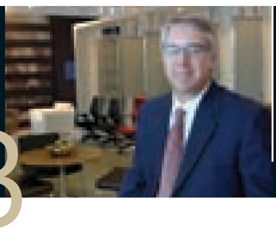
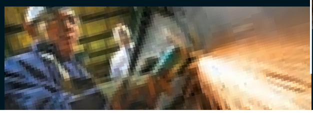
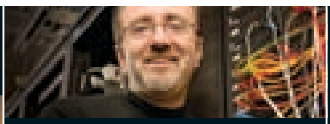
BDC
Banking on Canadian entrepreneurs
La banque qui mise sur les entrepreneurs canadiens

Spring 2008
profit$
Essential information for entrepreneurs



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Globalization is essential

Most SMEs use one of four approaches to *successfully* globalize

The trend toward global business is irreversible. New and improving communications and transportation technologies are breaking down the barriers—distance, language and time zones—that made doing business globally so difficult.

A successful global strategy will require constant innovation, regular benchmarking and cultural sensitivity that will allow companies to move into new markets and form new supply networks.

Also, the scale of the opportunities and challenges can seem staggering, with so many choices and resources at your disposal. For some, globalization is just a new field of opportunity. For others, it will be a matter of competitive survival. How fast you move to include globalization in your business model will depend on the commitments you make, the quality of your strategic analysis and the resources you invest.

It's important to realize that Canadian SMEs that decide to go the global route will not be alone.

Finally, it's important to realize that SMEs that go the global route will not be alone. Many, including the four profiled in this issue of *Profit$*, have already done so successfully and are willing to share their experiences.

Help for SMEs is available through BDC. We offer financing and consulting and can refer you to other organizations set up to help businesses grow. Two of the most important forms of financing for SMEs are working capital and capital investment; BDC offers both.

And when it comes to consulting, BDC has a strong network of 500 consultants, operating from 94 branches across Canada.

BDC works with the Department of Foreign Affairs and International Trade's 150 offices worldwide to identify suppliers and new markets. The Export Development Corporation also helps entrepreneurs go global by providing financing and insurance to ensure payment.

BDC is here to help you become a member of the global economy. Come to us.

Jean-René Halde
President and CEO
BDC

Many of Canada's entrepreneurs are benefiting from opportunities outside our borders. We at BDC would like to see more of you do the same.

The first step is extending your gaze. The second—broadening your market and extending your business around the world—will take preparation. You'll need to strategically position yourself, using information and advice.

Specifically, you will need to understand your global supply chain. In that supply chain, you will likely find new, less costly sources of supply—and new markets. You may also find risks to your business, risks that will remain hidden unless you look for them. It's better to look.

Each company's globalization strategy will be different. Each of you must analyze what your company does and how it can benefit from what global supply chains are offering.

The best thing to do is to seek advice from several people who care about the success of the company. The more expertise and experience, the better.

Remember that BDC is here to support you with financing, consulting and venture capital services. We are dedicated to small and medium-sized businesses and we have the expertise, experience and insight to help you increase your company's global competitiveness.

Our job is to support you. Give us a call.

Going global: "One step at a time" delivers results

For many entrepreneurs, "going global" is something big companies do. If you run a small company with limited resources, how could you possibly afford to make the investments required?

"Take it one step at time…but get started," says Carl Gravel, National Director, Manufacturing, at BDC. Today, more than 30% of BDC's lending portfolio involves the manufacturing sector. Gravel's role is to develop solutions that support clients who want to globalize.

Careful but steady

"First, invest resources where you'll see positive results, such as winning a new contract in a foreign country," he says. "You can re-invest any profits you make in other efforts down the road, such as setting up a distribution network. By taking it step by step, you can avoid draining your cash flow. Once you have identified what works best for your company, it's easier to get the financing."

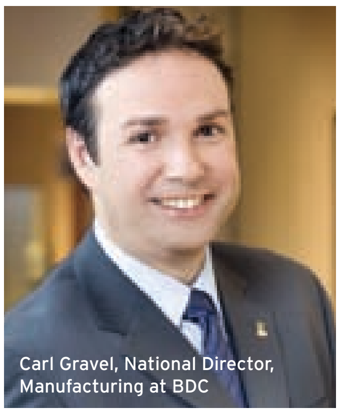
Gravel cites the example of a small aeronautics firm that makes aircraft components. "One of the first steps for this company was building credibility and acquiring the tools needed to compete in the global arena," he stresses. For example, it applied for internationally recognized security certification that gave it access to contracts from the biggest players in the business. "The certification gave them the added value they needed to compete and win more business," he adds.

With those gains in hand, the company then outsourced parts of production to China. "They kept design and engineering in Canada but hired companies overseas that could manufacture quality products at less cost," Gravel explains.

"The most important thing is to choose the right partners who understand your business goals and share your values," he adds. "You have to be vigilant when you work with companies overseas, but it's a smart alternative for smaller firms, too."

Once the firm had become more familiar with China and had forged alliances with suppliers, the team opted to exploit the booming airplane market in that country. "They had gained the experience to invest in a more complex initiative," says Gravel. "They recognized that exporting from Canada to China was too costly. A better strategy was to build a plant on foreign soil; this gave them better control of what they were producing and direct distribution access to clients."

Whatever you do, have a clear strategy and the means to implement it. "Focus on your company's unique strengths. Fill any gaps where your firm may be weak. You may need to work on your distribution methods, your brand recognition or your employee productivity. By making any one of these improvements, you're closer to your global success." Gravel concludes.



Carl Gravel, National Director, Manufacturing at BDC

Ask a professional

This month's theme: Entering a foreign market

Go to www.bdc.ca/ask, where a BDC Consulting business advisor will answer your questions.

profit$

Canada

BDC

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GLOBAL SUPPLY CHAIN DELIVERS LOWER COSTS, MORE CAPABILITIES

Globalization has made offshore sources of supply available to a wide range of industries. A Canadian engineering firm can access drafting services in India, essentially adding a low-cost "night shift." A Canadian housewares manufacturer can source finished products from China at a lower cost than producing them at home. These types of new choices offer two kinds of opportunities:

- Companies can reduce input costs while holding prices firm, thus improving their margins.
- Companies can develop capabilities —such as short runs, customization and just-in-time delivery—that let them become a link in the supply chain of multinational corporations.

Each company's strategy will differ depending on its strengths and the nature of its industry. Generally speaking, a strategy will reflect one of three models:

- procurement of raw materials;
- procurement of one or several components; or
- complete outsourcing of the production process.

Procuring raw materials will work best if your production process is one of your strengths. If you are a paint manufacturer, for example, you may be able to source some of your chemical ingredients globally for your Canadian production facility.

Procuring one or several components works best for complex production processes that involve several components, customization or both. The furniture industry is a good example.

Finally, complete outsourcing of the production process works best for companies with strength in their brand. Makers of sporting equipment and apparel are prime examples. These are highly labour-intensive products, which can make outsourcing of production to low-wage countries very cost efficient.

Steps to a successful supply chain strategy

How do you develop and implement a global supply chain strategy?

First, you must understand your supply chain model. Then you should ask yourself two sets of questions:

- What do we want to change and why?
- Where and how?

Answering "what and why" involves analyzing the parts of your business that could benefit from global labour or supply inputs, particularly to reduce costs.

Answering "where and how" involves looking at the sourcing process itself. That is more difficult because it involves new countries, customs, skills and logistics.

Case study

Keilhauer finds its own path

Keilhauer is an ergonomic chair manufacturer that has been exporting for the past 25 years. Today, only 10% of its sales are made within Canada; it exports 90% of its product, mostly to American Fortune 500 companies.

Keilhauer was an early adopter of a global supply chain, sourcing design services and some components in Europe almost from the start. However, until recently, it has manufactured exclusively in Canada. The company now works with select "strategic partners" to manufacture its furniture under licence in Europe.

Under pressure to reduce costs throughout its supply chain, Keilhauer asked its existing suppliers to source less expensive components in Asia. Since existing suppliers know the company's quality standards so well, Keilhauer believes they are in the best position to take on this task.

As large American companies spread throughout the world, Keilhauer has followed. Asia's new towers—including many of the regional offices of U.S. companies Keilhauer serves in North America—are filling up with Keilhauer furniture.

Michael P. Keilhauer, President of Keilhauer

Survey results: Gaps

In autumn 2006, BDC took part in a study[1] to determine Canadian SMEs' preparedness for globalization. One of the striking conclusions of this study was that many SMEs believed they were better prepared than they really were. Strategic plans often weren't as concrete as they should have been and action plans were often poorly defined.

Twenty-four of the 26 companies studied had developed successful strategies to meet the challenges created by low-cost manufacturers in China. From their experiences, BDC identified four key approaches that these companies used (in various combinations) to develop their strategies: a focus on supply chain, on research and development, on manufacturing, or on marketing and sales.

Two-thirds of the successful SMEs had made research and development their main priority, and almost all of them are following up with a renewed focus on their supply chain and their marketing and sales.

[1] *Riposte Chine 2007*, SECOR-TAKTIK.

Four key approaches

Innovation

The "secret weapon"

Innovation is perhaps the heart of a globalization strategy. Truly innovative companies can create a niche for themselves, move into new markets and capture substantial market share.

One out of three Canadian companies report that at least 25% of their sales come from products and services they have launched in the past three years.[1] Yet fostering this kind of innovation can be difficult. Innovation must be part of a business's culture, cross the lines and levels of the organization's structure, and affect everything the company is and does. It takes time and money. Often, this investment must be made without knowing exactly what innovation will yield.

Here are some examples of innovation:

- free newspapers (a competitive adaptation of the traditional newspaper model);
- internet shopping (a practical application of a new communications medium); and
- supermarket counters with ready-to-eat food (a response to changing customer lifestyles).

Where do such innovations come from? One of the secrets of innovative companies is that they listen to their employees. SMEs that build business cultures that support employee creativity will reap the benefits of their investment in talented people.

Canada's generous R&D tax credits

Another underused resource is Canada's R&D tax credits program, which returns many millions of dollars to SMEs every year. In fact, Canada ranks first among 22 OECD countries in terms of the most advantageous tax incentives per dollar spent on R&D. But, amazingly, a recent survey[2] showed that 40% of manufacturers are not using the program because they don't know about it!

Our consultants can help you identify your company's best opportunities for innovation, as well as develop a customized plan to implement your innovation projects. We can also evaluate your eligibility for government tax credits or refunds, and prepare your applications for these and other programs.

[1] *Balancing Business in Global Markets*, Canadian Manufacturers & Exporters 2006-2007 Management Issues Survey.

[2] Ibid.

Case study

Dualam: Innovation creates competitive advantage

Dualam manufactures corrosion-resistant products, from simple tanks to complex scrubbers and towers, for specialized applications in the mining, paper, semiconductor and anti-pollution industries. The company has 11 plants in Canada, the U.S. and Central America. Growth has been phenomenal.

Dualam targets applications critical to engineering and works to high standards that competitors find difficult to duplicate. Since the company has been around for over 50 years, it has been able to build a reputation that attracts a lot of employees with special skills that are hard to find.

Dualam makes an interesting case study for several reasons. First, it consistently invests 7% to 8% of its sales in R&D. Dualam's president says that innovation is the cornerstone of the company's success and that engineering is more important than marketing.

Second, Dualam makes fairly heavy products that must be manufactured near the customer. Dualam can therefore speak to customers in their own language and look after their needs. It's an ideal strategy for making inroads into markets in emerging countries.

Even though Dualam has targeted the global market for many years, it sees a particular opportunity in building anti-pollution equipment for the rapidly expanding Chinese industrial market. BDC is helping Dualam set up a facility in China to supply the Asian market and possibly even export to Canada.

Dualam's strategy, focused on R&D, supports its ability to serve demanding clients and has given the company the skills to become a world-class competitor.

Paul Habib, President of Dualam

Manufacturing outside Canada:

An important decision

Many companies make manufacturing a pillar of their globalization strategy.

A Canadian manufacturer seeking to improve its competitiveness has a range of options:

- Produce in Canada, using state-of-the-art manufacturing technologies and methods.
- Move production outside Canada to be closer to global customers.
- Move one or more production plants outside Canada to save costs and improve competitiveness.
- Move one or more production plants to preserve proximity to and relationship with customers who are also moving.

Each company must make its choices based on its competitive position. The key issue is to take globalization seriously, determine how it affects your company and plan.

The strengths of this country

How do you evaluate whether it is better to stay in Canada? Here are some points to consider.

- **Product line(s):** Are your products unique? Are they hard to reproduce? Do you offer customization?
- **Production process:** Has your company invested in new technology training, R&D and innovation?
- **Corporate culture:** Has your company adopted continuous improvement? Lean manufacturing principles?

Companies that take the right steps can still manufacture profitably in Canada. With Canadian industrial capacity utilization at 83% in the last quarter of 2007, compared to 87% five or six years ago, inflation seems under control and there is still room for a decent return on investment.

Of course, the rest of the world has its own advantages to offer, with low wages chief among them. But low wages are not the prime attraction for all manufacturing businesses. Canadian SMEs must match global opportunities with their particular strengths.

If you do decide to move production outside Canada, here are some tips:

- Be patient; success likely won't happen overnight.
- Stay focused on your objectives; it's easy to get distracted.
- Don't rush; going too fast can lead to very costly mistakes.
- Choose your team wisely; your success depends largely on selecting the right people to execute your strategy.

Case study

CARTE International: A Winnipeg company looks east

CARTE International of Winnipeg manufactures custom power distribution transformers. The company has 270 employees and exports almost three-quarters of its finished product to the biggest utilities in the U.S. It keeps almost total control over what it makes, building all major components, doing assembly and finishing work, and even handling sales and shipping in-house.

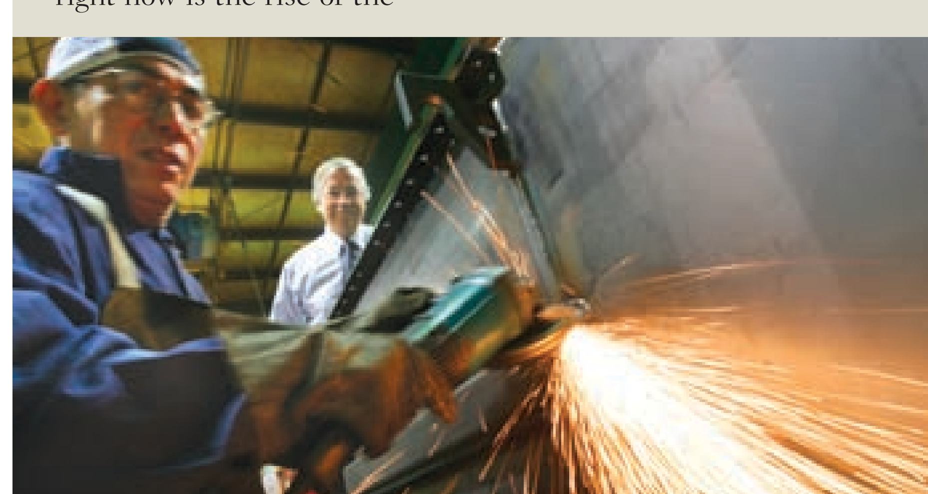
This approach makes sense when you understand that CARTE International's edge is custom engineering. Its big competitors make lines of standard transformers, but CARTE International builds everything to customer specifications.

Around 2003, the company started experimenting with lean manufacturing. Getting all employees involved in improving products and manufacturing processes gave the company a huge advantage. CEO Brian Klaponski says CARTE was better off making 10 or 20 smaller parts of a process more efficient than trying to make one big change. Lean manufacturing techniques have been so successful for the company that it has begun using them in the office as well as in the factory.

Globalization has brought challenges. One of the biggest right now is the rise of the Canadian dollar. The weak dollar had given CARTE a big advantage for many years. Since the company sells most of its product for U.S. dollars, it decided that supplies also had to be sourced in U.S. dollars. Sometimes that means buying more from the U.S., and sometimes it means asking Canadian suppliers to accept payment in U.S. dollars. Another challenge is growing demand for raw materials from China, which is driving up prices worldwide and reducing the availability of vital commodities such as copper, steel and aluminum.

Challenges aside, CARTE is very optimistic about its future. In spite of the competition for supplies, Klaponski sees the market opportunity in Asia as "immense." He is not even worried by the fact that China already has 1,000 domestic manufacturers of power distribution transformers. Looking for the right strategy to get into the Chinese marketplace, CARTE is considering licensing or perhaps a much larger opportunity, such as a joint venture.

Doing business would be very different in China, Klaponski acknowledges, but one thing would remain the same. The fundamental focus would be on relationship building, the same focus that earns the firm 80% of its business right now. CARTE International is on a "lean journey," with energized and involved employees looking outward to new markets and new customers.



At the back : Brian Klaponski, CEO of CARTE International

Fascinating

FACTS About CHINA

- China has constructed 37 new airports between 2000 and 2005.
- The amount of container traffic moving through China's ports is staggering. Every year the port of Shanghai alone processes almost seven times more tonnage than the port of Vancouver.
- China was responsible for one-third of global economic growth in 2004.
- In 2004, China accounted for half of global growth in metals demand and one-third of global growth in oil demand.
- China's economy is energy intensive. It uses 20% to 100% more energy than OECD countries for many industrial processes.
- China has 20 of the world's 30 most polluted cities, largely due to the use of coal to generate electricity and to the use of millions of vehicles with poor pollution control equipment.
- China already has over $1,000 billion in foreign exchange reserves. These reserves grow at the rate of about $200 billion a year.
- About 20% of China's exports go to the United States.

Source: The World Bank.

Sales and marketing:

Go forth and multiply

For some SMEs, sales and marketing are the pillars of global success. They focus on building their distribution network, selling in a personal and persuasive way, developing localized marketing techniques, and carefully managing customer relationships and after-sale service. Many products, such as consumer packaged goods, are sold in the same basic form all over the world. That means new markets act as sales "multipliers" if companies can find a way to get in.

In fact, every company that decides to go global, no matter what its product or service, will need a sales and marketing strategy. Let's review the case studies in this issue of *Profit$*.

AnyWare Group hires local salespeople to help it deal with the language and cultural barriers that could slow down acceptance of its product.

Keilhauer has concentrated its efforts on interior designers in the market it believes it can best defend from competition—North America. It lands overseas contracts when its design clients create new offices for American multinationals around the world.

Dualam manufactures its products close to customers, which is the ideal place to maintain good relationships.

CARTE International has not gone global yet, but it is considering licensing as a way to test new markets.

There are different ways to build sales and marketing into your global business strategy:

- License brands or technologies to independent foreign companies.
- Train a domestic sales force to travel to foreign markets.
- Hire a sales force in a foreign market while producing in Canada.
- Produce in a foreign country and hire a domestic sales force on location.
- Partner with a foreign distributor that may or may not sell other lines.

Each strategy has its own risks, rewards and levels of investment. One challenge, especially for SMEs entering developing countries, is to find trustworthy suppliers, employees and business associates.

BDC and its partners can offer concrete help to SMEs as they navigate the cultural and legal environments of emerging markets.

Our experience can help you avoid the risks that might trip up an entrepreneur acting independently.

Case study

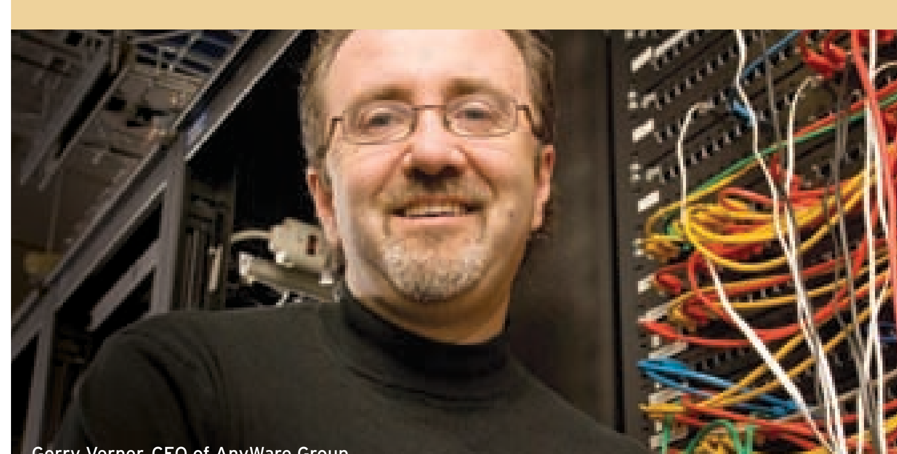
AnyWare Group: Rolling out a secure formula

AnyWare Group is an innovative software developer with 38 employees based in Saint John, New Brunswick. Its software gives people the freedom to access information in sophisticated data storage systems from any computer in the world with an Internet connection; for example, a physician could access a hospital's information system from home or a clinic just as easily as at the hospital.

Because knowledge workers are increasingly mobile, globalization fits naturally into AnyWare Group's business plans. What makes the company's application unique, however, is that it is entirely Web based—it does not rely on software installed on a user's own computer. This highly secure setup gives AnyWare Group the confidence to sell into emerging markets where software piracy is often an issue.

This model for selling software, known as "software as a service," or SAAS, also cuts down the capital investment needed to set up in new markets. Now the marketing strategy calls for hiring local salespeople. The company believes that its sophisticated product needs to be explained and sold in the language of each local market.

BDC helped AnyWare Group by finding sales leads on a trade mission to China and by providing a Chinese-speaking assistant. Now AnyWare Group is looking to expand into several different markets and gain some large contracts outside North America. With the product translated into several languages, it's "full steam ahead" as AnyWare Group dives into the global market.


Gerry Verner, CEO of AnyWare Group

The role of the BRIC countries

Four emerging economies—Brazil, Russia, India and China—have stirred up so much interest that they've earned a special label: the BRIC countries. By virtue of their resources, their populations or both, these four countries hold the world's greatest potential for economic development. Their rapid expansion has been compared to the growth of post-war North America, when infrastructure, consumer spending and economies grew by leaps and bounds. Some economists predict that the combined economies of the four BRIC countries will be bigger than those of the Group of Six industrialized nations[1] within 30 years.

For Canadian SMEs, this is an opportunity on a scale not seen since the boom triggered by the Canada-U.S. Free Trade Agreement in 1989—and it may turn out to be much bigger. Entrepreneurs have two big questions:

- How can I find a way to profit from this tremendous growth?
- How do I protect myself against things that could go wrong?

Each BRIC country offers risks and rewards. This article focuses mostly on China.

China: Some risks and rewards

Some entrepreneurs are wary of China because they believe its transportation, communications and utilities infrastructures are unreliable. But China has major cities on its eastern seaboard where the infrastructure is just as modern and efficient as anywhere in North America. It is in other parts of China, away from these major cities, that you find poor infrastructure.

Some people worry about the "low" quality of goods manufactured in China, based on product recalls often due to the presence of substances considered toxic in developed markets. Because Chinese companies operate on razor-thin margins (3% or less) and rely on a large supply of low-wage labour, quality control systems are hard to implement. On the other hand, large foreign manufacturers such as LG and Volvo operate facilities in China with no noticeable quality control problems.

Product quality is a function of cost. In other words, there is a point at which further cost reductions will come only at the expense of product quality. It is important for North American companies to establish and fund quality control processes rather than expect Chinese manufacturers to provide them.

Piracy—copying of designs and formulas, and theft of intellectual property—gets a lot of newspaper coverage. But when multinationals list their top concerns about doing business in China, they focus on lack of transparency in regulations and fiscal policies, market access, and human resources—not intellectual property.

China is the opposite of backward when it comes to homegrown technology. The country graduates more than 600,000 engineers a year and, according to a UN report, already has more than 700 R&D centres in operation. President Hu Jintao declared his intention to make China "self innovative" by 2020, and we should not underestimate the speed at which China can catch up to our ability to develop products.

The same is true of high technology—Chinese companies may match our technological strength over the next 10 to 15 years. In Canada, many companies struggle to develop an "innovation" culture that values and funds R&D. China already has the will, and its emphasis on education will make it a formidable competitor.

With risks come great opportunities, and many of these are magnified by the sheer size of China's population. For instance, China consumes inordinate amounts of expensive energy. It will need a wide range of technologies to reduce energy consumption as urbanization progresses.

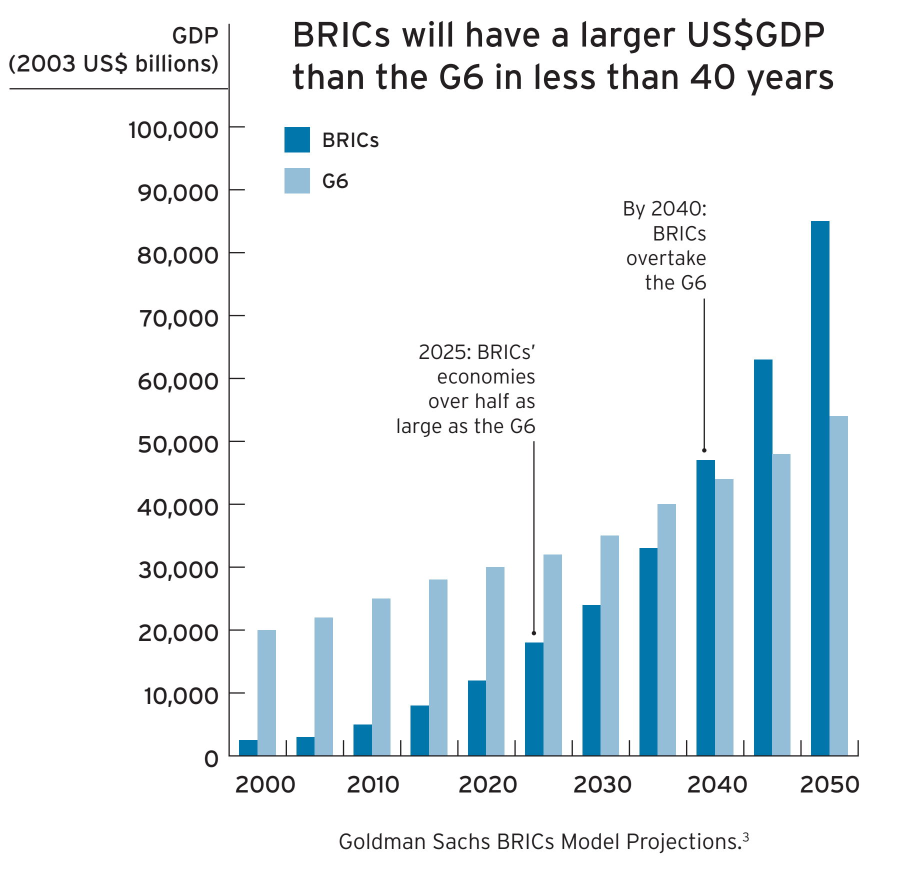
Other big problems can also mean big opportunities. The industrial revolution in China attracts millions of rural workers to the cities to find better paying jobs, straining urban infrastructure. Technologies that help satisfy the communications, transportation and housing needs of migrant workers are a high priority for China's policymakers.

China is shifting from a debit to a credit economy, giving families more purchasing power to buy big-ticket items such as cars. Two studies looking of the impact of the shift to credit concluded that by 2012, Chinese consumers could be spending $155 billion per month! Who wouldn't like a piece of that business?

And finally, China's new focus on environmental responsibility has led the government to order large enterprises and cities to invest in cleaner technology. China's "cleantech" sector was expected to receive $580 million in venture capital funding last year, compared to Canada's investment of about $150 million.

In just five years, the economies of Brazil, Russia, India and China have grown faster than even the most optimistic economists projected—and following close behind them are rising economic stars like Mexico, Indonesia, South Korea and Vietnam.[2]

One thing is clear: We will see a lot of change in the world economic order during our lifetime. The key for Canada will be to get in there and share in the benefits.



Goldman Sachs BRICs Model Projections.[3]

[1] France, Germany, the United States, Japan, the United Kingdom and Italy.
[2] *How Solid are the BRICs?*, Goldman Sachs Global Economics Paper No. 134.
[3] *Dreaming with BRICs: The Path to 2050*, Goldman Sachs Global Economics Paper No. 99.

A dozen things worth knowing about EMERGING, DYNAMIC ECONOMIES

1. What, exactly, is an emerging economy?

The terms "emerging market" and "emerging economy" describe the economy of a rapidly growing developing country. Typically, these countries are also in the process of building reliable and transparent legal and regulatory environments. Earlier examples of emerging markets that have since matured include Japan, South Korea, Singapore and Taiwan. Emerging markets are found all across the world, notably in Asia, South America and the former Soviet Union.

Source: *Elements of an Emerging Markets Strategy for Canada*, Report of the Standing Committee on Foreign Affairs and International Trade, June 2005.

2. The world's workforce has doubled.

The integration of China, India and Russia into the world economy has doubled the number of workers to 3 billion.

Source: International Labour Organization.

3. China and India lead.

From 1990 to 2003, outbound foreign direct investment from China has grown twice as fast as the global average. Similarly, Indian investment abroad has expanded from US$264 million in 1995 to close to US$5.1 billion in 2003.

Source: The United Nations Conference on Trade and Development, cited in *Element of an Emerging Markets Strategy for Canada*, Report of the Standing Committee on Foreign Affairs and International Trade, June 2005.

4. Canada's prosperity depends on international trade and investment, mostly with the U.S.

Exports account for about 38% of GDP. Canadians hold $399 billion in investment worldwide, and the value of foreign investment in Canada is nearly $358 billion. This economic activity is largely concentrated in one market—the United States. The U.S. accounts for 85% of Canadian exports and is the source of 59% of Canadian imports. Nearly 64% of foreign investment in Canada originates in the U.S.

Source: *Elements of an Emerging Markets Strategy for Canada*, Report of the Standing Committee on Foreign Affairs and International Trade, June 2005.

5. But the scenario is changing.

China accounts for about 40% of container volumes in and out of the port of Vancouver.

Source: Chris Jones, Director, Federal/Provincial Government Liaison, Railway Association of Canada.

6. Who are the new economic powers?

China, India and Brazil are the fourth, twelfth and fourteenth largest economies in the world, respectively. Canada is number eight.

Source: International Monetary Fund.

7. We must go where the growth is.

In 2004, General Electric's revenues from the developing world reached US$21 billion, a 37% increase. GE expects to get as much as 60% of its future revenue growth from emerging markets, which need vital systems for water, power, health care and transportation.

Source: *Our Actions*, GE 2005 Citizenship Report.

8. Three key recent developments.

First, last year, emerging economies produced just over half of world output measured at purchasing power parity. Second, they also accounted for more than half of the increase in global GDP in current-dollar terms. And third, the 32 biggest emerging economies grew in both 2004 and 2005. (Every previous year during the past three decades saw at least one country in recession—if not in a deep crisis.)

Source: *The Economist*.

9. Who will comprise the next Group of Six?

By 2050 there will be a new Group of Six economic club, consisting of China, the U.S., India, Japan, Russia and, likely, Brazil.

Source: *The National Post*.

10. China consumes.

China currently consumes 22% of the world's output of copper, 23% of its output of aluminum, 16% of the nickel output and 50% of all steel output.

Source: Natural Resources Canada.

11. India has large needs.

A growing Indian economy presents huge opportunities. India is seeking US$150 billion in infrastructure investment alone.

Source: Lucie Edwards, Canada's High Commissioner to India.

12. Cell phone users outnumber non-users.

The number of mobile phone users will overtake the number of non-users for the first time in early 2008. Ownership rates in developing countries are rising fastest, with Brazil, Russia, India and China alone accounting for 1 billion subscribers last year.

Source: International Telecommunication Union, a United Nations specialized agency.