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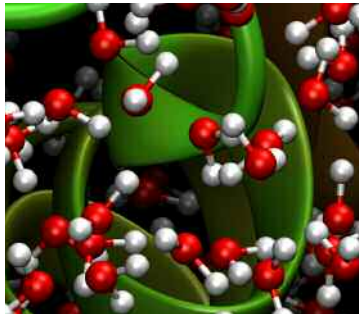
VOLUME 25 | NUMBER 9  
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## ▶ TOP STORIES

### Golden state of opportunity

Canada's trade with California outpaces our trade with the United Kingdom, Japan, China and Mexico combined. Canada's Consul General and top trade official in San Francisco shares advice on doing business in the golden state and how Canada's Trade Commissioner Service can add the midas touch.

[see page 3](#)



### Finding your business catalyst

The team behind Zymeworks, a small Canadian biotechnology firm, is working hard to put their product out where people can see it. For many firms in this sector, California is the market of choice. With help from Canada's Trade Commissioner Service, the company is now on California's radar, saving time and money as it grows.

[see page 5](#)

### More than one highway to riches

Canada and California are working together to build a hydrogen highway from British Columbia to Baja California. It's just one of many exciting opportunities in a state that boasts the world's eighth-largest economy. With other gains to be made in stem cell research, infrastructure improvements and much more, it's no wonder Canadian entrepreneurs and investors are California dreaming.

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## ▶ ALSO IN THIS ISSUE

### ▶ Don't just read...listen too

*CanadExport*, Canada's official source of news and advice on trade, export and investment opportunities around the world, just got better. We are now available by podcast. In our first of four pilot audio shows, we look at opportunities in California and talk to experts on the ground and to one dynamic Canadian entrepreneur who has found success there.

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### ▶ Free U.S. exporting guide

Doing business in the United States can be a complex undertaking. But with a market of nearly 300 million people and trade exceeding \$1.8 billion a day with Canada, it's one that can't be ignored.

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### ▶ Canada is important to California

It is well known that the U.S. is crucial to Canada's trade and well-being, but Canada is also an important partner to the U.S.

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FACTS & FIGURES  
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TRADE EVENTS  
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## CanadExport launches podcast

Canada's official source of news and advice on trade, export and investment opportunities around the world is now available by podcast.

In the first of four audio shows available on our website, *CanadExport* Editor Michael Mancini talks to experts from the Trade Commissioner Service about doing business in the big state of California.

Mancini also talks to Dr. Ali Tehrani, the young CEO of Zymeworks, a Vancouver-based biotechnology firm that is bringing its enzyme technology to the Golden State. Dr. Tehrani shares his perspective on doing business in California and advice on how to get noticed in a big market.

In the same show, Mancini talks to Canadian Dr. Robert Dynes, the president of the University of California, one of the biggest university systems in the world, about R&D opportunities and the exciting partnerships that Canada and California are forging.

Users can download the podcasts and listen to them directly on their computers or portable media devices.



Our *CanadExport* podcasts will be produced quarterly and feature stories, interviews and commentaries to complement our twice monthly e-newsletter and sustain your future business growth.

To hear all about it, go to [www.canadexport.gc.ca](http://www.canadexport.gc.ca). ◀

## Book your spot at bootcamp

Victoria, September 9-12, 2007 > Why do some businesses fare better than others at securing contracts from international financial institutions (IFIs)?

Find out at this year's **IFI Bootcamp 2007**, an intensive four-day workshop that offers a combination of seminars, tutorials, case studies and advice from members of businesses and organizations that have profited in the past from IFI contracts.

Workshop topics include how to write and add value to a proposal, gather pre-submission information and intelligence, and

how to evaluate and score proposals. Speakers will include experts from IFIs such as the World Bank, the Asian Development Bank, and the European Bank for Reconstruction and Development.

The workshop will also help entrepreneurs acquire the knowledge to build a strong team, understand the environment in which they are conducting business and, ultimately, submit a winning proposal that will set them apart.

Space is limited to only 25 people.

For more information, contact Yvonne DeBoer, Foreign Affairs and International Trade Canada, tel.: (604) 666-1406, email: [yvonne.deboer@international.gc.ca](mailto:yvonne.deboer@international.gc.ca). ◀

### GENERAL INFORMATION

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## California: a golden state of opportunity

The gold rush may be over but California is still brimming with opportunities. That's the message California Governor Arnold Schwarzenegger will be bringing to Canada at the end of May when he visits Vancouver, Ottawa and Toronto, so Canadian entrepreneurs might want to include the golden state in their business plans when mining for foreign prospects.

And there is a lot to mine. Marc LePage, Canada's Consul General and top trade official in San Francisco, says opportunities can be found in agriculture, life sciences, environmental industries and information and communications technologies.

In fact, Canada's trade with California is so big it surpasses trade with the United Kingdom, Japan, China and Mexico combined. Moreover, Canada is California's second-largest market after Mexico, passing Japan in 2006.

**“In the San Francisco area alone, there are more venture capital firms than Starbucks,” says LePage, Canada's top trade official in the area.**

But while opportunities are plentiful, LePage says getting noticed is a major obstacle.

“California is a big market with a high growth rate,” he says. “There are a lot of entrepreneurs knocking on doors here so it takes quite an effort to get attention in such a competitive environment.”

LePage points out that Canadian companies need to work hard to develop strategic alliances to uncover opportunities. To do that, he says Canadians need to know the market inside out and be prepared.

That's where the Canadian Trade Commissioner Service—with offices in San Francisco, Los Angeles and San Diego—can help.

“We find that companies do know about California when they contact us, but they have gaps in their knowledge. We can help them understand the competitive forces they have to contend with. We can help them come up with alternative strategies when theirs don't work. And we can do this because we have people on the ground who know these sectors,” says LePage.



Considered one of the most concentrated knowledge-based economies in the world, California conducts \$44 billion in research every year, leads in university and industrial R&D in the U.S. and is the birthplace of high-tech venture capital.

“In the San Francisco area alone, there are more venture capital firms than Starbucks,” says LePage. These days, venture capital firms are moving beyond traditional sectors like biotechnology and information communication technologies into environmental industries.

After all, California has led the way in setting environmental policy since the 1960s, whether it's for clean air and water or auto emissions.

“Government policy has had a hand in creating this market for environmental industries in California,” says LePage. “Many technologies have been created to comply with environmental regulations.”

The environment will definitely be on the governor's agenda next week. But he is also expected to highlight the booming agriculture and tourism sectors and make an announcement on cancer stem cells.

As Canada and California continue to build on a solid economic foundation, the Canadian Trade Commissioner Service can help make the introductions to this powerhouse state.

**For more information,** go to [www.sanfrancisco.gc.ca](http://www.sanfrancisco.gc.ca), [www.losangeles.gc.ca](http://www.losangeles.gc.ca), and [www.sandiego.gc.ca](http://www.sandiego.gc.ca). ◀



## Outlook for Canada-California trade positive, says study

Some day soon it may be possible to drive a car powered by a Ballard fuel cell from Baja California to British Columbia, refuelling at a network of hydrogen filling stations along the way. It's a dream of the California Fuel Cell Partnership, a pilot project among automakers, energy companies and others in which Canadian technology plays a starring role.

But the project known as the "B.C. to B.C. hydrogen highway" is just one of many business opportunities on the rise between Canada and California, the world's eighth-largest economy.

After a brief decline in 2001 following the bursting of the tech bubble, two-way trade has grown to \$37 billion in 2006 from \$26.9 billion in 2002 and Canada has supplanted Japan as California's second-largest customer.

The reasons for this growth are pretty clear according to a new study on our bilateral ties.

"California and Canada are both progressive, forward-thinking and global in their outlook," says the report commissioned by the Bay Area Economic Forum in San Francisco.

"Both have begun to confront a variety of challenges with similar approaches and concerns: global warming and the gradual transition out of a carbon-based economy; the potential for disease pandemics; using smart technologies to improve the productivity of highways, water systems, air traffic corridors and freight supply chains."

Combined with shared attributes such as skilled workforces, world-class education and comparable legal frameworks, Canada and California are able to leverage important comparative advantages for their prosperity.

For Canadian technology firms, for example, California offers a sophisticated customer base for tech products and services, a centre for innovation and an incubator for scientific and creative talent.

As a result, Canadian firms such as Research in Motion, MOSAID Technologies, Sierra Wireless and MDS Inc. have become major investors there by acquiring California companies.

The push to innovate and be creative is also evident in the world-leading universities and research institutes that Canada and California nurture.

"As a Canadian leading one of California's great public universities, I can see many new exciting opportunities to



**On parallel tracks:** Canada and California are both progressive, forward-thinking and global in their outlook, study says.

enhance partnership between the great country of Canada and the vital state of California," says Dr. Robert J. Birgeneau, Chancellor of the University of California at Berkeley, in the report's prologue.

California and Canada have already taken steps to explore opportunities for cooperation, the largest and most formalized being the Canada-California Strategic Innovation Partnership.

This venture will leverage research, development and commercialization of products and services on both sides of the border by linking the knowledge and talents of Canadian and California researchers, entrepreneurs, investors and government.

Several key areas of research that have already advanced in this way include stem cells, cancer, emerging infectious diseases, advanced transportation, energy, information and communications technology, and nanotechnology.

The study notes that such partnerships will serve to keep Canada and California at the cutting edge of important science, technology, industry, higher education and economic growth for decades to come.

**For more information,** see *Shared Values, Shared Vision: California's Economic Ties With Canada*, a new study by the Bay Area Economic Forum, website: [www.bayeconfor.org](http://www.bayeconfor.org). ◀

## Biotechnology firm finds its catalyst

When Dr. Ali Tehrani and his team started Zymeworks in 2004, they weren't sure their small start-up could get the attention of the big biotechnology players in California. But just three years in, and with some help from Canada's Trade Commissioner Service, the Vancouver-based firm's molecular simulation software is more visible than ever.

Zymeworks' focus is to develop industrial enzymes for specific market needs and applications using molecular simulation software.

"Enzymes are natural protein molecules that act as catalysts in biochemical reactions," says Dr. Tehrani, CEO of Zymeworks. "But nearly every manufacturing process in every industry depends on one or more chemical reactions as well. These reactions have traditionally used unnatural chemical-based catalysts that are toxic, energy intensive and expensive to maintain and dispose of," he says.

Tehrani points out that enzymes are the most viable alternative to chemical-based catalysts to reduce costs and environmental impact, and to significantly improve product purity and quality.

In the pulp and paper industry, for example, chemical agents used to make paper white are usually made from chlorine dioxide, which can then seep into soil and water systems. Zymeworks' technology can replace the toxic bleaching chemical with a natural enzyme that accomplishes the same thing without damaging eco-systems.

### The catalyst for change

But developing a good product is one thing, selling it is quite another. Tehrani says knocking on biotech doors in California can be daunting, considering that it is one of the world's biggest and most sophisticated clusters for biotechnology. He explains that promotional packages can be sent out, but they usually go no further than the secretary.

For Tehrani, this is where the Trade Commissioner Service was indispensable. He was first approached by the Trade Commissioner Service at a trade event and that proactive help is starting to pay off for Zymeworks.

"The Trade Commissioner Service put us in contact with the right people and that is opening doors for us now. The best way to put it is you could have one or two good full-time business development employees, and/or you could have trained professional in the Trade Commissioner Service who provide you with information and open doors for you. The best part is that you don't have to pay for it and you can use the saved time and money to attend meetings."

Zymeworks is now well on its way to licensing the right to produce and use its proprietary enzymes. The company is also looking to make strategic partnerships with established chemical or pharmaceutical companies for bio-product research, development and commercialization.

Dr. Tehrani says companies in California like Diversa, Genencor International and Biomarin are trend setters in the world of industrial biotechnology.

"These companies are proof that there is money to be made in this field. Establishing a relationship with them gives us credibility within our market and the investor community," says Tehrani.

He adds that credibility, not to mention the saved time and money, makes the Trade Commissioner Service a valuable tool for those looking to take their business out of Canada.

"There are hidden jewels in California that will be very hard to find by non-local groups without the help of experts. The Trade Commissioner Service is the best connection for Canadian companies to find these great business collaborators and opportunities."

For more information, go to [www.infoexport.gc.ca](http://www.infoexport.gc.ca) and [www.zymeworks.com](http://www.zymeworks.com). ◀



In 2004, Dr. Ali Tehrani started Zymeworks, a biotech firm that has benefitted from the Trade Commissioner Service.

## Showcase food in Japan for less

Tokyo, September 19-20, 2007 > Canadian agri-food entrepreneurs are invited to participate in the **Canada Food Expo** to be held at the Canadian Embassy in Tokyo.

The event is designed to provide an inexpensive way for small and medium-sized companies, or companies new to the Japanese market, to showcase their products. Japanese food and beverage buyers, importers, wholesalers and distributors will be invited to view the Canadian products and meet with exhibitors.

In addition, programs will be arranged in Fukuoka and Osaka for interested companies, and may include a

combination of retail market tours, promotional events, meetings and networking sessions with local industry contacts.

The **Canada Food Expo** is being organized by the Government of Canada, in partnership with the Canadian Food Exporters Association, Food Beverage Canada and Agri-Food Export Group Quebec-Canada.

**For more information**, contact the your nearest Agriculture and Agri-food Canada regional office: Burnaby ([evanis@agr.gc.ca](mailto:evanis@agr.gc.ca)), Edmonton ([mcfaddenl@agr.gc.ca](mailto:mcfaddenl@agr.gc.ca)), Saskatoon ([cherwoniakg@agr.gc.ca](mailto:cherwoniakg@agr.gc.ca)), Winnipeg ([wonneckr@agr.gc.ca](mailto:wonneckr@agr.gc.ca)), Guelph ([furkalom@agr.gc.ca](mailto:furkalom@agr.gc.ca)), Montreal, ([cognej@agr.gc.ca](mailto:cognej@agr.gc.ca)), or Halifax ([cannings@agr.gc.ca](mailto:cannings@agr.gc.ca)). ◀

## Market for wood products grows in Pakistan

With Nordic countries gaining a strong foothold in Pakistan's \$100-million forestry market for wood products, now is the time for Canadian entrepreneurs in this sector to compete for a bigger share.

"With virtually no commercial forests, Pakistan is reliant on imports to meet its need for wood-based products," says Farhana Khalid, a trade commissioner at the Canadian Consulate in Karachi.

But while Canadian hardwood products have already been enjoying some success in this market, Farhani says more can be done.

"A lack of awareness and understanding of common sizes, species and grades was limiting acceptance of Canadian softwood in Pakistan at a time when imports from Nordic countries have been growing rapidly," says Khalid.

To increase Canada's profile, Khalid organized a wood products mission to British Columbia in the spring to promote the Canadian softwood lumber industry to Pakistan importers.

The mission introduced Pakistani merchants to Canadian sawmills, forest sites and seedling nurseries as well as industry associations like Forintek, the Council of Forest Industries, Forestry Innovation Investment Ltd. and the B.C. Wood Specialties Group.

"Much like the rest of Asia, Pakistan is experiencing high sustained economic growth as the country moves forward," says Khalid, who adds that much of this growth can be found in the housing and construction sector, which has been a catalyst for the rising imports of wood and wood products. Many wood products imported by Pakistan companies are then shipped to Afghanistan and central Asian countries.

Total Canadian exports to Pakistan have grown 25% from 2005 to 2006, with a further 95% increase in the first three months of 2007. Overall exports to Pakistan in 2007 may well exceed \$600 million, and Canadian wood products exporters can claim a bigger share of this growth.

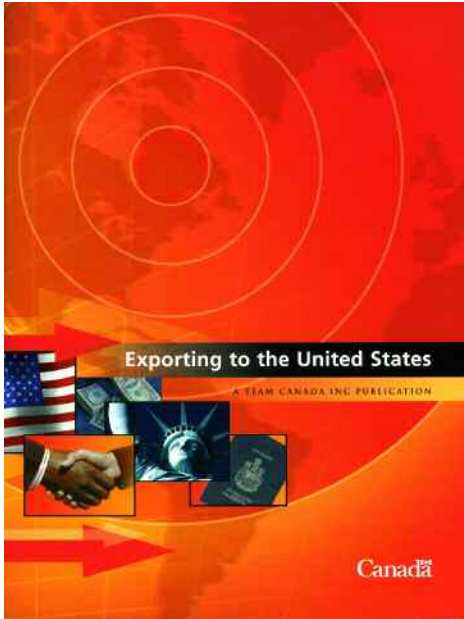
**For more information**, contact Farhana Khalid, Canadian Consulate in Karachi, email: [farhanak@khi.wol.net.pk](mailto:farhanak@khi.wol.net.pk), and [isbad-td@international.gc.ca](mailto:isbad-td@international.gc.ca), Website: [www.infoexport.gc.ca/pk](http://www.infoexport.gc.ca/pk). ◀



Virtual Trade Commissioner  
*Access a World of Trade Knowledge*







## Free guide to exporting to the U.S.

Doing business in the United States can be a complex undertaking. But with a market nearly 300 million people and trade exceeding \$1.8 billion a day with Canada, it's one that can't be ignored.

To help entrepreneurs take advantage of the opportunities in this competitive marketplace, the Government of Canada has produced *Exporting to the United States: A Guide for Canadian Businesses*.

This 65-page guide is available at [www.exportsource.ca/unitedstates](http://www.exportsource.ca/unitedstates) or can be ordered from the enquiries service at Foreign Affairs and International Trade Canada at 1 800 267-8376 toll free in Canada. It contains comprehensive information that will help entrepreneurs answer questions about every aspect of the export process to the U.S.

Whether they're new or experienced, entrepreneurs will find information, tips and resources needed to succeed in the U.S. market.

For more information, go to [www.exportsource.ca/unitedstates](http://www.exportsource.ca/unitedstates). ◀

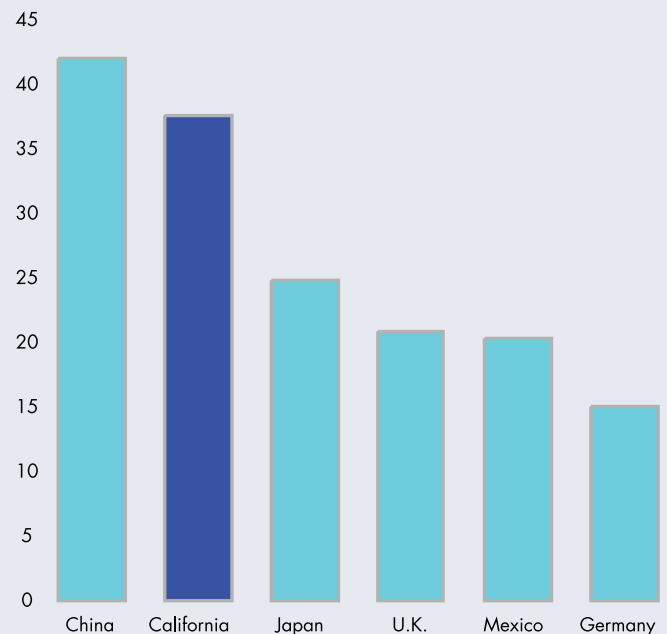
## Canada plays an important role in California's economy

It is well known that the U.S. is crucial to Canada's trade and well-being, but Canada is also an important partner to the U.S., and ranks as the number one export market for 36 U.S. states as of 2006.

For California, Canada ranks second, absorbing 11.1% of California's exports. Canada's exports to California are also substantial, with 2006 seeing \$25.7 billion of merchandise sent to the Golden State, a full half of which was comprised of vehicles and parts. Merchandise exports have flattened out in recent years, with a small average decline of 1.6% from 2001 to 2006 versus a 20.7% annual increase from 1995 to 2000. The automotive sector has played a big role in both periods.

Despite this slowdown, Canada's total merchandise trade with California still exceeds trade with countries like Japan and the U.K. Moreover, 13.3% (\$48.3 billion) of California's output was related to trade with Canada in 2005, while 832,000 (11.7%) jobs in California were supported by trade with Canada, either directly or indirectly in the same year. The U.S. will continue to be Canada's most important trading partner, but it is worthwhile to remember that trade with Canada plays an important role in the U.S. economy as well. ◀

How Canada's two-way trade with California measures up (billions CAD)



Data: Statistics Canada, two-way merchandise trade.

Provided by the Office of the Chief Economist, Foreign Affairs and International Trade Canada ([www.international.gc.ca/eet](http://www.international.gc.ca/eet))



## ADVANCED MANUFACTURING TECHNOLOGIES

Las Vegas, October 15-17 > **Pack Expo** showcases the latest developments in packaging technology and will offer insight on state-of-the-art advances that have been made in packaging machinery, converting machinery, materials, packages and containers, and components. This is a chance to network with the top engineers and technicians in the industry.

**Contact:** Canadian Consulate General in San Francisco, tel.: (213) 346-2719, fax: (213) 346-2767, email: [cal.info@international.gc.ca](mailto:cal.info@international.gc.ca), website: [www.packexpo.com](http://www.packexpo.com).

## AEROSPACE & DEFENCE

San Diego, August 14-15, 2007 > **The Navy Small Business Opportunity Conference**, organized by the National Defense Industrial Association, focuses on educating, guiding and assisting small businesses in working with the U.S. Department of Defense.

**Contact:** Laura Barish, tel.: (619) 857-6260, email: [laura@btsihq.com](mailto:laura@btsihq.com), website: <http://2007goldcoast.ndia-sd.org>.

Long Beach, September 18-20, 2007 > **The Space 2007 Conference & Exhibition** is the American Institute of Aeronautics and Astronautics premiere symposium on space technologies, systems, programs and policy.

**Contact:** American Institute of Aeronautics and Astronautics (Western Office), tel.: (310) 726-5000, fax: (310) 726-5004, website: [www.aiaa.org/space2007](http://www.aiaa.org/space2007).

## AGRICULTURE, FOOD & BEVERAGES

Los Angeles, August 18-20, 2007 > **The Western Foodservice & Hospitality Expo** is the most comprehensive marketplace for all professionals serving the foodservice and hospitality industries on the West Coast.

**Contact:** Gordon Cherwoniak, Agriculture and Agri-Food Canada (Saskatchewan), tel.: (306) 975-4660, fax: (306) 975-5263, email: [cherwoniakg@agr.gc.ca](mailto:cherwoniakg@agr.gc.ca), website: [www.westernfoodexpo.com](http://www.westernfoodexpo.com).

Los Angeles, September 10-11 > **Expo Comida Latina** was created to meet the needs of the underserved Hispanic food and beverage market and features over 500 exhibitors, 5,500 visitors and 18 country pavilions.

**Contact:** Gordon Cherwoniak, Agriculture and Agri-Food Canada (Saskatchewan), tel.: (306) 975-4660, fax: (306) 975-5263, email: [cherwoniakg@agr.gc.ca](mailto:cherwoniakg@agr.gc.ca), website: [www.expo-comida-latina.com](http://www.expo-comida-latina.com).

## ICT

San Diego, August 5-9, 2007 > **The SIGGRAPH International Conference and Exhibition** is one of the world's most extensive marketplaces for computer graphics and interactive techniques.

**Contact:** Canadian Consulate General in Los Angeles, tel.: (213) 346-2719, fax: (213) 346-2767, email: [cal.info@international.gc.ca](mailto:cal.info@international.gc.ca), website: [www.siggraph.org/s2007](http://www.siggraph.org/s2007).

San Diego, November 7, 2007 > **Gadgetfest** is an annual CommNexus competition highlighting the newest technologies to come out of San Diego as companies compete for the Greatest Gadget award. The event features an array of local technologies and is then followed by a trade show with opportunities to network with people from all areas of the industry.

**Contact:** Canadian Consulate General in Los Angeles, tel.: (213) 346-2719, fax: (213) 346-2767, email: [cal.info@international.gc.ca](mailto:cal.info@international.gc.ca), website: [www.commnexus.org](http://www.commnexus.org). ◀

# Let us make the INTRODUCTIONS

If you are looking to expand, we are here to help. The Canadian Trade Commissioner Service is your natural partner for doing business abroad. We are a team of trade experts who can save you time and money as you grow your business overseas.

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**Find out what we can do for you today.**

**[www.infoexport.gc.ca](http://www.infoexport.gc.ca)**  
**1-800-551-4946**

Barbara Giacomini, Trade Commissioner  
San Francisco, United States



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