner, Canadian Embassy in Beijing, tel.: **(011-86-10) 6532-3536**, e-mail: david.hamilton@dfait-maeci.gc.ca or Etienne Sum Wah, Trade Commissioner, Canadian Consulate General in Shanghai, tel.: **(011-86-21) 6279-8400**, e-mail: etienne.sum-wah@dfait-maeci.gc.ca or Eric Pelletier, Trade Commissioner, China and Mongolia Division, DFAIT, tel.: **(613) 996-7177**, e-mail: eric.pelletier@dfait-maeci.gc.ca ✪

(For the unabridged version, see www.infoexport.gc.ca/canadexport and click on "Roadmap to China and Hong Kong".)

COMMUNICASIA 2003

Venture Capital and Partnering Forum

SINGAPORE — June 16, 2003 — Looking for partners or financing from sources in the Asia-Pacific region? If you are an information and communications technology (ICT) firm, you may want to participate in the **Venture Capital and Partnering Forum** at

CommunicAsia, the Asian international ICT exhibition and conference (**June 17-20, 2003**).

Organized by the Science and Technology Division of the Department of Foreign Affairs and International Trade (DFAIT), Industry Canada, and

the Trade Section of the Canadian High Commission in Singapore, the forum will provide selected Canadian firms with an opportunity to address and meet with key financial and business leaders from Singapore and elsewhere in the region.

Last year, 18 of Canada's most promising emerging ICT companies were selected to showcase their capabilities to more than 200 senior executives and decision makers.

For more information, contact Jim Burt, Science and Technology Division, DFAIT, tel.: **(613) 996-4292**, e-mail: jim.burt@dfait-maeci.gc.ca Web site: www.communicasia.com *

Market access information for Canadian exporters

The Department of Foreign Affairs and International Trade, through its Tariffs and Market Access Division, offers market access information to Canadian exporters. This includes information on tariffs, taxes, rules of origin, some entry procedures and, for the United States, counselling on Food and Drug Administration (FDA) and U.S. Department of Agriculture (USDA) food product labelling. More general information is also available for other countries. The service covers almost all Canadian exports, and is for most countries and regions.

For more information on market access and tariffs, tel.: **(613) 944-1569** or **(613) 944-5070**, fax: **(613) 944-4840** or **(613) 992-6002**, e-mail: eat@dfait-maeci.gc.ca For counselling on FDA/USDA food product labelling to the United States, tel.: **(613) 944-1015**, fax: **(613) 944-4840** or **(613) 992-6002**, e-mail: eat@dfait-maeci.gc.ca *

IKK 2003 in Hannover

— continued from page 6

the industry come to see it all at IKK. The exhibition will also feature systems for room air conditioning, ceiling cooling, anti-vibration fittings, air humidifying systems, fans and ventilation systems with heat and moisture recovery.

For more information on **IKK 2003**, contact Amy Schur, Unilink, tel.: **(613) 549-0404**, fax: **(613) 549-2528**, e-mail: as@unilinkfairs.com *

Conférence de Montréal

MONTREAL — May 5-8, 2003 — Take part in the Ninth **Conférence de Montréal**. This year's theme of the Forum of the Americas on the International Economy is "Innovating in an Uncertain World".

The list of speakers from the Americas, Europe, Asia and Africa is impressive. Hundreds of participants and speakers are expected to attend, representing the business community, universities, and international and government organizations.

For more information, call toll-free **1-866-877-8835** or **(514) 744-2342**, fax: **(514) 871-2226**, or go to www.confereceofmontreal.com *

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

Return requested
if undeliverable:
CanadExport (BCS)
125 Sussex Drive
Ottawa, ON K1A 0G2

Canada Post
Agreement Number 40064047