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The Honourable Mark Eyking

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• (1535)

[English]

The Chair (Hon. Mark Eyking (Sydney—Victoria, Lib.)):
Good afternoon, everyone, and welcome to Wednesday.

Today is our third and last meeting on a very important study that is becoming very interesting, on multiculturalism and international trade. We've gained a lot of knowledge over the last few meetings.

The Portuguese delegation are going to be at the table with us in a few moments. By video conference we have the Canadian German Chamber of Industry and Commerce, all the way from the wonderful city of Toronto. We have the president, Mr. Beck, and he has a delegation.

Welcome, folks.

If this is your first time in a committee, if you can do your presentation around five minutes or less, we appreciate it because we want lots of time for dialogue with MPs.

Without further ado, you have the floor for five minutes.

Mr. Thomas Beck (President and Chief Executive Officer, Canadian German Chamber of Industry and Commerce Inc.):
Thank you very much, Mr. Chair.

Thank you for giving us the opportunity to introduce the Canadian German Chamber of Industry and Commerce and its services and projects to you.

Very quickly, for your general understanding, we belong to the worldwide German Chambers of Commerce Abroad system. We have 130 offices in over 90 countries. The turnover is about 200 million euros, and we have subsidies of 40 million euros from the federal ministry of economics.

Germany has three official foreign institutions worldwide. There's the political representation, through the embassies and consulates; the cultural representation, which is the Goethe-Institut; and the representation for industry and trade, which is done by the German Chambers of Commerce Abroad. We are one part of this chambers abroad system. You can best compare this with a trade commissioner in other countries like England and France.

Our head office is the Association of German Chambers of Industry and Commerce in Berlin, and we are closely tied to 80 chambers of industry and commerce in Germany. In Germany we have compulsory membership, so we are connected to most German companies through the chambers of commerce.

We have basically three functions. One is the official representation of Germany's industry and trade. We are also a membership organization for Canadian and German companies, and we are a service provider for companies from both countries—we offer consulting services and we do projects. I'll come to this a bit later.

Our chamber here in Canada was founded in 1986, in Montreal, so next year we will be 50 years old. We are an officially recognized German chamber in Canada. "Officially recognized" means through the federal ministry of economics in Germany. We are a private non-profit organization according to Canadian federal law. In 1985, we moved to Toronto, where we have our headquarters today.

Our board of directors consists of representatives of well-known Canadian and German companies, for example Siemens, BMW, Mercedes, and others. We have 25 employees and a budget slightly exceeding \$4 million Canadian. Our main sources of revenue come from selling services to German and Canadian companies entering the respective markets, doing projects for the federal German government, membership dues, events, and a subsidy that we receive from the German government, which is about 20% of our annual budget.

To give you a little overview about our services, we offer consulting services, mainly to German companies entering the Canadian market. We do business partner searches, market research, and trade show participation. We inform members about import regulations, tariff duties, and product certifications. In addition—and this has become very important—we help German companies get settled into Canada with our business support services. We offer Canadian bookkeeping and payroll services. We offer Canadian recruitment and HR services, and we have visa and immigration services for German companies that want to bring their employees to Canada. We do incorporation and set-up of a company in Canada, as well as a virtual office and any administrative support these companies need. This has become one of our most important lines of business here. We also take care of some companies from other European countries—from Switzerland, from Austria, and I think from Sweden—but it's a small number.

For Canadian companies, we are offering trade fair participation. For example, we represent the MEDICA trade fair company in Düsseldorf, and right now there should be more than 70 Canadian companies on their way to Düsseldorf to participate in MEDICA. This is one of the highest rates of trade fair participation for Canadian companies in Germany. In March it's ProWein, and we will be glad to welcome in Düsseldorf almost 40 Canadian companies displaying their wines in Germany.

We do a lot of projects for the German government in the areas of wind energy, solar energy, smart grid, and storage seminars. We have a booth at the PDAC convention in Toronto.

We do things for the food industry. We also help Germany Trade and Invest, which is the official German investment arm of the federal government to acquire Canadian companies that are interested in doing business in Germany.

Besides that, we don't do any investment activities, but we work closely with the Canadian embassy in Berlin when it comes to German companies that want to come to Canada, and we work together with GTAI, Germany Trade and Invest, when it comes to Canadian companies that want to come to Germany. We have about 350 business members. These are mostly German and Canadian companies in Canada. We have a couple of chambers of industry and commerce in Germany as our members and they are all over Canada. We offer our services for the whole country, not only for Toronto or Ontario. We are also active in B.C., Alberta, New Brunswick, and all the provinces where German companies go.

The Chair: Thank you.

Mr. Thomas Beck: As the last word, we have a competence centre for mining and mineral results, established in 2012, that helps the German government to come into contact with Canadian companies in this respect.

Thank you very much.

• (1540)

The Chair: Thank you, sir. Your organization has a very impressive network and resources that you offer to Canadian and German relationships in business.

We have with us the Portuguese delegation, Mr. Correia, Ms. Jorge, and Mr. Pereira. Welcome.

As you know, this is our committee's final segment. We've had three meetings so far on multiculturalism and trade, and this was suggested by Mr. Fonseca. We appreciate that. There has been a lot of information and it has been very fulfilling.

You have the floor.

Ms. Michelle Jorge (President, Federation of Portuguese Canadian Business & Professionals): Thank you all for having us here today. We're truly honoured to be with you this afternoon.

I'll share a little bit about the Federation of Portuguese Canadian Business & Professionals. We've been around since December 7, 1981. I share a birthday with the federation, though I won't tell you if I was born before or after 1981. We are a volunteer-driven, not-for-profit organization. Our membership consists of a number of Portuguese professionals and businesses throughout Canada.

We have done many projects with different communities. We have a keen interest in the development and advancement of higher education within our community. That's really one of our main focuses. We have various networking functions that we do throughout the year. We have a gala that takes place every year, at which we give scholarships. These are supported by businesses, both here and in Portugal.

Recently, Matthew Correia and I were in the Azores. We were able to secure a scholarship from the University of the Azores. For a number of years now we have obtained scholarships from Universidade NOVA in mainland Portugal. We also support and encourage academic excellence in any way possible.

We do a number of events surrounding youth. Mr. Correia was the first leader of the student advisory committee, which began last year. We've started doing networking events to try to advance the opportunities for students to network in our community and outside of our community as well.

We have about 250 members with a roster of over 500 businesses in the Luso-Canadian community. Throughout its history, the federation has always partnered with different organizations. We are members of the Greater Toronto Business Alliance, which was formed in 2008. Within that group is the Italian Chamber of Commerce of Ontario, the Toronto Chinese Business Association, the Indo-Canada Chamber of Commerce, and of course the federation. In the past year, we have also begun networking and partnering with the British Chamber of Commerce and various Latin American chambers of commerce. We did an event last year. We are looking to do another event so that we can expand our networking opportunities and the support that we can give to professionals and businesses within our community and outside of our community.

With regard to our scholarship program, as of this year we have grown our numbers to 40 scholarships that we were able to present at our gala, which I hope you will all attend on March 24. We have donated over \$1 million through the generosity of the businesses in our community.

In the most recent year, we have also been very active in developing and enhancing our networking opportunities internationally. We had a group come in from Santarém, Portugal, the NERSANT Group. We signed a protocol with them in order to be able to support them to advance and enhance their opportunities for business development here. They're willing to provide the same support for our membership in Portugal. We had a group come from Aveiro as well, with the same mission. We are in talks about signing a protocol with them as well.

More recently, Mr. Correia and I met with SDEA, a society for business development in the Azores, with the same incentives. We have definitely taken a lot of steps, even more so in recent times, to try to expand and develop the opportunities for business development.

I wanted to try to bring one of our members who is running a business involved in international trade, but unfortunately we were not able to do that. I run a business, but I'm a lawyer, and we don't do international trade.

There are a couple of things that we thought we could bring as suggestions. I noticed that in CETA you have now made the rules a lot easier for certain professionals as far as accreditation is concerned. I think that's a huge step in the right direction. I think more advancements need to be made in that regard. Speaking from personal experience, I can say that the education in Europe is absolutely superb. I know that first-hand, because as a child I studied in Europe for a number of years.

• (1545)

I also returned as an adult to do one of my years of law school in Europe. The programs there are fantastic.

With regard to exports to Europe, I noticed—

The Chair: Do you mind wrapping up a bit?

Ms. Michelle Jorge: With regard to exporting products to Portugal, I noticed there's a lot more coming this way as opposed to going in that direction. One idea is maple syrup. I spoke to the regional secretary of the Azores this morning, who brought home six bottles that he absolutely loves it. It's very popular there. He said he likes to have it with his *panquecas*. I think that's something to consider.

The other thing is that there could now be a lot of opportunities for Canadian lumber to be sent over there. They're beginning to build wood frame houses, which was not the case before but has now become the new thing in Portugal. I think there are huge opportunities for Canada in that area.

Given the fact that Portugal is no longer getting the majority of its beef from Brazil, that might also be another opportunity for Canada.

I've stolen all the time. Now Mr. Correia doesn't have time, so I apologize.

The Chair: Thank you. Your time is up, but Mr. Correia will have opportunities when we're having dialogue with the MPs to interject any thoughts he has.

We're going to start off with the Conservatives. We have Mr. Colin Carrie for five minutes.

Mr. Colin Carrie (Oshawa, CPC): I want to thank the witnesses for being here. Maybe we can start with the Portuguese group.

In Oshawa, we have quite a large Portuguese community. They always participate in Fiesta Week, and I have to tell you the dancing and the food are fantastic.

You mentioned CETA and the accreditation issues, and you said that more advancements need to be made. I was wondering if we could explore that. Maybe Mr. Pereira, too, could talk about the students and the visa situation going back and forth between the countries. How easy is that and could there be improvements?

Ms. Michelle Jorge: Personally, I did not have any issues coming back. I did only one year of law school away, and I transferred right into Osgoode Hall, but I'm noticing with other lawyers who have studied abroad that it takes a significantly longer period for them to

be able to enter the market as lawyers. I know that law is on the list of professions for which things should now be a bit easier. I think that when you're doing that, you're delaying their entry into the workforce and delaying their ability to contribute to the Canadian market in a much more prosperous manner, versus coming in and having to spend a couple more years to do accreditation.

We're basically deterring a lot of immigrants who are highly qualified from coming here and working and producing and providing for our economy at that level. They come in highly qualified and they're working at jobs for which they're completely overqualified. I've heard stories about doctors working as taxi drivers. We are losing out on that talent. How do you go about doing that? I think what you've done with CETA is definitely an advancement, and you're going in the right direction, but probably that needs to be looked at more carefully and how that can be expanded to other professions and other sectors.

Mr. Colin Carrie: Mr. Pereira, I know you didn't get a chance to speak to the committee, but I am wondering if you could add some comments as far as the students' visas back and forth go. How difficult is it for Canada?

Mr. Lucas Pereira (Secretary, Federation of Portuguese Canadian Business & Professionals): I haven't done too much research with regard to the visas and transferring back and forth. I know that each school, individually, has some very good programs for studying abroad, depending on where the schooling is more specialized for their type of program, but I believe we do need more options.

We need to connect more schools together and have transferrable credits. I know it is difficult, a lot of times, to have credits transferred from university to university. A lot of students have problems since they've gone to university, studied, and gotten credits, and those have become useless because they're not transferrable to these other schools. They have the knowledge; it's just not being recognized. I feel that we need to create a stronger bond between the universities for credit transferring.

• (1550)

Mr. Colin Carrie: Okay, very good.

To the German group, how helpful do you think CETA will be to helping organize Canada's ethnocultural communities, as far as trading around the world goes? Do you think additional free trade agreements should be pursued, and if so, with which countries?

Mr. Thomas Beck: From our point of view, CETA is a milestone. We expect much more business from Germany and from Europe coming over to Canada, but it will take some time. It doesn't happen right now.

The general opinion in Germany about CETA is it's very well taken. Companies are very eager to come to Canada. The only obstacle is more in the technical standards area. That's why we have to do something very soon because that's a real obstacle. I'm in Germany quite often and talk to our companies. They say it costs them too much money and it takes too much time to adopt technical standards from Canada and vice versa.

That's one of the biggest issues with CETA that we have to solve very soon, and I think CETA is a raw model for any other free trade agreement to come. Canada has access to 500 million consumers. If we take the British out, we still have 420 million to 430 million consumers. However, we don't have that many Canadian companies in Europe so far, so it's also up to our Canadian trade commissioners to help Canadian companies get into Europe: Germany, France, Portugal, and the other countries. That will take some time. As far as we know, 80% of the exports from Ontario go to the United States, and that has to change a little. We hope it will change and that we will see more Canadian consumer goods and technical goods in Europe. There's a good chance for Canadian products to come into the European market, but we should push it a little.

We also try to help Canadian companies with trade participation. For example, we have groups going to Hamburg in the area of wind energy. We'll take a group next year to the WindEnergy trade fair in Hamburg. It takes energy and effort to bring Canadian businesses to Europe and vice versa.

The Chair: Thank you.

We're going to move over to the Liberals.

Mr. Fonseca, you have the floor for five minutes.

Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.): Ms. Jorge and Mr. Beck, thank you and your teams for presenting here today. It's great to hear how you feel about CETA. It was a long time in the works, 10 years working across Canada and I'm sure across Europe so that we could find ourselves on the same page. Now this is the opportunity for the European community as well as for Canada.

Ms. Jorge, you brought up a number of products, be it maple syrup or wood, and I know you've spoken to me about beef. How do you see our developing those opportunities now? Would that be through taking trade missions to Portugal to showcase our products and familiarize the Portuguese community with the types of products that Canada could offer and get that trade going? Or would it be through having the Portuguese come this way, as you've had a number of delegations come, to be able to explore our market here?

Ms. Michelle Jorge: I think you need to do quite a bit of both. I spoke very recently with the regional secretary for the Azores with regard to this specific issue and he said that the regional secretary of trade there would be willing to come here to do what you are describing. I think that is so important, and I can speak of it from personal experience. Mr. Correia and I went there this summer for our organization. We were able to accomplish so much more because we were doing face-to-face meetings. There's a value, a benefit, that cannot be equated in any other form other than doing that. You have to develop the knowledge base and understand the culture, and you do that by going there and developing real partnerships with the organizations and companies there.

• (1555)

Mr. Peter Fonseca: Thank you.

Mr. Beck, you represent a very mature organization. You have 25 employees, a substantial number of resources to be able to develop the market over here. Do you tap into CanExport or look at our trade

commissioner offices? Do you use any of the resources available to you through the Canadian government?

Mr. Thomas Beck: Absolutely. We work very close together with, for example, the Canadian embassy in Berlin when it comes to investment in Canada. We think a good instrument for Canadian companies is to participate in, in our case, German trade fairs. In Munich and Düsseldorf we have some of the best and largest trade fairs are in the world. If you take MEDICA and others I mentioned, 70 Canadian companies are there already. We have huge trade delegations from Ottawa; I think there were over 100 Canadian companies planning at the end of January to come to Munich, hopefully together with the premier. That's also a great opportunity to get in touch with German companies, but they can also come to us on a single basis and get our help. We can connect some German companies with German chambers of industry and commerce and others. But, again, the best way is trade fairs, trade delegations and others. As my colleague from Portugal said, they have to get used to the European market, to a continental market. There are huge chances, but you have to understand the market and get the right ideas about it.

Mr. Peter Fonseca: What does it mean that 98% of the tariff lines of those companies have come off their products and services? What does that mean economically? What kind of a boost do you see in terms of business?

Mr. Thomas Beck: I think the tariffs don't mean that much because since March 2015 we have had no tariffs on machinery and other goods. For most of our German companies in Canada that doesn't play a crucial role. It's more the technical standards. On the one hand it's a CE and on the other hand it's a CSA. To get that done, to come to a mutual recognition of technical standards, that's the main issue. For a Canadian company exporting, let's say, beef or medical goods to Germany they don't pay a lot of tariffs. It's more difficult for them to find the right distribution partner in that country and to adapt their products more to the German or European market. These are the real difficulties. When my colleagues here see German companies coming to Canada, the real big issue for them is the legal system in Canada. They all don't know the tax issues, how to set up a company here, how to do the tax and legal set-up and these kinds of things. That's why we offer our services. You can get everything here in the German language. They come at nine and when they leave at one they have founded their company and they're happy to go and everything is taken care of. That's what they need, and that is what we have set up in the last couple of years here, very successfully. We have about 30 customers, great medium-sized companies from Germany, high-tech companies we take care of in this respect. They can call us anytime with no charges.

The Chair: Thank you, sir.

We're going to move over to the NDP. We have the member from Vancouver Kingsway for five minutes.

Mr. Davies, welcome to our exciting committee.

Mr. Don Davies (Vancouver Kingsway, NDP): Thank you, Mr. Chair, and thank you to the witnesses for being here.

Mr. Beck, I'll go first to you. With CETA in its early infancy, what do you see as some of the most promising business possibilities for Canadian businesses in Germany?

Mr. Thomas Beck: Again, I think medical technology, for example, is very strong. The whole part of food, and also a little bit the wine industry, are not really tapped. I talked to a lot of Canadian large food producers and they didn't have food in Europe so far. It can be also machinery. I see it more for Canadian companies, let's say, in the electrical, electronics, machinery, and medical part. That's where I see the biggest chances for Canadian companies. A little bit of food but food is difficult in Europe, as we know. It's not easy to get into that market; it would cost you a lot of money. Canadian companies in the medical area are very successful. Also, transportation is a big issue for Canadian companies in Europe. We have Bombardier in Berlin, and I think there are 8,000 employees. This is strictly from a German point of view.

• (1600)

Mr. Don Davies: Thank you.

Ms. Jorge, my mother was born on December 7; I won't say what year either.

I mentioned exploring the role of SMEs. I think roughly speaking about 90% of Canadian business is conducted through small and medium-sized enterprises and I think we also know that a very small fraction of those companies are able to actually engage in international trade. Do you have any advice or suggestions, or points, just for how we can assist small and medium-sized enterprises in Canada to better access trade opportunities in Portugal?

Ms. Michelle Jorge: As Mr. Fonseca was suggesting, it would be trade missions and opportunities for the network to develop with these types of conferences and missions connecting back and forth. I can tell you, from our experience with the Portuguese government, that they're absolutely receptive to having more engagement and more connections with Canada. All that really needs to happen to get that going, I think, are more face-to-face meetings and more travel back and forth. If you can support that, I think we will see in the years to come significant advancements.

Mr. Don Davies: Moving to language, we often think of these business opportunities in terms of the raw business, but you commented on the need to understand the culture, and a big part of that is language.

Do you think there's a role for governments, federal and provincial here in Canada, to bolster Canadians' ability to increase our literacy in languages to best take advantage of the opportunities in CETA?

Ms. Michelle Jorge: Absolutely. Knowing more languages means you understand the world in a better way, in my humble opinion. However, I must say that as much as I would like Portuguese to be

spoken throughout the world, given my heritage, in reality, the majority of the people you'd be dealing with already speak English. In Portugal you start learning English from grade 5 onwards. Communication, as far as being able to speak—

Mr. Don Davies: It's not a big issue in Portugal.

Mr. Beck, you mentioned environmental technology. We hear a lot about the billions of dollars that stand to be made as we move towards a more sustainable energy future. I know that Germany is considered a global leader in many technologies. Do you see opportunities for Canadian business or increased trade in the area of environmental technology?

Mr. Thomas Beck: Absolutely. Again, we've just prepared our trade fair application for WindEnergy Hamburg, which is Germany's biggest wind energy trade fair, where they expect some 20 to 30 Canadian companies to display their products and technologies.

I think we have very strong Canadian-German partnership and co-operation in a lot of fields. We are getting, I would say, between five and seven business delegations from Germany in different areas, such as solar energy and wind energy. We have biomass and a couple of other things. It's a strong way to co-operate for both countries.

There are also other ways for our governments to co-operate. Research institutes co-operate between Germany and Canada. There's so much co-operation going on and so many opportunities. I think we'll see the results pretty soon, and with other European countries, which is fantastic. Canada has something to offer in this respect. That's a good way to start in Germany, or in France or Portugal or wherever you want.

The Chair: Thank you, sir.

We're going to move over to the Liberals now. Mr. Dhaliwal, you have the floor.

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Thank you to the presenters.

Mr. Beck, you mentioned that people from Germany face challenges in the legal field. Is there any other field where they find those challenges? How will CETA be able to improve those difficulties they face in having trade with Canada?

•(1605)

Mr. Thomas Beck: Again, the technical standards are one thing I mentioned. That will go on for some time, I think. There are legal issues and tax issues. These are things they don't understand. Let's say they come from a German background. They have a totally different legal system in Germany versus the Canadian, which is more like the English. They also have problems in understanding the different business mentalities. It's a large country. Where do I start? Do I start in Toronto? Do I start in Montreal to find business partners? It takes them a while to put the right resources here, or to understand the immigration system, when we have one specialist. These are all things where we offer consultant work for our companies, and it's very well taken. These are, in my opinion, the biggest problems companies have.

They know there are partners here in Canada to whom they can sell their products. That's not the problem. They have to change their products to the Canadian standard and those kinds of things. That's all work. Again, the legal issues, the immigration issues, and the tax issues are completely new things for them.

Mr. Sukh Dhaliwal: Thank you.

Ms. Jorge, Portuguese people have always been free traders. I remember when I was in school in India, they used to teach us about Vasco da Gama, who came to India to trade.

You mentioned one challenge that you did not face but many others face. I was one of those who came to Canada with engineering qualifications. I had to go to university to improve mine. Both my daughters did their medicine in Europe. They came back to Canada and they faced problems in Canada. However, in the U.S., there were no problems. In the U.S. top universities, they were all good, and now all of a sudden in Canada, every university wanted them back for fellowships.

How can the government improve? The way I see it, this is controlled by the organizations, the professional bodies. How can government be a force of good to mitigate those issues and problems that international students face?

Ms. Michelle Jorge: I think with the changes that have come through with CETA that specifically apply to engineers, architects, and I believe accountants and lawyers, you can make that more expansive to other professionals, and apply similar rules.

This is something that would have to be worked together with the different universities and educational organizations for it to be functioning into the future. I think that if you're able to apply what you've done in relation to those specific areas, and if you expand it to other areas, we will see some improvement.

Mr. Sukh Dhaliwal: This issue you're facing is that the professional associations would not let you practise unless you are part and parcel of that, whether it's the architects, professional engineers, the accountants, the CPA. That is where the issue is.

Do you have particular suggestions for the government?

Ms. Michelle Jorge: I think it's starting a dialogue with the specific professional organizations and making them understand the statistics of what it's costing our economy, for example, the delay in the entry of those persons entering the workforce at a higher level that's more connected to their level of education.

If we can show the superiority of the level of education in the other countries through persons who come in, eventually we'll be able to make some advancements in that regard. They will become more amenable to the suggestions.

The Chair: Thank you.

That wraps up our first round. We're going to our second round.

We're going to start off with the Liberals.

Madam Lapointe, you have the floor.

•(1610)

[*Translation*]

Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.): Thank you very much, Mr. Chair.

I'd like to thank the witnesses for being with us today. We are learning a lot. I'm glad that we have representatives from the Portuguese and German communities. Not far from my riding is a community with thousands of Portuguese who hail from the Azores; they have been here for more than half a century. I would also like to recognize the community of German business people.

Mr. Beck, you said it was difficult to find the best business partnerships and matches between Canadian and German companies.

Do you have any suggestions in that regard?

[*English*]

Mr. Thomas Beck: Again, we have some business delegations coming to Canada. We have good staff who work all the time on matching the German businesses and the Canadian businesses. We created a database for that, with 50 possible Canadian candidates. We then call them and ask them if they would be interested in getting in touch with that German company. At the end of this process, there will be three to five Canadian businesses. We tell our German guests that they will visit their potential Canadian counterpart. There they have the best talks. If they need help with the language, we accompany them and so on. That works quite well.

We also bring them on Canadian trade fairs or on German trade fairs, where they can meet tons of people during a couple of days. That works, as well. This direct approach, to look in databases for Canadian companies, call them, talk to them, filter them out, and at the end both parties meet, works quite well. For years, we've done some 100 or 150 matches like this.

[*Translation*]

Ms. Linda Lapointe: As you may know, my riding is located north of Montreal. The surrounding area is home to many companies including Bell Helicopter, the manufacturer of Bombardier's C Series aircraft, L-3 MAS, and Nova Bus. Many of the companies are in the transportation industry.

You mentioned Toronto and Montreal earlier, but if you're looking for a place for your businesses to set up, you should consider our region. I mean no disrespect to my colleagues, but I would humbly encourage you to consider my riding.

[English]

Mr. Thomas Beck: You bet.

[Translation]

Ms. Linda Lapointe: We have skilled workers.

[English]

Mr. Thomas Beck: We are in Montreal once a month. We do a lot of business with Quebec, Alberta, B.C., Nova Scotia—with all the provinces. We have projects there and we have business partners there. We usually work together very closely with the respective provincial governments, with associations, with chambers of commerce, and so on. These are very trustful and good relationships that have developed over the years.

[Translation]

Ms. Linda Lapointe: Thank you.

My next question is about women in international trade and is for both organizations.

Do you offer women who own small and medium-size businesses incentives to help them enter the market?

[English]

Mr. Thomas Beck: As far as I know, I don't think we have special incentives for women entering international trade. In Germany I think we have many women who are already owners of a company, so probably the government does something in that respect.

I don't know about any special programs, but when we have visitors here, I would say that at least one third, if not half, are women.

[Translation]

Ms. Linda Lapointe: Very good.

[English]

Mr. Thomas Beck: Have a look at our office—and here; four-fifths are women.

Voices: Oh, oh!

Mr. Thomas Beck: This is the wrong picture here.

Voices: Oh, oh!

[Translation]

Ms. Linda Lapointe: You'll have to tell us how you managed that.

Ms. Jorge, what about you?

[English]

Ms. Michelle Jorge: I can speak with regard to my experience with all the meetings I've had in Portugal. It appears to me that equality amongst the sexes is in an excellent position as far as Portugal is concerned. I don't know that the government has specific incentives, but overall what I do know about the Portuguese government is that they are very respectful of family time.

I know that the work environment there allows for a lot of flexibility. It's not the standard nine to five. Most companies operate with a flexible environment. You can complete your hours at

different times, which I think provides great opportunities for women and men equally.

For example, when people get married, they get two weeks' paid vacation. You get a week off when you get divorced, too—

Voices: Oh, oh!

Ms. Michelle Jorge: —so I'm already due three weeks....

Voices: Oh, oh!

• (1615)

The Chair: Madame Lapointe, you're way over your time, but it was a very good question and an interesting answer.

We'll move over to the Conservatives.

Mr. Dreeshen, you have the floor for five minutes.

Mr. Earl Dreeshen (Red Deer—Mountain View, CPC): Thank you, Mr. Chair.

We'll move on to something else. I want to talk about the education aspect that was presented by Ms. Jorge.

As a former educator, I think this is something that's so critical. Of course, having awareness between different countries is critical. Having student exchanges from universities is so important. You talked about the 40 scholarships you had. I'm curious about the criteria. Are you looking at it from the business side or are you looking at other types of metrics?

Ms. Michelle Jorge: I'll defer to Matthew on this one.

Mr. Matthew Correia (Executive Director, Federation of Portuguese Canadian Business & Professionals): Our scholarship program is run by university professors, college professors, and high school principals. They are a judging committee completely autonomous from our organization. All applications are submitted through email. We have four categories: high school, college, undergraduate, and graduate.

We also have the scholarship to NOVA university in Lisbon, which has been quite popular. We get about 20 applications. Those are a bit more rigorous in terms of what they are looking for, but everybody who has come back has said they had an amazing time. Language is an issue. A lot of people say they don't want to apply because they don't speak Portuguese, but when they go and take the course there, they end up learning it a little bit more.

Mr. Earl Dreeshen: Are the criteria then business focused, or—

Mr. Matthew Correia: They are more community involvement focused.

Mr. Earl Dreeshen: Okay, thank you.

Someone mentioned earlier the frustration of having credentials when you're coming from other countries and having them not respected, but the reality is that it happens from province to province. You may say you want to come to this province, and you may go through a certain set of standards and then realize that, if you want to go to another part of the country, it doesn't work for you. Again, that has to do with professional associations and also with the courses you take. Different educational institutions may not recognize others' courses. The fact that provinces are responsible for education and accreditation of professionals causes a bit of concern, especially for people in Europe who don't expect to see this when they go to another country.

Could we talk about maybe how people feel we could get over that particular hurdle? Are there groups and organizations you talk to that discuss this frustration? If so, are you getting any traction? We haven't been able to make much of a mark on that over the years.

Perhaps, Mr. Beck, you could expand upon that.

Mr. Thomas Beck: I'm from a country where it doesn't matter whether you are in Munich or in Hamburg. It's all the same. If you are an engineer, you are an engineer, and it's recognized all over the country.

Germany has a very interesting education system. It's called the dual system. You might have heard of this. For three years, it's half government and half private industry that are educating workers and future engineers, and that works very well. If you have done that, you are good to go to Hamburg, you are good to go to Berlin, and you are good to go to Munich. It's recognized all over the country, as I mentioned. This is totally different in Canada, as you mentioned, sir.

I know Siemens started an initiative two years ago to adopt a system that is a little bit like what I just mentioned, together with the provinces—with Ontario, for example—and universities and colleges, and also unions. The governments of the provinces and the federal government have participated. They started a year ago and they educate young engineers in that area. That is a great start. We can only learn from each other. Canada has a good system, in my opinion. It has great engineers, great scientists. But a view over the edge to see what countries such as Germany are doing, to bring folks together from both countries, would definitely help a lot. This is a little bit a part of our job as well—not so much, but a little bit, together with our members like Siemens and others.

• (1620)

The Chair: Thank you.

I'm going to move over to the Liberals now.

Mr. Peterson, you have the floor.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thank you, everyone, for joining us today. It's been very informative so far.

I'm going to start off with our friends from the Federation of Portuguese Canadian Business & Professionals. How many organizations or individuals are in your group, and how does that process work? Can just anyone join? Is it focused on any industry, or what are the criteria to be a member of your group?

Ms. Michelle Jorge: Basically anyone can be a member if they are of Luso-Canadian descent, so they can be from different countries around the world. The majority of our members are business owners or professionals. We also allow non-Luso-Canadian people to join at a different level of membership. It's part of our culture. We're very welcoming, and that transfers into how we are in our organization.

Mr. Kyle Peterson: Would a number of your members be in the export world, and if so, are they exporting to Portugal or are they exporting to other markets? Do you help them reach their new markets, help them sort of navigate the administrative system that's involved with exporting?

Ms. Michelle Jorge: We have a number of companies, as I mentioned—we tried to get them here today—that are exporting. For example, we have one company that's doing construction projects over in Portugal. With regard to whether we have provided direct assistance, anybody who contacts us for any type of assistance, whether it be to connect to a certain company over there, to connect to government, we always do what we can. Even if somebody from outside of our membership contacts us, we're always there to support them in any way we can.

One of our main focuses is to enhance networking opportunities, so that's what we're here to do. Our partnerships that we continue to develop with various organizations there—members of government, organizations of corporations that are doing international work—also place us in a better position to be able to do that.

Mr. Matthew Correia: If I could chime in on that, a lot of our members are the mom-and-pop shops that were started by immigrants who came here and whose kids are now taking over, but we're also finding that we have Portuguese Canadians in higher positions in businesses that are recognized internationally. We have those two forms of businesses of our members and then those of non-members who are of Portuguese background.

Mr. Kyle Peterson: Is there something we can be doing as a federal government to leverage and to capitalize on those existing relationships that we're not doing? Is there any way that we can help solidify that flow of trade?

Ms. Michelle Jorge: I'm going to repeat what I said before. We need to provide those opportunities for the face-to-face dialogue and enhance those opportunities. We have AICEP from Portugal that's based here. Pardon my ignorance, but I don't know if the Canadian government has an equivalent to AICEP over there in Portugal.

Mr. Kyle Peterson: The Portugal tourism board...?

Mr. Matthew Correia: Yes.

Ms. Michelle Jorge: I think that would be a huge resource for Canadian companies here. Like I said, everyone there is ready and willing to support, assist, and develop. Everybody who comes here is very anxious to enhance opportunities for trade, for networking, and for everything imaginable between the two countries. They're very open and receptive.

Mr. Matthew Correia: Can I chime in as well?

I have a suggestion. I think we should also run some sort of citizenship program or business networking program whereby we can have businesses from Portugal come here and learn how to become Canadian citizens, how you start a business here, and the legalities. I know that the German equivalent has been done through their organization—they've been around longer—but for the Portuguese, that's something we could guide them to do.

Mr. Kyle Peterson: Mr. Beck, I'll ask you the same question. Is there something we ought to be doing as the federal government to help facilitate the trade between our two nations, especially in light of CETA and the opportunity that I think is going to present itself on both sides of the Atlantic? In order to help leverage and capitalize on the good work that you and your organization already do, is there anything we should be doing that we're not?

•(1625)

Mr. Thomas Beck: Again, I think the Canadian government does quite a bit for their companies in helping them get to other markets. What I would suggest is, why don't we do some seminars or something here in Canada, in Toronto or Montreal, let's say, or wherever, to really help them with experts and tell them what they have to expect when they want to go to Germany, and how the market is, and to help them in Germany as well.

They have the same problems that our companies have in Canada. They need somebody to tell them about the trade laws in Germany, which are totally different from the laws here. What do they have to do to set up a company? How much will it cost them? What is the best location for them? How do they hire German people? What are the work laws? There are these kinds of things. It is very difficult.

In my opinion, if you can set up something at the embassy or the consulates in Germany, that would be very helpful. It's similar to what we do. From our point of view, that's exactly what the companies need. They know their markets somehow, and they know what trade fairs they have to go to, but they don't know what the legal issues are and how to hire people, or whether it is better in Munich or in Hamburg and these kinds of things.

Canada is doing a lot of trade fair participation. I think that is a very good instrument and it works very well. Again, I can only speak for Germany. We have 70 participants in the MEDICA trade fair, which is starting next week, and we have 35 for ProWein, and so on. That is very good. Canada should continue that and even strengthen it and take more companies to trade fairs, like I mentioned. That's always a good start. Again, it's about helping them to get into the German market: what do they have to do there? I am talking about the daily business

The Chair: Thank you.

Mr. Carrie.

Mr. Colin Carrie: Mr. Correia, you brought up a couple of things, and I was wondering if we could expand that a bit about potential opportunities for Canada in Portugal. You mentioned maple syrup, lumber, and beef. That spurred me to think about the trades, for example. Is there also a recognition of trades between Portugal and Canada? Are qualifications recognized? As well, could you comment on how the European Union does it? Are trades able to move back and forth between countries?

Mr. Matthew Correia: We find that there are a lot of tradesmen and -women coming here from Portugal. There's a big population in Alberta in the labour sector.

Mr. Colin Carrie: Are there any other thoughts about potential sectors that might have opportunities in Portugal, other than the ones you brought up?

Ms. Michelle Jorge: Icewine.

Mr. Colin Carrie: I think that has great opportunities everywhere.

Mr. Beck mentioned the challenges for German companies when they want to set up in Canada. How significant are the differences between Canadian laws and business practices and those of Portugal? Does that appear to be a challenge that you hear about over and over from people wanting to set up over here?

Ms. Michelle Jorge: I don't think that I've heard complaints from our membership in that regard.

I don't know if you have, Mr. Correia.

Mr. Matthew Correia: No.

Ms. Michelle Jorge: It might just be that it hasn't been experienced as a big issue amongst the people that we are crossing paths with. I'm not saying that there aren't challenges, but it's not something that has been brought to my attention.

Mr. Colin Carrie: It's nothing that can't be solved.

Ms. Michelle Jorge: Yes.

Mr. Matthew Correia: It's easier to go and open up a business in Europe versus coming here. The laws are a lot stricter here.

Ms. Michelle Jorge: There are significant incentives to open up businesses in the Azores. The incentives provided by the European Union are absolutely incredible with regard to interest-free loans, the return on investment that is guaranteed, and the incentives to hire people and have their salaries partially covered. They are very willing to provide a lot of support for members from other countries to come in and invest. I can't imagine there being a lot of additional restrictions or too many challenges in that regard.

Mr. Colin Carrie: You're saying for somebody to come from Portugal to here that there are more hoops to jump through, that type of thing.

Mr. Matthew Correia: Yes.

Mr. Colin Carrie: Are there recommendations you could make on how to streamline that?

Mr. Matthew Correia: Some recommendations would be some sort of manual, some sort of training program, maybe putting something together on how to start a business and then where to go. Do you just go to Toronto, Ontario, or do you go a province to find your target market? Your niche is important.

•(1630)

The Chair: Thank you.

We have a few minutes.

Mr. Davies, do you want to ask a question?

Mr. Don Davies: Thank you, Mr. Chair.

Mr. Beck, you mentioned that tariffs really aren't that much of an issue anymore. They were already low under the WTO. They are eliminated now. Often what is a barrier to trade are the non-tariff barriers, those things that we don't really get to see, but are there. Are there any significant non-tariff barriers in Germany that Canadian businesses ought to be aware of?

Mr. Thomas Beck: I would think it's similar and vice versa. When German companies come to Canada, the technical standards are a big issue in both directions. As I mentioned before, there are some small and medium-sized companies that told me they were not selling to Canada because it costs them too much. I can imagine that's the same with Canadian companies going to Germany. If you have a medical device, it takes some effort to make it ready for the European market, of course. I can imagine that some companies say, "Well, then we'd rather go to the United States where we'll have the same standards than go into Europe." In the long run, this is a mistake because Canadian companies should become more international, not only with the U.S. as a partner. But again, there are obstacles. That goes for both directions. I think it's the same level of difficulties, probably, for both in certain areas.

Mr. Don Davies: I note that there is a motion before us that really focuses on the issue of multiculturalism in trade. I want to leave you with one question, the same question to each.

If you had one bit of advice for Canadian businesses about a cultural insight that you would want Canadians to know about Portugal and Germany that might help achieve business success, what would that be?

Maybe, you, Ms. Jorge, can go first.

Ms. Michelle Jorge: Here, when I deal with Canadian-based businesses or persons of Canadian background, I notice that they get to a meeting, they're there to finish what they started, they start on time, and they get through it and get it done.

The culture is very different there. Things take a lot of time. You're going to have to have a lot of meetings where—and this might be a little frustrating for people who don't have that background in the culture—it takes a long time to develop the business relationship. I find that here we're more of a culture where we're always in a hurry, we always have to be somewhere, we always have to finish on time. It's not like that there. Time is very relaxed there.

Mr. Matthew Correia: It's the *guanxi*, the intercultural communications.

Ms. Michelle Jorge: Yes.

Mr. Don Davies: Mr. Beck, is there a piece of information about Germany?

Mr. Thomas Beck: This is my honest opinion. Canada has a huge bonus in Europe. Canada is a country that they really love in Europe, so I can only say to Canadians to stay as you are. You will find a lot of open doors if you have good products and make it easier. Germans are a little bit more direct. They tell you exactly what they want. They are not as polite as Canadians are. They come more quickly to the point. However, it's the same in Portugal. They speak very good English there, and you are welcome there. You have to be careful in every country with the local laws, that you choose the right

people, but you can get a lot of help. We like to help Canadian companies. They can come to us. They can go to the embassy. You have a very good embassy in Berlin. We work together very closely with them. They have a good Canadian and German staff to help their companies. So, there are all the ingredients there to be successful on the market.

The Chair: Thank you. We have the last segment for MPs.

Ms. Ludwig, you have the floor. Go ahead.

Ms. Karen Ludwig (New Brunswick Southwest, Lib.): Thank you all for your presentations today. I'm going to make a little bit of a twist and ask you some questions about imports, looking at opportunities within both of your associations. There are many companies internationally that would like to import to Canada. We have well-fuelled supply chains, people who understand the Canadian market. Often, looking internationally, people would say if you're going to export, try to do a joint venture or partnership.

What do you see as opportunities for Canadian companies that may not be looking to export but are looking to expand with companies internationally from your areas that would like to export to Canada?

Ms. Michelle Jorge: I think we can both speak to that. I think dairy, absolutely.

Mr. Matthew Correia: Agriculture is number one in terms of what comes from Portugal to Canada.

● (1635)

Ms. Michelle Jorge: The quality of the dairy products is out of this world. I have a specific example. There's an island in the Azores where they play violins to their cows to improve the quality of the meat, of the milk. It's to that degree. I know that they stole the idea from the Japanese, but dairy is absolutely—

Ms. Karen Ludwig: Could you expand on that just a little bit further? I have a dairy producer in my riding who's very concerned about CETA, but I've said to him at different times that there are opportunities for companies that are planning to export to Canada that do not have the expertise on the ground; he does.

How do you see that opportunity working?

Ms. Michelle Jorge: Sorry, can you...?

Ms. Karen Ludwig: So that the Canadian dairy producer does not feel so threatened, how could we tell that person that there are opportunities on the importing side?

Ms. Michelle Jorge: I think if partnerships are developed, they can actually learn from each other and work together collaboratively so that both sides can be successful with importing and exporting. I don't think it has to be one-sided. I think there are opportunities for market development on both ends.

Ms. Karen Ludwig: Thank you.

Is there time for Mr. Beck to answer, as well?

The Chair: Go ahead.

Mr. Thomas Beck: There are so many products all over Europe that we could successfully, especially since your opening with CETA, distribute in Canada. Again, I think the best way, if you want to meet these people and get a feeling for their products, is to go to one of the big trade fairs.

I mentioned the ProWein, in Düsseldorf. It's the world's largest wine fair. We have over 3,000 exhibitors. That's quite a bit. You can take the MEDICA, which is the world's largest medical trade fair. We have the Anuga, in Cologne. You can find any dairy product and whatever. Why not take something from there as well, and put that in your Canadian distribution chain and then make a good amount of money with it?

Ms. Karen Ludwig: I might just ask you to expand a little bit on that. If I'm a first-time exporter or looking to expand a little further in the exporting field, if there are 3,000 exhibitors and if I'm a member of your association, would you help me to narrow down who I might stop to visit, and do you look at the qualifications before the trade fair?

Mr. Thomas Beck: We represent Messe Düsseldorf. This is one of Germany's largest trade fairs here, but you can also go to Messe Cologne or to Messe Munich, Hamburg, or Berlin, and they have plenty of excellent trade fairs there.

We can give Canadian companies and Canadian individuals some ideas as to what it costs and whether they should go. They can rent booths through our office here in Toronto. They can call us anytime or they can just get a visitor pass and we can help them with finding the right quota and all of these kinds of things.

For somebody who's not very familiar with what Europe has to offer or even with what the world has to offer, I would definitely go on one of these big trade fairs and have a look, and you'll come easily into contact with people. Why not, if you have a certain cheese, take three or more, from Germany, from Portugal, from France, wherever, and put those in your portfolio if you have a good distribution already in your province?

I think, by the way, that Canada has nothing to fear, because we make excellent cheeses here.

Ms. Karen Ludwig: All right, thank you.

Mr. Thomas Beck: I think they have quality similar to those in Europe, for example, in France. I buy a lot of Canadian cheese because I love it. It's great cheese. It's a little bit expensive, by the way, but....

A voice: That's another story.

The Chair: Thank you. That wraps up the questioning.

I have a comment.

A gentleman from Germany visited my island of Cape Breton, which I represent, for pleasure. About 30 years ago, he set up in window manufacturing, a very successful polytech.... Now he's not only making wonderful windows, but he's thinking of exporting them into the United States. I think there's a big window of opportunity for companies from Europe using Canada as a stepping stone for that U.S. market, which is also big.

That ends our round.

I'd like to thank the witnesses for those wonderful presentations.

Thank you, MPs, for the good dialogue back and forth.

Our study will be coming out at the first of January or the middle of January, and we'll distribute a copy to all our witnesses.

Thank you, again. I hope everybody enjoys the rest of their day.

● (1640)

Mr. Thomas Beck: Thank you.

All the best to Ottawa.

The Chair: For the MPs, we're going to do some in-house business.

[Proceedings continue in camera]

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