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**ABORIGINAL INTERNATIONAL BUSINESS**  
(See insert.)

*Dallas and Los Angeles welcome you*

# First Team Canada West mission

**P** rime Minister Chrétien will lead the first **Team Canada West trade mission to Dallas, Texas, and Los Angeles, California from November 27 to 30, 2001.** Accompanying the Prime Minister will be the premiers of the Western provinces, the leaders of the territorial governments, and a large delegation of companies from Western Canada.

"I am extremely pleased to lead this first Team Canada West trade mission. It represents a new step in our export development strategy, and I am confident that it will mark the beginning of a very successful partnership," said the Prime Minister.

"Texas and California offer tremendous opportunities for Western Canadian businesses," he added. "Canada currently ranks as California's third-largest trading partner, and Texas is now the U.S.'s second most populous state, with Dallas/Fort Worth and Houston being two of the fastest growing urban regions in the U.S. Developing our commercial relationship

with these states will provide all Canadians with invaluable benefits."

The mission will be promoting the Western provinces' various sectors (see below) and Canada's high-tech image in major technology centres in the territories of the Canadian

*Continued on page 6 – Team Canada*



## WCFPS's International Business Centre

### Sowing... and reaping the rewards

**L** ike nourishing food well prepared, it takes planning, skill, communications and knowledge to put on a highly visible result-oriented event such as the annual **Western Canada Farm Progress Show (WCFPS).**

One essential ingredient in most success stories is a combination of enthusiasm and teamwork.



*Eastern European Delegation at Western Canada Farm Progress Show.*

*Continued on page 3 – Reaping*



The Canadian Commercial Corporation (CCC) and its partners invite you to attend a one-day seminar on United States Government procurement (see the previous issue of *CanadExport*, p. 3).

If you have something to sell, chances are it's something the U.S. government

*Reminder : upcoming CCC opportunities seminars*

# U.S. Government procurement

buys. After all, with annual purchases in the billions of dollars, it is the world's largest customer.

## Bringing the world's largest customer to you

As a specialist in export sales and contracting to governments worldwide, CCC has brought together key U.S. and Canadian government procurement officials to discuss upcoming requirements and explain the process and regulations when selling to the U.S. government.



Canadian  
Commercial  
Corporation

## Get on schedule

Many U.S. government buyers prefer to buy products and services from suppliers who hold GSA schedule contracts. Learn about how this program works and how to decide if it is right for your company and your U.S. government buyer.

Once you have negotiated the terms and conditions of your offer with the GSA, your buyer's average time to place an order is 14 days. By comparison, a full request for proposal process can take an average of 270 days to award a contract. System integrators, when preparing large bids, often choose partners who are already on the GSA schedule. Many government buyers routinely prefer GSA schedules over all other types of contracts.

Check the GSA Web site:  
[www.gsa.gov](http://www.gsa.gov)

In only one day, you'll learn how

your company can become a part of the supply chain. This is your chance to learn about a \$100-billion-plus annual market.

## Who's going to be there?

- **David Drabkin**, Deputy Associate Administrator for Acquisition Policy — General Services Administration

- **Brian Isham**, Division Manager, Contracts, Office of Acquisitions, Federal Aviation Administration
- **Colonel Richard G. Nelson**, Commander Defense Contract Management Agency Americas
  - **Judy Bradt**, Director, Government Markets, Canadian Embassy in Washington
- **Hugh O'Donnell**, Senior Executive Vice-President, Canadian Commercial Corporation
- **Robert Ryan**, Manager U.S. Operations, Canadian Commercial Corporation.

## Luncheon speakers

- **Halifax: Stephen Lund**, President and CEO, Nova Scotia Business Inc.
- **Toronto: Perrin Beattie**, President, Canadian Manufacturers and Exporters
- **Montreal: Alberto Costa**, Director Strategic Planning Military, CAE Electronics Ltd.
- **Calgary: Mark Norris**, Minister of Economic Development

## To register in each location

- **HALIFAX:** Canadian Manufacturers and Exporters — Nova Scotia Division, tel.: (902) 422-4477, fax: (902) 422-9563, e-mail: [jacqui.squires@cme-mec.ca](mailto:jacqui.squires@cme-mec.ca)
- **MONTREAL:** Quebec Manufacturers and Exporters, tel.: (514) 866-7774, fax: (514) 866-3779, e-mail: [anick.robittaille@meq.ca](mailto:anick.robittaille@meq.ca)

- **TORONTO:** Toronto Board of Trade, tel.: (416) 862-4500, fax: (416) 366-5620, e-mail: [events@bot.com](mailto:events@bot.com)
- **CALGARY:** Canadian Manufacturers and Exporters — Alberta Division, tel.: (780) 426-6622 or 1-800-642-3871, fax: (780) 426-1509, e-mail: [linda.malloy@cme-mec.ca](mailto:linda.malloy@cme-mec.ca)

For more information about this seminar, call 1-800-748-8191 or (613) 996-0034 (in Ottawa). 🍁

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

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CanadExport

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Teamwork is the catalyst that brings all the parties together. This is really what success stories are about — not just contracts, but rather the partners and the networks that make contracts happen. Of course, there is much more to exporting, but good networks are key to success.

### An agri-industrial example

The WCFPS is a major world dryland agricultural equipment, services and technology show, held in June in Regina, Saskatchewan. This year it attracted over 700 exhibitors, 40,000 visitors and 302 international buyers from 29 countries, as well as 85 registered exporters. With so many people on the floor and so many opportunities to seize, it's like an old-style stock exchange.

Amidst the noise and the haste, exporters need to go where the international-minded people are. That's where the IBC comes in.

### International Business Centre

At the WCFPS, there is an International Business Centre (IBC) at your service. It is a unique partnership involving show management, the Prairie Implement Manufacturers Association (PIMA) and four governments — Canada, through its International Trade Centres (ITC) in Regina and Saskatoon, and the National Sector Team for Agricultural Equipment Services and Technology, Alberta, Manitoba and Saskatchewan, through its Saskatchewan Trade and Export Partnership (STEP), under the guidance of its then manager of International Projects and Trade Finance, Murad Al-Katib.

Deals have been made at the IBC every year since 1991 because it creates a value-added mini-marketplace at the crossroads of buyers and sellers of agricultural equipment from all around the world. The Centre is a goldmine of useful information for past and current visitors, as well as for trade officers around the world.

Such information as company brochures, promotional materials

and product/service interests of buyers are available ahead of time, and the IBC staff — manager Lea Kennedy and assistant Bev Barlow — also assist visitors in locating the whereabouts of buyers and sellers

## WCFPS's International Business Centre

# Reaping the rewards

at the show. Thanks to their efforts, many companies arrive at the show confident and focused on a list of target companies.

Other hands-on activities at the IBC include 7:30 a.m. breakfasts with 5-minute presentations by exporters and an air-conditioned, modern facility with basic office and telephone services.

### Reaping the benefits

Jim Carnago, President of **Schulte Sales Inc.** — a branch of Engelfeld, Saskatchewan-based **Schulte Industries Ltd.**, an agri-industrial manufacturer and marketing firm — will not reveal the value of his long-term distributorship agreement with Claire Miguel, President of Payen of Rozay-En-Brie, France. However, it's a substantial chunk of his annual \$20-million turnover, he says.

Initial contacts made at the IBC in 1999 between the French distributor and Schulte — established 75 years ago and a 1999 Canada Export Award winner — led to the sale of three heavy-duty rotary cutters for testing and adaptation to European standards. The talks then bounced back before they translated into the signing of a three-year distributorship agreement.

"Everything you need for your exporting activities is there at the IBC," points out Carnago. "The staff is very professional and helpful. Year after year, there are lots of contracts being discussed at that location, so co-ordination is important."

Two years later, at this year's WCFPS, Carnago announced a three-year extension to this agreement, allowing the Schulte line to expand into France and other French-speaking markets in Europe.

"The WCFPS is a major show for us," says a confident Carnago. "We keep coming back every year and we especially appreciate the international exposure we get as an exporter. When we announced the extension with Payen, we wanted to bring some attention to ourselves, of course, but also to the IBC. The IBC was again instrumental this year in our finding a Ukrainian agri-industrial distributor, R.I.S.E., to whom we sold 37 machines, a contract in excess of \$500,000."

According to Carnago, Schulte is now Russia-bound and looking at Eastern Europe.

And, with a solid WCFPS team — a solid three steps ahead of the game — at both STEP and IBC, little wonder that in addition to the Schulte success, new dealerships were also announced for the U.S. as well as agricultural equipment purchases from such far-away places as Australia.

Maybe it all does look deceptively simple — like preparing a nourishing dish — but then again... it's really all about homework and teamwork.

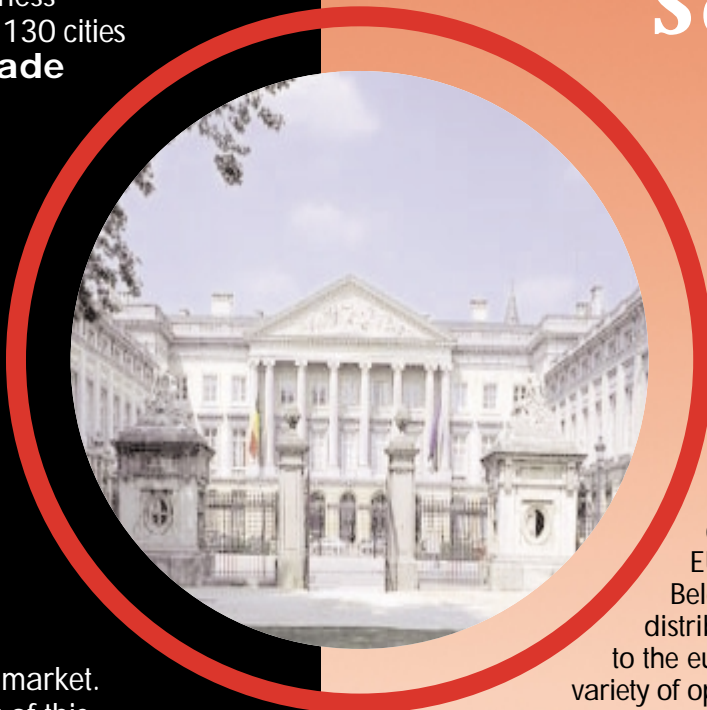
**For more information** on the show, contact Lea Kennedy, Manager, WCFPS, tel.: **(306) 781-9216**, fax: **(306) 565-3443**, e-mail: **lkennedy@reginaexhibition.com**  
Web site: **wcfps.com** 🍁



# BELGIUM

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

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



## The Industrial Application Software Market

Belgium sits at the centre of the European Union (EU), and is the European headquarters of many multinational corporations. Although it has a small domestic market, Belgium has a potential customer base of 370 million consumers in the greater EU market. Besides Belgium's strength as a distribution centre, conversion to the euro currency is creating a variety of opportunities for Canadian software firms.

Most Belgians are technologically savvy and have a good understanding of English, resulting in minimal software localization costs. Belgian characteristics also tend to approximate the European average, making the country good

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testing ground for new products destined for the wider EU market. Most notably, Belgium's software market closely follows that of the United States. New products are announced within months of each other.

### Market Snapshots

• **Network Security Software:**

The Belgian market for network security software is expected to show very strong growth through to 2005 (in the 54% to 60% range for the "Benelux region," which includes the Netherlands and Luxembourg). The Belgian market is not yet saturated, allowing plenty of opportunity to enter the market. Growth will be fueled by e-commerce, and by the Internet as a significant media channel. Privacy will continue to be the main thrust behind increasing demand for encryption software.



• **General Financial Software:**

There is potential for significant growth in Belgium's client- and desktop-based software market. The retail market is currently the largest vertical market for financial software.

• **Enterprise Resource Planning (ERP) Software:**

The Benelux region is one of the most stable ERP markets in Europe. Growth in the 29% to 30%

range is expected through to 2004. The high-end market is reaching maturity and a slow-down in growth is expected soon. Many top tier vendors are downsizing their products for the middle tier and vertical markets, with most vendors focussing on the vertical and supply chain markets.

• **Banking Automation Software:**

The Benelux banking automation software market is poised for continued growth in the 7% to 9% range.

• **Accounting Software:**

Significant growth is expected in this sector. More Belgian companies are adopting cost-based accounting techniques resulting in a preference for American and British software packages.

### Opportunities

There are numerous opportunities for Canadian software manufacturers and resellers, particularly in network security, ERP, banking automation and accounting software. Many of these opportunities may be linked to the currency changeover. Accommodating the euro will

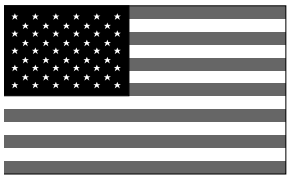
require companies to update their business systems, from payroll to purchasing. Canadian resellers may find it easiest to tap into euro business through Canadian multinationals operating in Belgium. Canadian companies may also find opportunities with Belgian brokerage houses in need of specialized e-commerce and encryption software.

### See Potential?

To learn more about this market, read *The Industrial Application Software Market in Belgium* prepared by the Market Research Centre. You can access this report and hundreds of others free at the Trade Commissioner Service Web site:

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

The screenshot shows a browser window with the URL [www.infoexport.gc.ca](http://www.infoexport.gc.ca). The main text reads: "Could this be your market? Complete report at [www.infoexport.gc.ca](http://www.infoexport.gc.ca)". Below this is a banner for "The Industrial Application Software Market" with a red circle highlighting a building image. At the bottom, an arrow points to the text "Access our market studies".



# The U.S. Connection

**T**he U.S. Connection is produced in co-operation with DFAIT's U.S. Business Development Division. For information about articles on this page, fax (613) 944-9119 or e-mail [commerce@dfait-maeci.gc.ca](mailto:commerce@dfait-maeci.gc.ca) For all other export enquiries, call the Team Canada Inc Export Info Service toll-free at 1-888-811-1119.

## Team Canada West

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Consulates General in Dallas and Los Angeles. These two posts are responsible for business development activities in 11 states: **Dallas** — Texas, Oklahoma, Kansas, New Mexico, Louisiana, Arkansas; **Los Angeles** — California, Utah, Arizona, Nevada and Hawaii.

### Dallas territory

With an increasingly affluent population of 36 million and GDP higher than Canada's, the region is headquarters for 63 Fortune 500 companies, as well as over 85 Canadian subsidiaries. Texas is the undisputed economic leader in the Dallas territory. It accounts for 63% of regional GDP, and is second only to California in terms of the dollar amount and rate of increase in personal income. High-tech manufacturing is the largest contributing sector (8.9%) of state GDP, followed closely by the energy industries.

**Information technology and telecommunications** — The IT industry in the Dallas territory is concentrated almost exclusively in Texas, where it is the primary engine of economic growth. Electronic equipment and parts, computers, and scientific instruments account for one-third of the value of all goods shipped out of the state. With 23% of U.S. capacity, Texas leads the nation in semiconductor manufacturing, and is the world's

third-largest producer of personal computers. The Dallas/Fort Worth Metroplex is considered one of the nation's largest "Cybercities."

Photonics is an area of Canadian excellence with tremendous potential for Canada-U.S. partnering and for U.S. companies to establish subsidiaries in Canada.

**For more information**, contact Michael Mendoza, Business Development Officer, Canadian Consulate General, Dallas, tel.: (214) 922-9812 ext. 3354, e-mail: [michael.mendoza@dfait-maeci.gc.ca](mailto:michael.mendoza@dfait-maeci.gc.ca)

**Oil, gas and electric energy** — Texas remains the world's premier marketplace for oil and gas sector technologies and services. Houston is the global centre for strategic planning and procurement for exploration, energy technology development and commodity marketing. Innovation has transformed Texas into a beta test-lab for new exploration, production, power generation and transmission, marketing, environmental and management technologies.

Three emerging niches of interest to Canadian developers of innovative exploration and production (E&P) technologies are equipment and services, renewable and alternative energy technologies, and international procurement.

**For more information**, contact Scott Flukinger, Business Development Officer, Canadian Consulate General, Dallas, tel.: (214) 922-9812 ext. 3355, e-mail: [scott.flukinger@dfait-maeci.gc.ca](mailto:scott.flukinger@dfait-maeci.gc.ca)

**Building products** — Exports of Canadian building products to the Southwest (SW) have increased in recent years, fuelled by the region's rapid economic growth and building boom. SW builders appreciate Canadian quality, innovation and competitive pricing in higher-end and specialty products such as windows, doors, cabinets, and unique architectural embellishments. As well, the popularity of non-toxic, environmentally friendly products is growing and may provide opportunities for manufacturers of "green" products, as well as technology transfers in building science.

**For more information**, contact Laura Aune, Business Development Officer, Canadian Consulate General, Dallas, tel.: (214) 922-9812 ext. 3357, e-mail: [laura.aune@dfait-maeci.gc.ca](mailto:laura.aune@dfait-maeci.gc.ca)

**Agriculture and agri-food** — Canada already exports a wide range of agricultural and fisheries commodities, food and beverages, livestock, equipment and services. Untapped markets still remain, however. Given the increasingly affluent, well-educated consumer base in the SW, fine foods and wines in particular offer excellent potential.

**For more information**, contact Laura Aune, Business Development

*Continued on page 7*

Check the **Business Section of the Canada-U.S. Relations Web site** at [www.can-am.gc.ca](http://www.can-am.gc.ca) ... for valuable information on doing business in and with the United States.



Officer, Canadian Consulate General, Dallas, tel.: (214) 922-9812 ext. 3357, e-mail: [laura.aune@dfait-maeci.gc.ca](mailto:laura.aune@dfait-maeci.gc.ca)

**Biotechnology** — The Texas biotech industry may provide a comfortable “fit” for Canadian biotech companies entering the U.S. market because of its similar structure: small dynamic companies clustered around strong medical research centres.

The majority of the 45 biotech companies in Texas focus on health care and are concentrated in Houston, Dallas, Austin, and San Antonio. The Texas Medical Center in Houston is a “medical city” within a city that thrives on the presence of many large research facilities. In Dallas, the University of Texas Southwestern Medical Center, home to research on the Genome Project, is at the core of the city's budding biotech industry. The University of Texas in Austin and the University of Texas Health Science Center at San Antonio anchor the other two clusters.

**For more information**, contact Richard Crouch, Business Development Officer, Canadian Consulate General, Dallas, tel.: (214) 922-9812 ext. 3358, e-mail: [richard.crouch@dfait-maeci.gc.ca](mailto:richard.crouch@dfait-maeci.gc.ca)

### Los Angeles territory

The territory covered by the Canadian Consulate General in Los Angeles and the Consulate Trade Offices in San Francisco/Silicon Valley (San Jose) has a total population of 44 million. However, California, with nearly 80% of the population, is the prime target for new business. It is the largest exporting state in the U.S., accounting for one-sixth of all U.S. trade. Canada is California's second-largest export market after Japan, exchanging over \$39 billion in merchandise annually, as well as billions of dollars in services. California's economy has been powered by the rapid growth of cutting-edge industries such as aerospace, electronic manufacturing, computers, communications, film production, multimedia software and biotechnology.

**Information and communications technology** — California is a leader

in electronic and computer-related industries. The San Francisco Bay/Silicon Valley area alone is home to 7,000 high-tech companies, representing a combined market value of \$450 billion. The Los Angeles/San Diego corridor accounts for a further 19,000 technology companies. Annual sales in computer manufacturing are approaching \$35 billion, and California is the leading computer software developer in the nation.

## Interested in joining Team Canada West ?

Consult DFAIT's Team Canada Web site at [www.tcm-mec.gc.ca](http://www.tcm-mec.gc.ca) for full information and registration details or call (613) 944-2520 or fax (613) 996-3406.

The phenomenal growth of the telecommunications sector is evident in Canada's exports, registering a 44.5% growth in 2000 with exports valued at over \$25 billion. Wireless voice communications and voice over Internet (VoIP) offer the best opportunities in the territory.

**For more information**, contact Tom Palamides, Business Development Officer, Canadian Consulate General, Los Angeles, tel.: (213) 346-2757, e-mail: [tom.palamides@dfait-maeci.gc.ca](mailto:tom.palamides@dfait-maeci.gc.ca)

**Agriculture and agrifood** — Agricultural exports are the fifth-largest sector for Canadian trade in the SW, totalling \$1.2 billion in 2000. Live cattle and beef earned Canada \$86 million in California, and seafood brought in another \$61 million. In Hawaii, Canada sold \$4.4 million worth of salmon and other fresh and frozen fish. For the Western provinces, sales of beef, canola and wheat place high on the list of top 25 exported products. Western Canadian manufacturers of farm machinery and equipment are also establishing a strong presence in the SW.

California is ranked number one in supermarket sales in the U.S. totalling \$33 billion, \$19.7 billion in the Los

Angeles area alone. It is the largest food processing employer in the U.S., shipping nearly \$50 billion in food products.

**For more information**, contact Carl Light, Business Development Officer, Canadian Consulate General, Los Angeles, tel.: (213) 346-2756, e-mail: [carl.light@dfait-maeci.gc.ca](mailto:carl.light@dfait-maeci.gc.ca)

**Aerospace** — Canada has the fourth-largest aerospace sector in the world and Canadian companies are global market leaders in many key market segments, including regional aircraft, business jets, commercial helicopters, small gas turbine engines, flight simulation, landing gear and space applications. Traditionally, two-thirds of Canada's exports have been shipped to the U.S.

In addition to supplying military aircraft to the U.S., Canada exports helicopters and specialized aircraft, firefighting equipment, and business jets to the SW. The Joint Strike Fighter (JSF) — a \$300-billion U.S.- and U.K.-led multinational program to build the next-generation fighter aircraft — will create abundant opportunities for Canadian sub-contractors.

**For more information**, contact Jeff Gray, Business Development Officer, Canadian Consulate General, Los Angeles, tel.: (213) 346-2752, e-mail: [jeffrey.gray@dfait-maeci.gc.ca](mailto:jeffrey.gray@dfait-maeci.gc.ca)

**Biotechnology** — Over 100 public biotech companies are located in San Francisco, Los Angeles, San Diego, and the Central Valley. The state is home to one-third of the nation's biotech firms and accounts for half of the sector's total employment nationwide. Companies are clustered near California's universities and medical research facilities.

Sales of Canadian biotech products and services to the U.S. exceed \$1 billion, with the health care field generating the highest revenues, followed by the agri-food sector. Canada's strong base of scientific expertise and continuous investment in research and development suggests that

*Continued on page 12 – Team Canada*

**A**n infusion of foreign pharmaceuticals into the Russian market is helping to meet consumer demand for high quality, low cost medicine. Imports of pharmaceutical products into this vast consumer base grew to US\$1.23 billion in 2000, a 48% rise in one year. All vital signs indicate that the upward trend is continuing.

antiseptics, anti-inflammatories, antibiotics, anaesthetics, tranquillizers, psychotherapeutics, central nervous stimulants and anti-viral treatments.

#### Market access considerations

The Russian Ministry of Health imposes several requirements before foreign pharmaceuticals can be sold in Russia:

grow worse, despite the fact that Russia's intellectual property legislation is approaching international standards. A new VAT tax on drugs slated for 2002 will undoubtedly worsen the situation by encouraging consumers to turn to counterfeit medication, which is often less expensive.

Russia's poor distribution network also poses serious constraints. Unlike more developed countries that use a small number of large distributors, there are more than 2,000 Russian companies acting as intermediaries, which makes it almost impossible to supervise and track the flow of medicines. Only a select number of distributors, such as **Protek** and **SIA International**, provide nation-wide coverage through regional distribution networks.

#### Major competition

Foreign pharmaceuticals are popular in Russia and global giants such as Novo Nordisk, Aventis Pharma and Novartis are already well established in the Russian market. Eastern European companies such as Hungary's Gedeon Richter and Slovenia's Krka are also considered major exporters. ICN Pharmaceuticals, AKO Sintez, Erka F, Akrikhin and Moskhimpharmpreparaty dominate local production.

#### Useful Web sites

- AIPM — The Association of International Pharmaceutical Manufacturers, Web site: [www.aipm.org](http://www.aipm.org)
- BISNIS — The Business Information Service for Newly Independent States, Web site: [www.bisnis.doc.gov](http://www.bisnis.doc.gov)
- Coalition for the Protection of International Property Rights, Web site: [www.cipr.org](http://www.cipr.org)
- Health Canada, International Policy Division, Web site: [www.hc-sc.gc.ca/hpb-dgps/therapeut](http://www.hc-sc.gc.ca/hpb-dgps/therapeut)

For more information, contact Patrick Boulanger, Trade Commissioner, Canadian Embassy, Moscow, tel.: (011-7-095) 956-6666, fax: (011-7-095) 232-9949, e-mail: [patrick.boulanger@dfait-maeci.gc.ca](mailto:patrick.boulanger@dfait-maeci.gc.ca) 🌟

# Rx for Russia's ailing pharmaceutical sector

#### Market overview

First quarter results for 2001 showed the pharmaceutical import market was worth US\$560 million, up 19% from Q1 last year. With 62% of total sales, foreign firms, mostly North American and Western European, dominate the market. Half of all Russian consumers must pay for their medicine directly, but this costs only a small portion of the average annual household budget — between US\$5 and \$10.

The domestic pharmaceutical sector is weak, comprising 700 small firms that use outmoded equipment and have little funding for research and development. Most (80%) of domestic products must be made from imported chemicals, making them more expensive, in many cases, than foreign brands. Between 80% and 90% of domestic output is generic, principally low-margin drugs such as painkillers that require less advanced production methods.

#### Opportunities

Russia is enduring a critical shortage of essential medication. With 10 million Russians afflicted with diabetes, and cases of TB, hepatitis B, hepatitis C, and HIV on the rise, Canadian firms producing good quality, competitively priced treatments will find a receptive market. Domestic producers simply cannot meet the demand for cardiovascular drugs, analgesics,

- Registration, the responsibility of the Department for State Control of Quality, Effectiveness and Safety of Medicines and Medical Equipment, involves clinical testing assessments



for all drugs. The 1995 Memorandum of Understanding between Health Canada and the Russian Ministry of Health may facilitate the process, although its dispositions were not introduced into the Russian regulatory system.

- Certification, a week-long process, requires submission of test results conducted during registration before a Certification of Conformity can be granted by Russian health authorities.
- Application for an import permit is made only after a drug has been registered and certified. The permit is granted to either the manufacturer or to the Russian counterpart.

Although Russian authorities thoroughly check documentation and certification, they often fail to examine the medicine itself. This has resulted in an influx of counterfeit drugs, estimated to comprise at least 3.7% of the total market, an increase from 0.05% in 1999. Lack of enforcement will likely cause the problem to



**W**hile tragic events were unfolding in New York City on September 11, the latest in defence technologies and equipment were being exhibited at DSEi 2001 ([www.dsei.co.uk](http://www.dsei.co.uk)), Europe's largest and most prestigious defence trade show. The Canadian High Commission in London organized a Canadian stand to promote Canada's defence industry to well over 60 countries, including the huge market in the U.K.

Canadian participation at DSEi 2001, held from September 11–14 in the ExCeL exhibition centre in east London, surpassed that of two years ago, with 24 companies exhibiting, 10 on the Canada stand. Although scheduled to attend, National Defence Minister Eggleton cancelled his trip in the wake of September 11.

Over 650 companies representing 21 nations exhibited this year. While general attendance levels were down, official delegations arrived from 48 countries and a further 20 countries sent official representatives. Press interest was high as well, with over 250 accredited press attending over the four days. The combined tally, together with the warship and arena displays, made DSEi the largest defence show in Europe this year.

Although the tragedy in the U.S. overshadowed the show, many of the Canadian companies surveyed agreed that DSEi was an excellent event, which lived up to its billing as "the most prestigious exhibition of defence systems". Lower than expected attendance allowed exhibitors to "walk the floor" themselves, meeting with prospective clients, investigating what the competition was up to, and forging new leads.

DSEi is clearly a "must" on the marketing calendar — a cost-effective opportunity for companies in the Canadian defence industry with their sights set on the lucrative British and foreign defence markets.

#### U.K. defence market

Each year the Ministry of Defence (MOD) spends approximately £12 billion

on goods and services. Indeed, no group in the U.K. spends more, and no group matches the range of the MOD's requirements. They buy everything from military equipment to food, stores and clothing. Most of their requirements are sourced by the Defence Procurement Agency (DPA), which buys over £5 billion in new equipment and initial spares for the

and will provide 30 years of comprehensive training services to the Royal Navy. CAE ([www.cae.com](http://www.cae.com)) will provide simulators worth \$370 million for the submarine's platform and propulsion systems, and Alenia Marconi simulators for the combat and weapons systems.

DAP Technologies ([www.daptech.com](http://www.daptech.com)) introduced its new Microflex

### Opportunities in the U.K. defence sector

# The show goes on

Armed Forces each year. At any one time, its 5,500 employees are managing more than 13,000 contracts, ranging from the purchase of submarines to small parts for a field radio.

As a result of the tremendous requirements of their Armed Forces, the U.K. has developed into one of Europe's largest suppliers of defence equipment, with British companies at the forefront of technological innovation in the defence sector. Notwithstanding this domestic industrial strength, the MOD is governed by a "smart procurement" policy which advocates value for money. They are therefore receptive to bids from overseas companies, and will give them due consideration — as evidenced by the £1.8-billion Bowman contract recently awarded to Canada's CDC. The new Bowman communication system is the largest defence communications programme ever undertaken by the U.K.

#### Canadian announcements

A number of announcements both preceding and during DSEi put the focus on the Canadian defence industry.

**FAST** — a CAE/Alenia Marconi consortium — signed a \$740-million contract with the MOD for the delivery of training services on the Astute Class nuclear submarines. FAST will construct a training centre in Scotland

hand-held unit for tactical, logistic, maintenance or GPS applications. General Dynamics UK was interested in the possibility of integrating the device into the Bowman project.

**DY 4 Systems** ([www.dy4.com](http://www.dy4.com)) emphasized its ability to adopt leading-edge technologies in its harsh-environment board and system-level products. It also showcased its new avionics display modules that incorporate the industry's most advanced graphics integrated circuits.

**Nortel Networks** ([www.nortelnetworks.com](http://www.nortelnetworks.com)) announced it had entered into a series of agreements with the European Aeronautic Defence and Space Company (EADS).

**For more information**, contact Sylvia Cesaratto, First Secretary (Commercial), Canadian High Commission, London, tel.: (011-44-20) 7258-6610, fax: (011-44-20) 7258-6384, e-mail: [sylvia.cesaratto@dfait-maeci.gc.ca](mailto:sylvia.cesaratto@dfait-maeci.gc.ca) 🍁



**B**arely a month after a very successful trip to Tokyo and Fukuoka, Japan last September, *Joseph's Estate Wines* is already responding to distributorship offers from small trading companies, hotels

Commissioner at the Canadian Consulate in Fukuoka," she adds, "who in turn consulted with Greg Giokas, Counsellor (Food and Consumer Products), at the Canadian Embassy in Tokyo."

# Canadian Icewine toast of Japan



and restaurants and has entered into negotiations with some of the largest distributors in Japan.

The crowning glory for the Niagara-on-the-Lake small winery was the accolade it received at the **International Trade Fair** in Fukuoka where Joseph's Icewine obtained the highest rating from participants at the wine seminar. This bi-annual fair held September 13-16 — it is usually used as a testing

So the wheels were set in motion for Joseph's to kill two birds with one stone.

### Trade Commissioner support

"If you are coming all the way to Fukuoka, why not stop by at the Embassy in Tokyo," was the advice to Joseph's from Canada's Trade Commissioners.

So an Icewine tasting event was hosted by the Canadian Embassy in Tokyo and attended by key executives from Japanese wine importers, wholesalers, the press, and associations of chefs and five-star hotels. The wine seminar and tasting event in Fukuoka also involved table wines and fruit wines from other Canadian suppliers — from British Columbia and Newfoundland.

Leading the visiting delegation were Joseph Pohorly, President, Owner of Joseph's Estate Wines, and Legarda-Custodio, who organized both events.

### A really "cool" business

Joseph Pohorly is a legend in the wine industry. Original founder of Newark Wines in 1978 — it became Hillebrand Estate Wines five years later — he took his expertise gained from previous successes and founded Joseph's Estate Wines in 1992.

"Located in the heart of Niagara's Wine Country, the 20-acre estate employing some 30-35 people — it depends on the season," explains Legarda-Custodio, "has been recognized within the industry and abroad for producing a variety of award-winning wines."

Icewines are dessert wines made from grapes harvested at temperatures between -8 to -10°C degrees, usually in the evening or early morning. Vidal grapes are harvested by hand and slowly squeezed, yielding concentrated, intensely sweet drops of juice.

"As a matter of fact," she says, "back in 1983, Joseph Pohorly was one of the first in Canada to make Vidal Icewine. The 1998 VQA Joseph's Vidal Icewine received 'The Grand Champion American Airlines Trophy' for the Best Commercial Dessert wine and a Gold Medal on July 28, 2001."

Little wonder the Japanese are eager to sign contracts for such highly prized products. As for Joseph's — in addition to sending samples to prospective customers — it is seriously considering participating in **FOODEX 2002**, a trade show slated for Tokyo next March, to build on its initial market penetration in Japan.

**For more information** on Joseph's Estate Wines, contact Flordeliz Legarda-Custodio, Vice-President, Export, tel.: (905) 338-9072, fax: (905) 338-8460, e-mail: flordelizlegarda@aol.com Web site: www.josephsestatewines.com 🍁



From left to right: Minister Peter Campbell, Canadian Embassy, Tokyo; Joseph Pohorly, President and Owner, and Flordeliz Legarda-Custodio, Vice-President, Export, Joseph's Estate Wines; and Counsellor Greg Giokas at the Canadian Embassy in Tokyo.

ground for new products in Japan — drew more than 77,000 people.

### CanadExport acts as trigger

"It was back in February," recalls Flordeliz Legarda-Custodio, Vice-President, Export, at Joseph's, "when we read a short article in that month's first issue of *CanadExport* about the upcoming Fukuoka International Trade Fair 2001.

"As suggested, we contacted Josiane Simon, Consul and Trade

"But key to the success of the wine tasting events in both Tokyo and Fukuoka," recalls Legarda-Custodio, "was the support received from the Canadian Trade Commissioner Service in both cities, in particular Minister (Economic/Commercial) and Senior Trade Commissioner Peter Campbell; Counsellor Greg Giokas; Noburo Shimizu, Commercial Officer; Consul Josiane Simon; and Kazuhiro Uemura, Commercial Officer in Fukuoka, who assisted in the events."

**C**hina's rosy economic performance has become a familiar refrain over the last few years, with news reports lauding the fact that the country managed to avoid the Asian financial crisis, the global high technology meltdown, and consistently boasts a healthy annual economic growth rate between 7% to 8%.

As a Canadian IT business, you have evaluated the advantages and the disadvantages of doing business in China, and are ready to take the plunge into this growing market, or maybe just dip your toes. If you're not sure how to get started, or even how to proceed, consider the following tips:

- **Consult with Canada's Trade Commissioner Service** — Canada has an Embassy in Beijing, Consulates General in Shanghai, Guangzhou and Hong Kong, as well as a Consulate in Chongqing. Each office is staffed with experienced IT specialists familiar with the local markets, who can offer you sound business advice and put you in contact with appropriate individuals.
- **Develop a proper business plan** — Proper business planning is important in any market, but is especially so in China, given the fierce competition from companies worldwide. Make sure you know your product/firm strengths, and the needs of your targeted customers. Make use of the latest market intelligence when planning and undertaking marketing activities. Develop a realistic business plan tailored to your targeted markets. Consider hiring an experienced lawyer who is familiar with Chinese law, especially contract and commercial law.
- **Do not try to conquer the Chinese market all at once** — China has a population of 1.3 billion, spread across over 30 provinces/regions, each with unique characteristics. Make use of the many market studies available through DFAIT or independent organizations.
- **Recognize and respect cultural**

**differences** — China is a country with an intertwined ancient culture and history. If you wish to work here on a long-term basis, try to develop a good understanding of the culture, language and etiquette. In the short term, you may consider hiring a local agent. When

up local sales offices is advisable, and in the longer term, local manufacturing either through a joint venture or through technology transfer.

- **Protect your intellectual property** — IP protection is not always enforced by the Chinese judiciary, and is not part of the Chinese her-

## Doing IT business in China

# 10 tips to consider

in doubt, consider that good manners in Canada will likely be good manners in China.

- **Be aware of the importance of "guanxi"** — In the West, the rule of law defines how we interact with each other. In China, your personal connections or "guanxi" are what count. Do not over-commit in business dealings as it could take years to regain the trust of your customers/partners if you fail to deliver. Deal with your business contacts in an ethical and honest manner, as relationships are long-term and should be nurtured as such.
- **Recognize the need to accommodate numerous Chinese objectives in any business deal** — In general, it is more difficult to pursue a major IT contract in China than in Canada because you must satisfy the objectives of a greater number of stakeholders. Given that all of the major telecom firms are partly owned by the Chinese government, success is not guaranteed merely by offering the lowest cost/highest quality product or service. You will also need to satisfy various government objectives such as job creation. Consider marketing your company in a manner consistent with the Chinese value of "giving before taking."
- **Be prepared to establish a base of operations in China** — The Chinese government institutes practices that favour local procurement. Setting

up local sales offices is advisable, and in the longer term, local manufacturing either through a joint venture or through technology transfer.

- **Have a plan to repatriate your profits** — Barriers exist for foreign firms in converting their money and repatriating the profits. You will need to thoroughly explore this issue, and have a plan.
- **Be patient, and be committed to the market** — Don't expect to get rich quickly. It often takes years to cultivate the necessary business relationships. You will likely encounter numerous unexpected obstacles and setbacks, ranging from lack of transparency in the decision-making process, to a changing regulatory framework, to partnership difficulties. Perseverance is a must! China is a market that you must pursue on a full-time basis.

This list is far from exhaustive, but consider these tips before you take that first flight to China, in an effort to conquer this highly competitive, and potentially, highly lucrative market. Bon voyage!

**For more information**, contact Dale Forbes, Manager, China and Hong Kong Division, Industry Canada, tel.: (613) 990-9092, fax: (613) 990-4215, e-mail: [forbes.dale@ic.gc.ca](mailto:forbes.dale@ic.gc.ca) or Marcel Belec, Trade Commissioner, China and Mongolia Division, DFAIT, tel.: (613) 995-6962, fax: (613) 943-1068, e-mail: [marcel.belec@dfait-maeci.gc.ca](mailto:marcel.belec@dfait-maeci.gc.ca) 🍁





# International Business Opportunities Centre

**ZAMBIA** — Concession of the Operations and Assets of Zambia Railways Ltd. — The Zambia Privatization Agency (ZPA) invites bids for a long-term concession of part or all of the operations of Zambia Railways Limited (ZRL). This involves upgrades to the track (1,273 km), locomotives and wagons. Cost of bid documents: US\$5,000. Closing date: **December 7, 2001**. For more information, contact Chief Executive, Zambia Privatization Agency (ZPA), Privatization House, Nasser Road, P.O. Box 30819, Lusaka, Zambia, tel.: (011-260-1) 222-858/220-177, fax: (011-260-1) 225-270, e-mail: [zpa@zpa.org.zm](mailto:zpa@zpa.org.zm) and Benoit Gauthier, Commercial Officer, Canadian High Commission, Lusaka, fax: (011-260-1) 254-176, e-mail:

[benoit.gauthier@dfait-maeci.gc.ca](mailto:benoit.gauthier@dfait-maeci.gc.ca) quoting case no. 010716-03430. (Notice received from the Canadian High Commission in Lusaka.)

**KAZAKHSTAN** — Supply and Assembly of New Diesel Locomotives/Components — On behalf of Kazakhstan Railways (KTZ), the Republican State Enterprise (RSE) invites sealed bids for (a) the supply of new diesel locomotives and components, and (b) the development of a local manufacturing and assembly capability. Between 130 and 150 locomotives will be required during the next 6 to 8 years. Technical requirement specifications will be provided. Bidders must have satisfactorily completed similar projects and be certified ISO 9001-2000 or equivalent. All documentation, including tenders and correspondence, must be submitted in both English and Russian. Cost of tender: US\$150. Bid security: US\$200,000. Closing date: **December 7, 2001**. For bid documents, contact The Republican State Enterprise RSE Kazakhstan Temir Zholy, 98 Pobeda Ave., Astana, 470311, Kazakhstan, RNN 620300002920, Beneficiary's code: 16, account no. 0250053029, CJSC Citibank Kazakhstan, Swift code: CITIKZKA, corresponding account: 36025525, Citibank New York, Swift code: CITIUS33. For more information, contact Ada Terechshenko, Commercial Officer, Canadian Embassy, Almaty, fax: (011-7-3272) 58-24-93, e-mail: [ada.terechshenko@dfait-maeci.gc.ca](mailto:ada.terechshenko@dfait-maeci.gc.ca) quoting case no. 010810-03787. (Notice received from the Canadian Embassy in Almaty.) 🍁  
IBOC trade opportunities — find out more at [www.iboc.gc.ca](http://www.iboc.gc.ca)

## Team Canada West

— Continued from page 7

Canadian companies are well placed to take advantage of opportunities in this expanding market.

For more information, contact John Roxburgh, Vice-Consul and Trade Commissioner, Canadian Consulate Trade Office, San Francisco, tel.: (213) 346-2761, e-mail: [john.roxburgh@dfait-maeci.gc.ca](mailto:john.roxburgh@dfait-maeci.gc.ca)

**Culture and entertainment** — In 2000, PricewaterhouseCoopers estimated the value of film and television shoots originating from Los Angeles was worth \$1.8 billion, an increase of over 38% from 1999. The Department of Foreign Affairs and International Trade (DFAIT) and the provinces, working with Telefilm Canada, are the key government agencies promoting Canadian films in international markets. DFAIT will be supporting Canadian filmmakers at National Association of Television Program Executives (NATPE) to be held in Las Vegas, January 21–24, 2002. For more information, contact Roz Wolfe, Media and Cultural Industries Officer, Canadian Consulate General, Los Angeles, tel.: (213) 346-2777, e-mail: [roz.wolfe@dfait-maeci.gc.ca](mailto:roz.wolfe@dfait-maeci.gc.ca)

The California market for the performing arts, especially for younger audiences, has shown a strong interest in Canadian products. As a result, Canadian performers have been included in showcases held for bookers in the state for the past fifteen years.

For more information, contact Pam Johnson, Cultural Affairs Officer, Canadian Consulate General, Los Angeles, tel.: (213) 346-2773, e-mail: [pam.johnson@dfait-maeci.gc.ca](mailto:pam.johnson@dfait-maeci.gc.ca) 🍁

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



## International Business Opportunities Centre

As Team Canada Inc's Sourcing Centre, the International Business Opportunities Centre (IBOC) matches business opportunities from around the world with the business interests of Canadian exporters, particularly small and medium-sized enterprises. IBOC offers a value-added service to trade commissioners by directly contacting Canadian companies about foreign trade leads.

To pursue our international trade leads, check out our Web site at [www.iboc.gc.ca](http://www.iboc.gc.ca) (particularly our E-Leads® and Web-Leads®).

India is quickly emerging as a new market for the export of Canadian wood products. With most domestic logging banned and wood imports consisting primarily of hardwood logs, there are substantial opportunities for marketing Canadian lumber and finished products. Recognizing this, B.C. and Quebec have opened a Wood Showroom in Mumbai, through which Canada has positioned itself as one of the few foreign players marketing high grade lumber and quality finished products to India.

### Why India?

The potential market in India is vast; with a middle class of 150–200 million people, demand is increasing for a wider variety and better quality of manufactured consumer goods. Currently, India consumes 80 to 100 million cubic metres of wood annually. Wood is commonly used for interior decoration in both residential and commercial applications. In fact, India uses more wood for interior purposes than does Japan.

Due to rapid urbanization, pre-fabricated wood doors and flooring are slowly gaining acceptance in Indian cities. Architects, interior designers and consumers are showing more interest in high-quality wood doors, flooring, panels and moulding which are not manufactured in the Indian market. Knock-down furniture products are also gaining popularity.

### Canada Wood Showroom in Mumbai

The B.C. Wood Products Showroom officially opened in April 2001 and, with the inclusion of Quebec Wood Exports Bureau, is now called the

# India — an emerging market for Canadian wood products

Canada Wood Showroom. Other provinces are encouraged to join.

Having attracted a significant number and range of Indian clients, the showroom has successfully promoted use of Canadian lumber and finished wood products in a variety of commercial and residential projects.

- A 250-bed hospital will use pre-fabricated doors and hemlock lumber.
- A 150-room hotel will use Canadian hard maple for door frames and furniture.
- A number of indoor stadiums will use Canadian maple for flooring and hemlock for underlay.
- Projects involving renovation of squash and badminton courts will use Canadian maple.

As the showroom receives referrals by Indian architects who have already used Canadian wood, the aforementioned projects are leading to additional business interest.

### Strengthening Canada's market presence

Canadian companies in this sector are encouraged to participate in trade shows to display their products.

Canadian wood products will be showcased at the **Inside-Outside Mega Show** in New Delhi in December and the **IndiaWood 2002 Exhibition** in Bangalore in February. India's first "Home Depot" style retail outlets, scheduled to open later this year, will also have potential to market Canadian lumber and finished wood products.

For more information on the **Canada Wood Showroom** in Mumbai, contact Country Manager Jagdish Torprani ([jtop@vsnl.com](mailto:jtop@vsnl.com)) or consult the participating agencies, **Quebec Wood Export Bureau** ([www.quebecwoodexport.com](http://www.quebecwoodexport.com)) and **B.C. Wood** ([www.bcwood.com](http://www.bcwood.com)). To learn more about commercial opportunities in this sector, contact our trade officers in Canada at [psa@dfait-maeci.gc.ca](mailto:psa@dfait-maeci.gc.ca) and in India at [Amarjeet.Rattan@dfait-maeci.gc.ca](mailto:Amarjeet.Rattan@dfait-maeci.gc.ca) 🍁

## The 10th anniversary of the Rotman CWEYA

*The 2001 Rotman Canadian Woman Entrepreneur of the Year Awards (CWEYA) will be held November 22, 2001, in Toronto. These awards help to encourage the kind of innovation and risk taking that will help Canada to compete in the new millennium.*

In their tenth year, the CWEYA honour the creativity and success of women entrepreneurs who are contributing in important ways to the growth and strengthening of Canada's economy. The awards are presented by The

Bank of Montreal in partnership with the *National Post*, Women's Television Network (WTN), Ford Motor Company of Canada, EDC, *Chatelaine* and *Châtelaine*, and are supported by Industry Canada, Deloitte and Touche, Cassels Brock & Blackwell LLP, James Ireland Design Inc., and Tiffany & Co.

The judges, who are themselves successful businesswomen from across Canada, have selected five exceptional women entrepreneurs to receive the following awards: Impact on Local

Economy Award, Export Award, Innovation Award, Start-Up Award and Lifetime Achievement Award.

Join the exciting tribute to these outstanding Canadian women entrepreneurs — register to attend the awards dinner and ceremony today. Individual tickets are \$165 + GST, and corporate tables are \$2,000 + GST.

For more information, and to register, contact 2001 Rotman CWEYA, c/o The Powerpoint Group, tel.: (416) 923-1688 or 1-800-354-3303, fax: (416) 923-2862, e-mail: [awards@cweya.com](mailto:awards@cweya.com) Web site: [www.cweya.com](http://www.cweya.com) 🍁

## The Canadian Construction, Environment and Information Technology Showcase

**TRINIDAD and TOBAGO** — December 3–4, 2001 — The Canadian High Commission in Port of Spain invites companies to participate in **The Canadian Construction, Environment and Information Technology Showcase**.

The twin-island Republic of Trinidad and Tobago is the most industrialized country in the Caribbean, a country rich in oil and gas resources as well as business opportunities. Canadian companies in construction/hardware, environmental products and services, and information/communications technologies (ICT) will find the showcase an ideal venue for marketing their products, services and technologies.

The exhibition may help Canadian construction and hardware companies wishing to pursue opportunities resulting from the Ministry of Housing's program to build 6,000 low-cost homes each year over the next five years. With the new Environmental Management Act, the Ministry of the Environment is undertaking many projects, including improved methods of disposing of the country's solid and environmental wastes. In addition, current deregulation of the country's telecommunications sector will provide new opportunities for the introduction of modern technology in the ICT sector.

For more information about registering or for information about the market potential for particular goods and services, contact Ramesh Tiwari, Commercial Officer, Canadian High Commission, Port of Spain, Trinidad and Tobago, tel.: (1-868) 622-6232 ext. 3552, fax: (1-868) 628-2576, e-mail: [ramesh.tiwari@dfait-maeci.gc.ca](mailto:ramesh.tiwari@dfait-maeci.gc.ca) or Susan Howell, Trade Commissioner, Caribbean and Central America Division, DFAIT, tel.: (613) 943-8807, fax: (613) 943-8806, e-mail: [susan.howell@dfait-maeci.gc.ca](mailto:susan.howell@dfait-maeci.gc.ca)

The Canadian High Commission in Guyana is hosting a follow-on mini-trade show in Georgetown on **December 6, 2001**. For more information, contact Lyris Primo, Commercial Officer, Canadian High Commission, Guyana, tel.: (011-592-22) 72081, fax: (011-592-22) 58380, e-mail: [lyris.primo@dfait-maeci.gc.ca](mailto:lyris.primo@dfait-maeci.gc.ca) 🍁

## U.K. Do-It-Yourself & Home Improvement Show

**LONDON, U.K.** — January 20-22, 2002 — Canada is set to build on its success in previous years at the **Do-It-Yourself & Home Improvement Show**. This is the premier trade show for Britain's do-it-yourself (DIY) industry, and an excellent venue for Canadian companies wanting to develop significant U.K. and European export business in this growing sector.

In 2001, the show enabled Canadian manufacturers to find U.K. distributors and also attract direct orders from major account buyers. Some seven Canadian SMEs exhibited together at a Canada Group national stand co-ordinated by the Canadian High Commission in London. Another 13 Canadian companies were represented at the show by their U.K. distributors, and the High Commission had its own booth.

Before and during the show, the High Commission gave extensive support to Canadian participants,

including a very successful networking reception and a detailed briefing on the latest developments in wood certification.

For 2002, a prime area has been set aside for Canadian exhibitors. In addition, the High Commission will offer the following free services:

- a half-day program of pre-show visits to selected U.K. chain store retailers;
- a marketing list of major U.K. chain store buyers for conducting targeted pre-show communications activities;
- a pre-show marketing campaign, including production of a special Canada Group brochure, to promote the Canada Group to all major U.K. DIY chain store buyers and selected major distributors/importers; and
- a pre-show press campaign to maximize U.K. industry press coverage of the Canada Group.

For more information, visit the show's Web site: [www.diyshow.com](http://www.diyshow.com) or contact Anne Heath, UNILINK, tel.: (613) 549-0404, fax: (613) 549-2528, e-mail: [ah@unilinkfairs.com](mailto:ah@unilinkfairs.com) Web site: [www.unilinkfairs.com](http://www.unilinkfairs.com)

For more information about opportunities in the DIY industry in the U.K., contact Carol Gould, Commercial Assistant, Canadian High Commission, London, tel.: (011-44-20) 7258-6673, fax: (011-44-20) 7258-6384, e-mail: [carol.gould@dfait-maeci.gc.ca](mailto:carol.gould@dfait-maeci.gc.ca) Web site: [www.dfait-maeci.gc.ca/london](http://www.dfait-maeci.gc.ca/london) or [www.infoexport.gc.ca/uk](http://www.infoexport.gc.ca/uk) 🍁





## Upcoming trade shows and conferences

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

**MEXICO CITY** — November 28–30, 2001 — Trade Team Canada invites Canadian firms to join a trade mission to attend **PowerMex/T&D World Expo**. A booth will be available for companies to display promotional material, as well as interpretation services, and there will also be an organized matchmaking programme and/or networking activity involving targeted Mexican contacts. Space is limited, so act now.

**LAS VEGAS, NEVADA** — December 11–13, 2001 — **Power-Gen** is the largest international trade show and conference for power industry decision makers. This year, Trade Team Canada–Electric Power Equipment and Services will have a booth at the trade show with space for six Canadian companies.

**TOKYO, JAPAN** — December 13–15, 2001 — **Bio Fach Japan** is an important trade fair in the sector of organic foods and natural non-food products. This is a growing market in Japan as consumers are increasingly interested in organically grown and processed food/beverage products, as well as cosmetics.

**BAHRAIN** — January 14–17, 2002 — The **Bahrain Naval & Maritime 2002** is the first dedicated international naval and maritime exhibition and conference in the Middle East, complementing the air and land defence exhibitions already established in the Gulf region.

**BANGALORE, INDIA** — January 29–February 1, 2002 — **Componex/ElectronicIndia 2002**, the seventh **International Conference and Exhibition of Electronic Components, Materials and Production Equipment**, will be held in India's Silicon Valley

and will feature the latest products in the electronics sector. The 2001 event drew 254 exhibitors from 24 countries and 19,000 trade professionals.

**SEOUL, KOREA** — February 26–March 1, 2002 — **ExpoComm 2002** is the most major telecommunications show in Korea, and is expected to attract over 500 companies from 40 countries and more than 60,000 visitors. Korea's wireless sector is booming, and the country holds the record for the highest broadband Internet penetration rate in the world.

**SINGAPORE** — June 17–21, 2002 — "Beyond broadcasting... worldcasting" is the theme for **BroadcastAsia 2002**, the eighth **Asian Broadcast and Multimedia Technology Exhibition and Conference**. Canadian exhibitors will benefit from a marketing support program delivered by DFAIT and Industry Canada under Trade Team Canada Inc.–Information and Communications Technologies. **BroadcastAsia 2002** will be held in conjunction with **CommunicAsia 2002 (June 18–21, 2002)**, the 14th **Asian International Communications and Information Technology Exhibition and Conference**, and Asia's largest telecommunications and information technology event. Last year's event drew 2,400 participating companies and 48,000 visitors.

**ROTORUA, NEW ZEALAND** — March 12–16, 2002 — The **Forest Industries International Conference and Exhibition** is New Zealand's largest forest industry event. New Zealand is becoming an international forestry leader and will need to invest heavily in new processing facilities, which means opportunities for Canadian manufacturers of forestry and wood processing machinery.

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

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

**LONDON, U.K.** — April 6–7, 2002 — The **British and International Franchise Exhibition** focuses on quality franchisors accredited by the British Franchise Association. As well as face-to-face meetings with franchisors, visitors will have the opportunity to obtain free advice from leading banks, solicitors and franchise consultants.

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

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

## Upcoming cultural events

### FILM, VIDEO, TELEVISION AND BROADCASTING

**LAS VEGAS, NEVADA** — January 21–24, 2002 — The **National Association of TV Programming Executives (NATPE)** is the largest programming market in North America and includes panel discussions, media demonstrations, and networking opportunities.

**BERLIN, GERMANY** — February 6–17, 2002 — **Berlinale** is one of the most important film festivals in Europe, and the European Film Market attracts producers and distributors, as well as those active in video and television sales and acquisitions.

**SANTA MONICA, CALIFORNIA** — February 20–27, 2002 — The **American Film Market** is the largest motion picture trade event in the world.

**CANNES, FRANCE** — March 13–April 19, 2002 — **MIPTV** and **MIPDOC** — These events are dedicated to television and documentary program sales and business opportunities.

**TORONTO, ONTARIO** — April 26–May 5, 2002 — **HOT DOCS** is North America's largest documentary festival. The **Toronto Documentary Forum** is unique to North America and provides filmmakers with the opportunity to pitch their projects for financing.

**CANNES, FRANCE** — May 15–26, 2002 — The **Cannes Film Festival** is the largest and most prestigious film festival in the world.

### SOUND RECORDING

**CANNES, FRANCE** — January 20–24, 2002 — **Midem** is the premier event for independent companies and distributors.

**SAINT JOHN, NEW BRUNSWICK** — January 31–February 3, 2002 — The **East Coast Music Awards** draws

music industry professionals from the East Coast, across Canada, the United States and Europe.

**TORONTO, ONTARIO** — February 28–March 3, 2002 — **Canadian Music Week** is Canada's major sound recording industry event, with increasing participation from leading international industry professionals.

### VISUAL ARTS

**NEW YORK, NEW YORK** — February 6–10, 2002 — The **Armory Show** is a continuing tradition commemorating the groundbreaking Armory Show of 1913.

**TORONTO, ONTARIO** — May 1–31, 2002 — **Contact** is a month-long annual festival celebrating Canadian and international photography through exhibition and dialogue.

**CHICAGO, ILLINOIS** — May 10–13, 2002 — **Art Chicago** is America's foremost international art show where over 200 galleries exhibit and sell the works of over 3,000 artists.

### CONTEMPORARY CRAFTS

**NEW YORK, NEW YORK** — May 29–June 3, 2002 — **SOFA New York** is one of the finest international exhibitions dedicated to bridging the worlds of contemporary decorative and fine art.

**AMSTERDAM, HOLLAND** — May 30–June 2, 2002 — The **Annual Conference of the Glass Art Society** is an international forum for the exchange of aesthetic ideas and technical information for artists from every discipline of glass work.

### MULTIMEDIA

**LONDON, ENGLAND** — January 9–12, 2002 — **BETT** is the most comprehensive event in the U.K. education field, with sectors such as e-training and

e-education becoming increasingly important.

**CANNES, FRANCE** — February 4–8, 2002 — **MILIA** is the leading international exhibition and conference for next-generation interactive content across all delivery platforms.

**LOS ANGELES, CALIFORNIA** — May 23–25, 2002 — **E3** is the most important gaming conference in the world and addresses all the business needs of the video and computer game industry.

### BOOK PUBLISHING

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

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

**NEW YORK, NEW YORK** — May 1–5, 2002 — **BookExpo America (BEA)**, formerly the American Booksellers Association Convention and Trade Exhibit, is a meeting place for the entire publishing industry, including distributors, and a centre of rights activity.

For more information, contact the Arts and Cultural Industries Promotion Division, DFAIT, tel.: (613) 944-ARTS, Web site: [www.dfait-maeci.gc.ca/arts](http://www.dfait-maeci.gc.ca/arts) 🍁



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GLOBAL TRADE TALKS  
ESSENTIAL TO CANADA

**C**anada is one of the world's leading exporters. Exports of goods and services represent close to 46% — nearly half — of its gross domestic product (GDP). In fact, up to 6,000 jobs are supported or created for every \$1 billion increase in exports. The pay back to a nation in which one job in three depends on exports is immediate. The 427,000 net new jobs created in 1999 were the highest total since 1979, and much of this relates directly to Canada's success in global markets.

Canada's continued economic growth and prosperity is clearly linked to our trade success. Consider the following facts. In 2000, Canada posted the highest growth rate in 12 years and the ninth consecutive year of growth, the longest period of uninterrupted growth in more than 30 years, our best employment record in nearly a quarter of a century, and the best job creation record of any of the leading industrial countries.

Also in 2000, Canadian exports increased by nearly 15%. Overall, Canada traded close to \$2.5 billion per day, on average, with the rest of the world, every day of the year. We attracted a record \$93.2 billion in new foreign direct investment, a massive vote of confidence in the future of Canada's economy. And Canadians looked confidently abroad for new business opportunities, investing nearly \$62 billion to expand our global business presence.

Simply put, in 2000, Canadians had more jobs, better opportunities, and more income. And, it was trade that drove this growth, providing the means for the Government of Canada to re-invest in education and innovation, in our universal health-care system, and in our youth.



**TRADE SUCCESS KEY TO FUTURE GROWTH**

"Success in global markets is at the heart of Canada's continued prosperity. It is also at the heart of our continued technology orientation, fuelling innovation and financing Canada's evolution from a reliance on primary resources to a more knowledge-intensive economy," says Pierre Pettigrew, Minister for International Trade.

High technology exports rose 30% in 2000, nearly twice the rate of our overall exports. Similarly, our exports of knowledge-intensive services are the fastest-growing segment of our services trade and now represent more than half of our

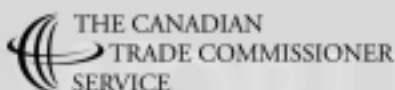
services exports. This success translates into high-quality jobs and a greater range of opportunity than ever for Canadians, particularly young Canadians embarking on careers in these dynamic new sectors of the economy.

The facts speak for themselves. Our position as one of the most prosperous and envied nations in the world depends on our ability to trade with the rest of the world. And, to do this we need access to markets and a level playing field for our exporters.

**CLEAR, EQUITABLE TRADE RULES BENEFIT CANADA**

As the most trade-oriented of the G-8 countries, Canada benefits significantly from an open world trading system based on clear rules. We need fair rules when it comes to international markets. Simply stated, we have to get into a market in order to sell our goods and services there. And, this is what the World Trade Organization (WTO) allows us to do. It gives Canadian companies the opportunity to show the world that they are second to none and that Canada is a great place in which to invest and do business.

The WTO is the cornerstone of Canadian trade policy and the foundation for Canada's relations with our trading partners. This is why Canada must continue to pursue the improvement of an international framework of rules that provides access to growing world markets and keeps pace with changes in technology, business practices, social systems and public interests. A new round of WTO trade negotiations is critical to attaining this ultimate goal.





On the agricultural front, Canada is seeking the elimination of all export subsidies as quickly as possible, substantial reductions in trade-distorting domestic support, real and substantial improvements in market access for all agriculture and food products, and new disciplines on export taxes and export restrictions. With respect to services, which generate about 65% of Canada's GDP and 73% of employment but only 13% of exports, Canada is seeking improved market access and the development of further rules governing trade in services. As Canada continues to evolve into a technology- and knowledge-based economy, liberalizing trade in services will increasingly pave the way for greater opportunities for Canadians.

Canada is actively promoting transparency at the WTO to enhance public understanding of the benefits of a

multilateral trading system. And, Canada is working with other WTO members to expand further the benefits of the system by helping to address developing countries' market access and implementation concerns, and by providing more and better co-ordinated assistance to improve the capacity of poorer countries to trade.

"This Round would look both forward and back, as it would be devoted to completing the work of the last Round — to ensuring that the developing world can reap the full benefits of its WTO membership — and to pressing forward with innovations so that the WTO reflects the democratic values that have become the norm in much of the world," says Minister Pettigrew. "This would be a Round that addresses the clear needs of the South, the strong expectations of the North, and the best hopes of us all."

*"I believe the best hope for LDCs [least-developed countries], and indeed for the developing world in general, lies in a new round of global, multilateral trade negotiations. And this time it must be a true Development Round."* Kofi Annan, Secretary General of the United Nations, May 2001.

## WHY NEGOTIATE Now?

*In today's highly competitive global business environment, the value of fair international trade rules has never been more apparent. They aim to establish open, predictable access to world markets, which benefits importers and exporters alike. This is good news for Canadians because one of every three Canadian jobs is directly tied to international trade.*

### The system needs an update

Global trade rules should be updated to reflect modern realities. The global economy is an intricate web of relationships, involving investment, research and development and constantly changing business practices and technology. Canada's economy has re-tooled to become a high-tech economy, but global rules don't reflect this reality.

### Fair rules play to Canada's strengths

Right now, access terms for trade between Canada and much of the world is unbalanced. Many foreign products enter Canada duty-free or with fairly low tariff rates, an average of 5.2%. Other countries, however, have much higher average rates, for example, India at 67%, Turkey at 44%, Indonesia at 39%, Venezuela at 36%. Canada stands to lose little and gain a great deal if global tariffs are decreased or eliminated.

### Trade rules can help the developing world

The developing world strongly desires that trade rules complement their efforts to develop their societies and help them better integrate into the global economy. Canada has strong expertise in technical assistance and "capacity-building" that can help developing countries negotiate and meet WTO rules.

*"We can afford to cushion the blow that sometimes results from international competition; we can help our citizens get back on their feet, get training and find new work. A majority of less-developed economies do not have the capacity to do this. Many less-developed countries are therefore understandably wary about entering into an agreement that could overwhelm their fragile economies. We must not let that happen. Trade liberalization must benefit all economies, particularly the smaller ones."*

International Trade Minister Pierre Pettigrew, Speech to the European Policy Centre, Brussels, May 2001.

## BENEFITS TO CANADA OF THE WTO TRADING SYSTEM

*Canada has benefited greatly from the open, rules-based trading system that has been developed over the past 50 years and we know that our future prosperity depends on our continued ability to trade with the world. A more liberalized trading system based on clear rules helps create jobs for Canadians. It gives our companies larger markets for their goods and services and enables them to benefit from economies of scale. It provides us*

*with access to cheaper inputs such as advanced technology, and gives us less expensive consumer goods. It increases competition and helps make us more productive. And, perhaps more important, it encourages business — and indeed all Canadians — to be more outward-looking and attuned to the challenges of an increasingly integrated and interdependent world.*

### Greater access to markets

Reducing or eliminating tariffs would make Canadian goods more competitive and encourage Canadian firms to expand into new markets — sustaining jobs at home. The majority of imports enter Canada duty-free, while many Canadian exports still face significant tariffs.

### Fundamental reform in agri-food trade

Canada's initial negotiating position, announced in August 1999 by Ministers Pettigrew and Vanclief, calls for the elimination of all export subsidies as quickly as possible; substantial reductions in or elimination of domestic support that distorts trade or production; and substantially improved market access for all agriculture and food products. These changes would allow Canadian agriculture and agri-food producers to more effectively compete and expand their markets.

### Protection for Canadian investment

In 2000, Canadians had invested nearly \$62 billion worldwide. Much of this investment does not enjoy the kind of legal protection that we are accustomed to in Canada. Stable and consistent investment rules would give Canadian firms greater security and confidence to invest — as they would firms in developing countries, many of which are also eager to attract foreign direct investment.

### Progress on subsidies and countervailing duties

A government subsidizes when it provides a producer with financial contributions or tax breaks that give it an advantage in the marketplace. The objective of the WTO's Agreement on Subsidies and Countervailing Measures (SCM) is to curb the use of such government assistance when it distorts trade. Strong rules on subsidies would ensure that Canadian firms are not disadvantaged by the subsidies of its larger trading partners, such as the United States, Japan and the European Union. Canada also wants to ensure that subsidy rules (the SCM) are adequate to meet the needs of the world's least-developed countries.

### Progress on technical barriers to trade

Countries, at times, use technical rules and regulations as excuses to bar access to a country's products. Or sometimes rules are so complicated they are difficult to implement or open to very wide interpretation, creating uncertainty for exporters. The WTO's Agreement on Technical Barriers to Trade (TBT) defines the international rights and obligations regarding the development and application of these measures that affect trade. Canada believes that continued progress in this area is an important part of a balanced trading system.

### Progress on government procurement

Government procurement of goods and services plays an important role in most countries' economies. It is estimated that governments around the world purchase US\$5.3 trillion worth of goods and services annually. Canada would like the WTO to continue a review of existing rules (the Agreement on Government Procurement) to simplify it and improve access to our most important markets, including the United States. Canada would like negotiations on transparency in government procurement to be part of any new Round of WTO trade talks. This competition results in better value for customers and taxpayers. Canada would like the WTO to continue reviewing the Agreement on Government Procurement to simplify it and make it more fair.

### Making trade negotiations more transparent

Canada is committed to making global trade bodies more open to citizens — more reflective of the Canadian values of democracy and citizen involvement. Last year, Canada presented detailed recommendations on how the WTO could become more democratic and open to its members' citizens, including opening trade policy reviews to accredited public observers; webcasting Canada's upcoming trade policy review; public release of working papers and agendas as well as submissions in dispute settlement cases, to name a few.

## Helping developing countries

Many developing countries feel they did not achieve enough access to other countries' markets during the Uruguay Round of negotiations, particularly for agricultural, textile and clothing products. Canada believes that richer countries can help through a comprehensive approach. This would include:

- the elimination of all export subsidies and the maximum possible reduction of production and trade-distorting support;
- reducing non-tariff barriers that distort trade;
- supporting investor-friendly regulations in developing countries;
- increased support to help build capacity—the infrastructure needed to implement trade agreements and participate in trade.

## Progress on anti-dumping

Dumping occurs when foreign exporters sell their goods in international markets at prices lower than in their home market or at prices below the full cost of production, which can have a negative effect on import markets. While countries are allowed to impose anti-dumping duties, it is important that they are applied in a fair and equitable manner. Canada therefore supports clarifying and improving existing anti-dumping rules so that everyone follows the same rules in the same way.

## Reduction of non-tariff measures

While tariffs have fallen in many of Canada's export markets, non-tariff measures have generally been on the rise. Some examples of non-tariff measures that tend to restrict or hamper Canadian exports include import licences and a variety of non-tariff duties and charges such as customs processing fees and consular charges. Canada would like to see WTO members continue to set priorities on measures to be eliminated and develop principles to limit the scope of new measures.

## COMMON MISCONCEPTIONS ABOUT THE WTO

*The debate will probably never end. People have different views of the pros and cons of the WTO's multilateral trading system. Indeed, one of the most important reasons for having the system is to serve as a forum for countries to work out their differences*

*on trade issues. Individuals can participate, not directly, but through their governments. However, it is important for the debate to be based on a proper understanding of how the system works.*

### TRADE THREATENS OUR SOVEREIGNTY

- Trade agreements are designed so countries treat each other equally, with fair ways to resolve disputes. They enhance the sovereignty of both small and large countries by creating rules by which all players agree to operate, regardless of the size of their economy or their political might.
- Even the smallest nation has power and protection. If its case is legally stronger, it wins. Costa Rica, for example, has beaten the U.S. using the WTO's dispute settlement process.

### OUR CULTURE IS THREATENED

- Preserving and promoting our culture is a priority in all international negotiations. Canada won't agree to negotiations that threaten its culture.
- We are now promoting the idea of a new international instrument on cultural diversity, which would set clear rules to enable Canada and other countries to keep policies that promote their culture, while also respecting international trade rules.

### GLOBALIZATION THREATENS OUR SOVEREIGNTY

- Globalization is a fact. We can use it as a powerful force to meet our needs, or we can try to hide from it by erecting barriers. But we cannot halt it.
- The development of land-mine treaties, international courts and protocols on global warming are all examples of globalization. Isolating ourselves from the positive change globalization offers will impede both our economic and our social progress.

### OUR SOCIAL SYSTEM IS THREATENED

- Canada's health and public education systems are not negotiable. Canada will preserve its ability to take measures in key sectors such as public health and education and will never jeopardize public systems that are the envy of the world.

### TRADE THREATENS THE ENVIRONMENT

- Canada will not give up its right to set its own environmental laws and regulations.
- Canada's policy is to ensure that trade and environmental rules complement one another to the benefit of all parties.

### TRADE LOWERS LABOUR AND HUMAN RIGHTS STANDARDS

- Improving trade links with other countries gives us the influence to promote labour rights and human rights.
- Trade and economic growth create jobs and reduce poverty, thus encouraging social progress.

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