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▶ TOP STORIES

Will Canada keep on truckin'?

Once upon a time, the logistics behind moving goods across borders was fairly simple. Then along came the perfect storm: a surge in international trade and heightened border security after 9-11. Is there a way forward for entrepreneurs who are sandwiched in the middle?

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Chile is hot for trade

Since signing a free trade agreement with Canada 10 years ago, Chile has become one of the most open and stable economies in Latin America. With the growth potential of a developing country and the stability of an advanced economy, trade experts say now is a good time to heed Chile's call.

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Feeling at home in Japan

How do you sell 12,000 Canadian homes to the Japanese? For one Ontario company, going green was a key to success. And that means understanding local climate conditions and what it takes to win over consumers.

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Chicago, November 2-3, 2007 > Canadian artists and gallery owners looking to the U.S. market may want to consider the **Sculpture, Objects & Functional Art (SOFA) Show**, a fine arts show for high-end glass, ceramics, wood, metal, fibre and sculpture. [see page 2](#)

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Selling art to America's midwest

Chicago, November 2-3, 2007 > Canadian artists and gallery owners looking to the U.S. market may want to consider the **Sculpture, Objects & Functional Art (SOFA) Show**, a fine arts show for high-end glass, ceramics, wood, metal, fibre and sculpture.

Once again, the Canadian Consulate General in Chicago is planning a trade mission to this popular event.

Last year, 18 Canadian participants—including artists, gallery owners and provincial art councils—learned about exporting to the U.S. market and met with industry experts.

“Since its beginnings, SOFA has been a strong venue for Canadian gallery participation,” says Ann Rosen of the Canadian Consulate General in Chicago.

“For eight years, the Canadian SOFA trade mission has educated some 200 artists and galleries and has exposed them to this high-end market. Our one-day educational session, combined with visits to the show and to outside galleries, gives each participant a true understanding of what it takes to sell into the U.S. market.”

The trade mission aims to increase exposure of Canadian artists and their work and broaden the Canadian arts community's presence in the U.S. Midwest. The participation deadline is October 15, 2007, and registrations are booked on a first-come, first-served basis.

For more information, go to www.chicago.gc.ca and click on “Trade and Investment” or contact Ann Rosen, Canadian Consulate General in Chicago, tel.: (312) 327-3624, website: www.sofaexpo.com. ◀

Say *buon giorno* to alternative energy

Rome, November 11-15, 2007 > Canadian trade commissioners in Italy invite Canadian entrepreneurs to showcase their technologies at the **World Energy Congress & Exhibition**, widely recognized as one of the world's most important energy events.

In addition to featuring traditional energy areas, this year's congress and exhibition will also have a renewable energy section and Canada will have a national stand there. Canada's alternative energy stand is designed to support Canadian entrepreneurs working in the field of energy efficiency and renewable energy including biofuels, hydrogen fuel cells and technologies related to the capture and storage of carbon dioxide.

Canadian companies can showcase their technologies in this stand and space will be available for one-on-one meetings with customers. Canadian trade commissioners will also assist entrepreneurs in securing meetings with international energy firms at the congress, and hold a seminar to help companies introduce themselves to a more targeted audience.

This renewable energy area of the event is especially important given that this year all of Italy's trade shows in this sector will be rolled into this one section.

Held every three years, the World Energy Congress & Exhibition will be held in Montreal in 2010.

For more information, contact **Patrizia Giuliotti**, Trade Commissioner, Canadian Embassy in Rome, website: www.rome2007.it. ◀

GENERAL INFORMATION

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Chile heats up for Canadian entrepreneurs

Over the past decade, Chile's macroeconomic policies, structural reforms and a regime open to trade and investment have enabled it to mature into one of the most open and stable business environments in Latin America.

In fact, the country boasts a trade surplus of over \$41 billion in the past three years—an impressive figure for a nation that is still considered a developing country.

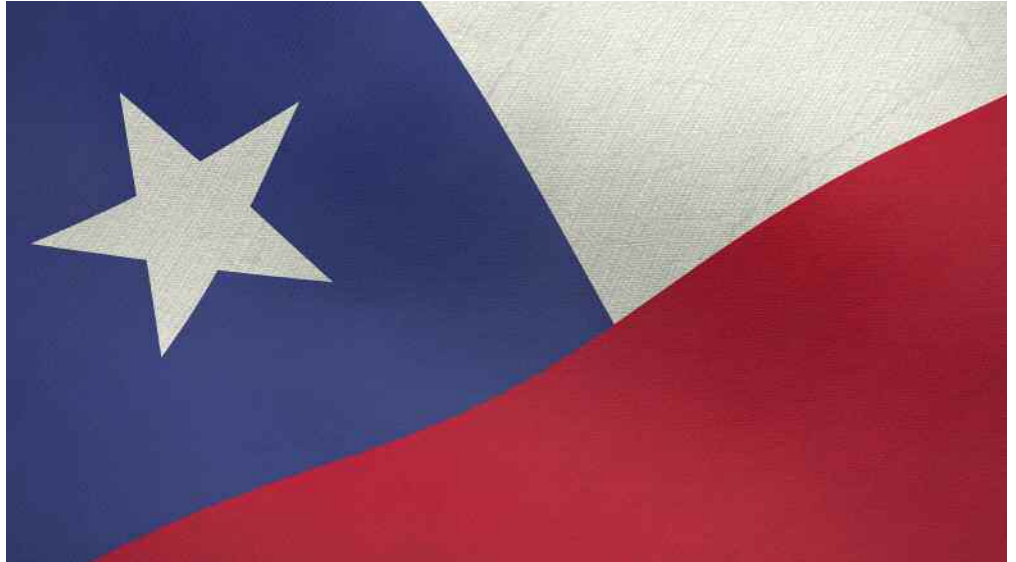
“For Canadian exporters and investors, this is great news,” says Sylvain Fabi, Senior Trade Commissioner with the Canadian Embassy in Santiago.

“This means that Chile has the growth potential of a developing country yet offers the stability of a developed economy.”

Fabi credits the *Canada-Chile Free Trade Agreement* as one of the ways Chile is opening itself up to the world.

Modelled after the *North American Free Trade Agreement*, the Canada-Chile agreement covers trade in goods and services, investment and dispute settlement mechanisms. It was signed 10 years ago, was accompanied by two parallel agreements on environmental and labour cooperation, and two chapters will soon be added on financial services and government procurement.

“Our initiative of 10 years ago has been an overwhelming success, opening doors to friendship, prosperity, growth and cooperation between Canada and Chile that have exceeded all of our expectations,” Prime Minister Stephen Harper said in a speech during a recent trip to Latin America.



Fabi points out that the agreement is stimulating opportunities for Canadian and Chilean firms of all sizes. He says the biggest opportunities for Canadian exporters and investors are in mining, forestry, energy, information and communications technology, agriculture and genetics.

Canadian entrepreneurs also credit the agreement for making Chile attractive for companies.

“This free trade agreement offers a positive, stable business environment for international trade and investment and is one of the main advantages of doing business in Chile,” says Hector Moscoso, Vice President of Positron Public Safety Systems in Montreal.

As for the future, many predict that worldwide demand for natural resources will continue to make Chile a vital market for the remainder of this decade. Given this forecast, Chile is looking to position itself within the Americas to be a gateway to Asia, becoming a central hub for business and investment in the region.

Meanwhile, infrastructure improvements to ports, airports and roads, as well as rising capital expenditures, are making Chile an economic model for the rest of Latin America, driving up exports and imports at the same time.

And Canada has taken notice.

Since 1997, Canada's bilateral merchandise trade with Chile has increased by 325% to a record \$2.34 billion in 2006.

In 2004, the last year for which data is available, two-way trade in services amounted to \$159 million.

Canada is also an active investor in Chile. In fact, Canada is the third-largest source of foreign direct investment in Chile, after the U.S. and Spain. As the largest investor and explorer in the Chilean mining sector, Canada has a good reputation in this domain as more Canadian companies make corporate social responsibility an integral part of their business.

For more information, contact the Canadian Trade Commissioner Service at www.infoexport.gc.ca. ◀

Japanese builders sold on Canadian housing

Doing business in a far-off country is not just business as usual.

“The cultural and language issues are quite significant, and you have to be committed to be in the market,” says Akira Shimizu, Japan Sales Manager for Viceroy Homes, based in Port Hope, Ontario.

Viceroy made that commitment to Japan over a decade ago. One of Canada’s largest housing exporters, Viceroy has manufactured tens of thousands of custom homes for builders, contractors and home-owners around the world.

Once Viceroy decided to do business in Japan, the company hired a number of Japanese-speaking staff and opened an office there staffed with one person. Shimizu says the market is worth it.

“Japanese consumers are keenly interested in energy-efficient homes that are healthy, comfortable and environmentally friendly, and Japanese builders know that Canada is the best place to find these homes,” he says.

From wood flooring to lighting, Canadian products are often the top choice for energy-efficient homes in Japan. And with the Government of Canada’s Super E program, consumers are assured of getting energy-efficient, healthy housing.

The Super E program was designed to help Canadian exporters market energy-efficient homes to other countries. Introduced to the Japanese market in 1999, it has since expanded to the United Kingdom and Ireland.



Ontario-based Viceroy Homes has shipped thousands of house units to Japan, like the one above, in nearly a dozen years.

Members like Viceroy construct homes to Super E standards, which are based on the strict Canadian R-2000 energy efficiency standards adapted for local climates. Each Super E home is registered, tested and given a certificate of recognition.

Among the benefits of Super E homes are improved living comfort, better moisture control, indoor air quality and durability.

“Super E homes use 20 to 30% less energy than the average Japanese-built house, which is important because Japanese consumers pay three times the energy costs we pay in Canada,” explains Shimizu.

The Canada Mortgage and Housing Corporation (CMHC), in partnership with Natural Resources Canada and the Canadian Trade Commissioner Service, are enthusiastic backers of the program.

“We can help companies push business forward at the government level,” says Laura Diakiw, Senior Trade Consultant for CMHC International in Vancouver. “Japanese consumers really value government support, and Canada and Japan have diplomatic relations that go back more than 75 years.”

Jeff Culp, Principal of the Super E Program Office, says that the U.S. is a relatively easy market for Canada, but places like Japan have cultural and language barriers, different regulations and complicated issues smaller Canadian companies may need help to overcome.

“We can help exporters network with other potential partners, interpret codes and examine products for compliance,” says Culp.

For instance, when a Japanese law required a rating system for formaldehyde emissions in building products, the Super E office hired a Japanese consultant to research how and where to get products tested and determine costs. The results were shared with member companies.

CMHC and the Super E Program Office have also helped Viceroy with technical training, so sales staff understand the features and benefits of Super E homes and construction staff understand the proper techniques to build them.

“We have shipped close to 12,000 house units to Japan in nearly a dozen years, and this continues to be a strong market for us,” says Shimizu.

For more information, go to www.super-e.com, www.viceroy.com, www.cmhc-schl.gc.ca, www.cmhc.ca/export or Natural Resources Canada’s Office of Energy Efficiency, <http://oee.nrcan.gc.ca/english/index.cfm>. ◀

Border issues mean Canadian SMEs need smart planning

Bob Armstrong, president of Armstrong Trade and Logistics Advisory Services, remembers a time not so long ago when transportation moved swiftly across an almost transparent border between Canada and the United States. Life was much easier then for importers and exporters.

Then came the attack on the World Trade Center.

“That day turned the logistics world upside down,” he told participants at the annual conference of the Forum for International Trade Training in Vancouver in March. Suddenly importers and exporters, many of whom were small and medium-sized enterprises, faced a multitude of new challenges with changes to customs and security regulations.

“All this new security environment added costs in information and security compliance,” he said, turning entrepreneurs into risk managers.

Armstrong calls it “the perfect storm”: the explosion of international trade with China and other developing countries at the same time as heightened security at the border after September 11.

The result was a lot of anguish for both customs brokers and for SMEs whose thin margins were evaporating as trucks and containers got delayed due to backlogs and security checks.

“Everytime, it’s the SME that gets stiffed,” he said.

Although cross-border traffic has improved, Canadian SMEs need to do smart planning and have a clear vision to overcome the new border and transportation realities.

For one thing, entrepreneurs may need to move up delivery times from abroad to ensure on-time delivery in Canada.

And truck drivers are in short supply so owners of SMEs



should treat them well. Moreover, many American truck drivers carry guns and won’t drive into Canada.

“If you have a good trucker, you’d better keep them,” he said, noting that the trucking community is struggling since few people want to be truck drivers and new immigrant drivers have difficulty with fast cards at the border.

All this means that companies are going to need to plan for a lot more intermodal transportation of goods that rely on a combination of trucks, ships and trains, he said.

Short-sea shipping has a positive future he believes. Armstrong said water is underused but offers great potential with newer, greener ships coming on line on the Great Lakes.

In addition, SMEs have got to create detailed flow charts of responsibilities with customs brokers to ensure everyone knows who is responsible for what. Leave any room for error and containers could be running up storage costs and driving down margins.

For more information, go to www.fitt.ca. ◀

Summit on the future of energy

Abu Dhabi, January 20-23, 2008 > The first **World Future Energy Summit** is expected to provide an opportunity for academics, financiers, entrepreneurs and innovators to discuss alternative energy solutions with some of the leading companies behind new technologies.

The summit includes a conference and exhibition. The conference will cover global and regional issues like

innovation, enterprise and development, venture capital and finance.

The exhibition is expected to attract the world’s leading companies in the renewable and alternative energy sector, not to mention leaders in government. Organizers hope to attract over 1,000 conference delegates and 10,000 visitors over the three-day event.

For more information, contact David Jayaraj, Organiser’s Agent, Future Energy World Summit, tel.: (416) 802-9452, email: davidjayaraj@rogers.com. ◀

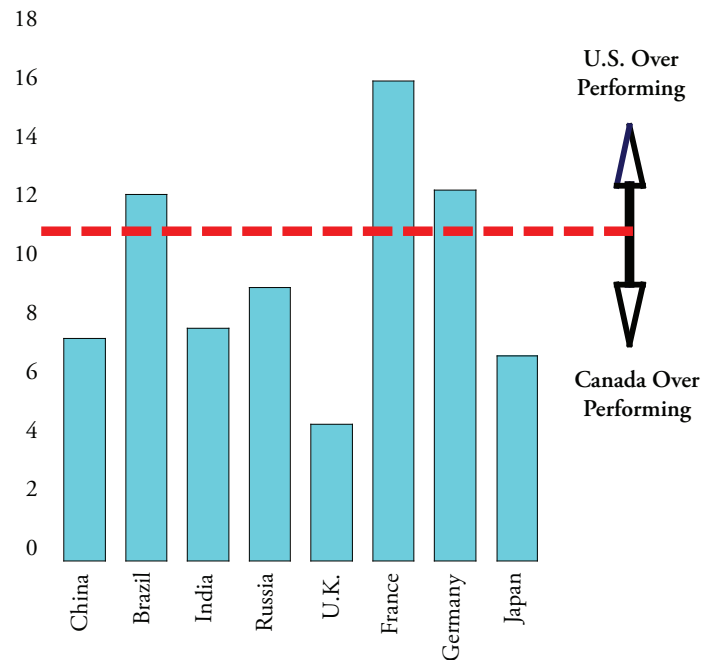
Canadian firms truly international despite proximity to U.S. market

It is sometimes asserted that Canada is not a truly international exporter, and that since Canadian firms export predominantly to the U.S. they lack the skills to excel in the global marketplace. In fact, Canadian exporters are just as active overseas as are their American counterparts. Once the fact that the U.S. economy is 11 times larger than Canada's is taken into account, Canada actually over-performs in some markets, including Japan, the U.K. and even China. In 2006, 7.5% of China's imports came from the U.S. while 1.0% came from Canada. But once size was adjusted for, Canada actually performed one-third better than it should have for an economy of its size. Overall, the evidence shows that neither the number of foreign-owned firms in Canada nor proximity to the U.S. market has kept Canadian firms from being successful and fully international exporters.

For more information, please see "Are Canadian Exports More Regionalized Than Those of Other Countries?", forthcoming on the Office of the Chief Economist's website.

Provided by the Office of the Chief Economist, Foreign Affairs and International Trade Canada.

Share of Imports from U.S. and Canada in Various Markets, Adjusted for Size (percent)



Data: Office of the Chief Economist's calculations, based on Statistics Canada data. The red line represents the ratio of U.S. to Canadian economic size.

Want to know something your competition doesn't?



infoexport.gc.ca





AEROSPACE & DEFENCE

Quebec City, November 13-16, 2007 > **Defence and Security Innovation 2007** offers entrepreneurs an opportunity to attend more than 60 conferences and discuss science and technology-related issues on security and public safety.
Contact: Stephanie Boulianne, tel.: (416) 681-9700, ext. 250, website: www.defenceinnovation.org.

BUILDING PRODUCTS

London, February 26-28, 2008 > **Ecobuild** is the United Kingdom's only event dedicated to sustainable design and construction. It attracts hundreds of suppliers of green building products and services and brings together professionals from all parts of the construction sector.
Contact: Jason Kee, Canadian High Commission in the United Kingdom, tel.: (011-44-20) 7258-6600, email: jason.kee@international.gc.ca, website: www.ecobuild.co.uk.

ELECTRIC POWER & EQUIPMENT

Cairo, December 8-11, 2007 > **Electricx Egypt** is a power and energy exhibition targeting service providers, manufacturers, distributors and suppliers from the local and international electro-technical industry.
Contact: Tarek Meguid, Canadian Embassy in Egypt, email: tarek.meguid@international.gc.ca, website: www.egytec.com.

ICT

San Jose, January 19-27, 2008 > Join the Canadian photonics showcase at **Photonics West 2008**, North America's largest commercial exhibition on optics, lasers, biomedical optics, optoelectronic components and imaging technologies. The event attracts more than 1,000 exhibitors and 15,000 attendees from both the San Jose area and the international optics and photonics community.
Contact: Suzanne Auger, National Research Council of Canada, tel.: (613) 993-4485, email: suzanne.auger@nrc-cnrc.gc.ca.

METALS, MINERALS & RELATED EQUIPMENT

Algiers, December 2-4, 2007 > **CIRMA** is the first international conference in Algeria on mineral resources and serves as a crossroad for sharing experiences on the conditions for the promotion and development of the mining industry.
Contact: Rachid Benhacine, Canadian Embassy in Algeria, tel.: (011-213-70) 08-30-31, fax: (011-213-70) 08-30-40, email: rachid.benhacine@international.gc.ca, website: www.cirma-algeria.com/en/home.html.

MULTI-SECTOR

Havana, November 5-10, 2007 > The **25th Havana International Trade Fair** is the most important annual trade exposition in Cuba. It is also the key commercial event promoted by Cuban authorities and entities associated with procurement and importing.
Contact: Nadin Nanji, Canadian Embassy in Havana, tel.: (011-537) 204-2516, fax: (011-537) 204-2044, email: havan-td@international.gc.ca, website: www.cpalco.com. ◀



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