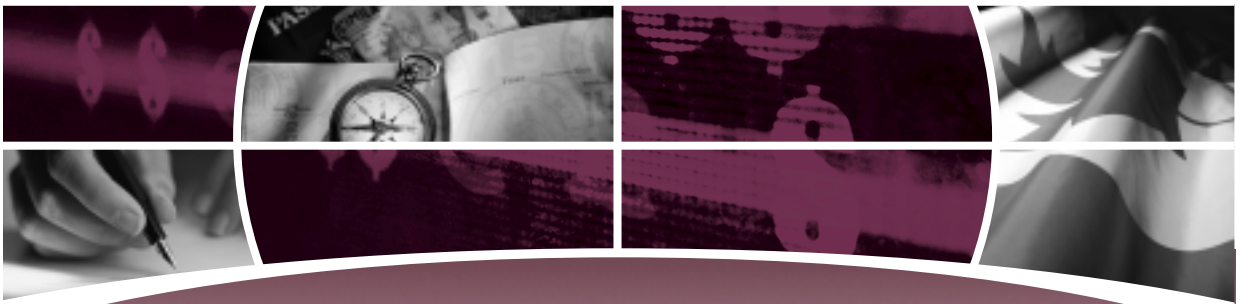




CanadaExport



Bringing art to the masses

Canada's Tilano Fresco cracks U.S. market

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In just under a year, **Tilano Fresco**, a manufacturer and distributor of decorative tile-making kits, has made its unique product available in more than 400 stores. Although decorative tiles have been popular for years, the founding partners saw an opportunity in letting people make their own tiles using their own pictures and artwork.

Tilano Fresco is the combined effort of three Canadian entrepreneurs: Randy Orr, decorative artist and tile master; Charles Brodeur, operations specialist; and Dann Illicic, branding and packaging expert. "In a sense, what we've done is package my 1500 square foot artist's studio into a neat little kit with everything required to make beautiful, personal fresco tiles," explains Orr.

continued on page 2 — Tilano

The Vikings called it Vinland

Canadian wine in Sweden, Finland and Norway

Despite the fact that Viking Leif Ericsson named the most northern tip of Canada "Vinland" when he discovered it some 1000 years ago, Nordic awareness of Canadian wines is very limited. However, the three Nordic missions—Norway, Finland and Sweden—have begun to change that. In the fall of 2002, the missions arranged a first introduction to Canadian wines in their respective markets.

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Canadian Ambassador to Norway Shirley Wolff Serafini (right), and Knut Bakken of Bakken Vin & Gourmet, enjoying a glass of wine at the wine tasting event.

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Supplement
CANADIAN TRADE REVIEW
(see insert)

Tilano Fresco cracks U.S. market

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The company got off to a quick start in Vancouver, but this was not the case as they started moving east. "We still haven't cracked the Toronto market to our satisfaction, so we started looking south into the United States," says Brodeur. "I think the biggest thing we learned was that the U.S. is not just an extension of the Canadian market. Just because we speak the same language doesn't mean we're the same. It's different in the U.S. and we knew we needed

some guidance," says Ilicic. When asked about the differences Brodeur adds, "In Canada, you are asked what your minimum is, and in the U.S. you are asked what your maximum is. The pressures of meeting demand in the U.S. make Canada a very different place to do business."



Tilano Fresco's decorative tiles on display

Trade Commissioner Service at work

In the summer of 2002, the partners got wind of a government-sponsored program that helps Canadian companies enter and compete in the U.S. gift market. This particular program was put together by the Canadian Consulate in Atlanta, Georgia, which, coincidentally, is also home to the Americas Mart—the largest permanent gift showroom facility in the U.S. In September 2002, Sylvie Racine of the Canadian Consulate in Atlanta, organized a rep locator mission to assist Canadian companies in establishing relationships with qualified gift sales agencies. Not only did Sylvie bring in a variety of industry experts, she also arranged a tour of the Atlanta

gift industry. While attending this mission, Tilano Fresco was able to secure one of the top agencies in the country. "The Canadian Consulate in Atlanta had a huge impact on our ability to enter the U.S. market so quickly. The Trade Commissioner Service is definitely a resource that more Canadian companies need to explore. The Consulate's involvement gave our small company a level of legitimacy in dealing with the biggest and most important agencies in the U.S.—and it worked," says Brodeur.

Advice for exporters

As with any new company, the next major challenge will be to manage growth. "We designed a very scalable organization, so we've set up manufacturing and distribution points across North America. We know we have to keep a close watch on our cash flow and we are managing our growth carefully," says Ilicic. For its financing, Tilano is working with the Business Development Bank of Canada, the Canadian Commercial Corporation, and an angel investor. "Secure your financing and make sure you've planned your expansion to match your financing," adds Brodeur. "Also make sure that you get the best reps on board—the strength of your sales reflects how good your reps are."

And sales are good for Tilano. Its product was just picked up by Nordstrom's—a large U.S. department store—and will be available in 28 of its stores along the U.S. east coast. With two new products scheduled for introduction later this year, Tilano Fresco appears to be on the right track.

For more information, contact Charles Brodeur or Daniel Ilicic, Tilano Decorative Products Inc., tel.: **1-866-877-4031**, fax: **1-866-877-4031**, e-mail: charles@tilanofresco.com Web site: www.tilanofresco.com 🌟

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Bridging the cash-flow gap

CCC helps Canadian exporters

Successful exporting does not follow a simple formula where seller plus buyer equals sale. Rather, exporting is more like algebra, where variables come into play and affect the outcome. Financing is an example of one of these variables. If an exporter does not have sufficient funds to meet cash shortfalls or does not have an arranged payment schedule that provides enough funds at each stage to meet cash requirements to support production, a sale cannot be completed.

Canada has a strong export-oriented infrastructure and a wide range of financing options that are particularly of value to small and medium-sized enterprises (SMEs). CCC is one of several federal government agencies that provide a complementary set of export assistance services to Canadian companies. Companies looking to secure export financing for a specific project, for example, can consider CCC's Progress Payment Program (PPP) as a valuable option.

Progress Payment Program

Developed with the special needs of SMEs in mind, PPP is an innovative financing program designed to provide small Canadian exporters with sufficient project-specific working capital. To many exporters, PPP may be effective in bridging the cash-flow gap to cover production costs during the pre-shipment phase when exporters won't receive payment until the product or service is delivered to the buyer.

As Canada's export contracting agency, CCC has been helping Canadian exporters win sales in government and private-sector markets around the world. Specifically with PPP, CCC facilitates access to commercial sources of pre-shipment financing through arrangements with 19 partner banks and financial institutions. CCC's involvement in the deal means banks may be prepared

to provide funds beyond the client's regular line of credit; CCC provides assurances to banks that the work the banks are financing is being monitored, and that the ultimate risk of loss to banks is minimized by CCC.

Exporters benefit by obtaining a project line of credit to cover the production costs for a particular export sale. That way, exporters can make timely business decisions to maintain their competitive edge, knowing that they will have the financial resources to manage export sales.

Dieco Technologies Limited, a developer of tube processing systems, has supplied more than 150 installations for customers ranging from tube producers to automotive seat frame and structural component manufacturers. Dieco is just one of many successful exporters taking advantage of PPP. Since Dieco began working with CCC in 1999, the company has been able to access more than US\$4 million in pre-shipment financing in order to carry out a number of export contracts with major companies in the U.S. automotive industry.

"Dieco has a strong export focus, and a key component in maintaining our competitive position is the ability to access innovative financing solutions," said Bob Donally, Dieco's President. "CCC's PPP has allowed us to successfully pursue projects that may not have

Put the
power of  **CCC**
Canada Canadian Commercial Corporation
Corporation Commerciale Canadienne
behind
your export sales

CCC (Canadian Commercial Corporation) is a Crown corporation mandated to facilitate international trade, particularly in government markets. Acting as a prime contractor, CCC signs export contracts providing access to markets for exporters and a government-backed performance guarantee for buyers. CCC also helps exporters to increase their pre-shipment working capital from commercial sources, and offers its international contracting expertise on a fee-for-service basis. When it comes to exports, CCC means credibility, confidence and contracts.

For more information, contact CCC, tel.: **(613) 996-0034**, toll-free in Canada: **1-800-748-8191**, Web site: **www.ccc.ca**

been possible otherwise. We consider the PPP to be a strong resource in our continuing growth."

Canadian exporters will be able to qualify for pre-shipment export financing through PPP if:

- annual revenues are less than \$50 million;
- they are negotiating or already have a contract with a foreign buyer;
- they are being paid by Letter of Credit or are prepared to insure their receivable;
- they can finance at least 10% of the cost of the order;
- CCC will be able to establish a contractual relationship with their buyer;
- the contract duration is less than two years.

For more information on PPP, go to **www.ccc.ca** or call toll-free, **1-800-748-8191**. 🌟

Area of opportunity

NAFTA and the Tex-Mex region

Since its inception in 1994, the NAFTA has transformed the way business operates. The traditional definition of the border no longer holds true for small and medium-sized enterprises (SMEs). The phenomenon of integration is taking place at the most basic level within the NAFTA community.

The 3,141 kilometre border that separates the powerful U.S. and emerging Mexican economies can no longer be viewed in the same way. The Texas-Mexico border region is a culture and an economy unto itself—neither entirely Mexican nor American. The presence of Canadian trade commissioners on both sides of the border provides Canadian exporters with the tools and support slightly need to be successful in this burgeoning part of the world.

The Tex-Mex region

The Canadian Consulate General in Dallas covers six states (Texas, Arkansas, Kansas, Oklahoma, Louisiana and New Mexico), which are home to more than 37 million people. Texas accounts for 60% of the area population and 90% of the purchasing power. Texas has outpaced U.S. gross domestic product (GDP) growth in nine out of the last ten years, and is second only to California. The Consulate, with its dedicated staff, is well-placed to provide market intelligence and assistance to Canadian companies.

Nuevo Leon, often described as the jewel of Mexico's north, has been Mexico's economic engine in recent years. Its capital, Monterrey, is at the heart of this tremendous growth. Nuevo Leon has less than 4% of Mexico's population but generates 8% of its GDP. Monterrey is the centre of the region and is responsible for 96% of the commercial activity in the state. In 2001, *Fortune Magazine* ranked

Monterrey as the best city in Latin America in which to do business. Monterrey is also headquarters for the Grupos—some of the largest companies in the world—of which the 10 most prominent generated over \$47 billion in revenue in 2001.

The Canadian Consulate in Monterrey is responsible for the states of Nuevo Leon, Coahuila and Tamaulipas, home to close to 9 million people. The staff at the Consulate, along with the those at the newly opened Export Development Canada office, are committed to assisting Canadian companies in finding opportunities in this area.

Importance of the border region

Geography still matters. The four U.S. states along the Mexican border accounted for 65% of all U.S.-Mexico trade flows. Canadian trade offices in Dallas and Monterrey, the Embassy in Mexico City, and other partner institutions are working in concert to promote Canadian interests in the region. The environmental technologies sector is growing steadily as is indicated by the increased scope of the North American Development Bank—the environmental infrastructure institution that operates on both sides of the U.S.-Mexico border. Further, PEMEX—Mexico's state-owned petroleum company—has a procurement office in Houston, which welcomes Canadian bids to assist in the development of the vast oil and gas resources in Mexico.

Additionally, the Dallas Market Center—the world's largest trade show venue—represents a great opportunity for Canadian companies to display their goods and services to American, Mexican and other international buyers. Canadian trade commissioners' sector-specific knowledge, market intelligence and expertise in doing business in the region make them perfect partners to assist Canadian companies in maximizing opportunities in the region.

For more information, contact Juan Aranda-Espejo, Mexico Division, DFAIT, tel.: **(613) 996-5547**, e-mail: juan.aranda-espejo@dfait-maeci.gc.ca or Barry Davis, U.S. Business Development Division, DFAIT, tel.: **(613) 944-2430**, e-mail: barry.davis@dfait-maeci.gc.ca or visit the Web sites: www.dfait-maeci.gc.ca/mexico www.dallas.gc.ca www.canada.org.mx 🍁

Export USA Calendar

For information about:

- trade missions to the U.S.
- seminars on the U.S. market

Visit the Export USA Calendar at:

www.dfait-maeci.gc.ca/nebs/menu-en.asp

Canadian wine — continued from page 1

Sweden

Two Europe-based agents, along with a local wine importer, presented 10 different Canadian wineries to a selected audience at the Canadian Embassy in Stockholm. The wines represented were Henry of Pelham, Vineland, Creekside Estate Winery, Gray Monk Estate Winery, Peller Estates, Hillebrand Estates Winery, Andres Wines, Colio Estate and Rodrigues Wines. Also represented was La Face Cachée de la Pomme's ice cider.

The invited group consisted of high-end restaurants and hotel chains, wine distributors, leading wine tasters and wine journalists. The event was very well received and the audience was extremely impressed by the quality of the wines. Results of the tasting include ongoing distribution discussions and forthcoming articles in the leading consumer wine magazine. In fact, Mission Hill Winery of British Columbia has, through its local agent, succeeded in having wines listed with the Swedish alcohol retail monopoly. As of June 1, 2003, Swedes can buy two of Mission Hill's best estate wines. Also, for the first time, the retail monopoly had a tender out for Canadian wines and those selected will be available in September 2003.

Building on the success and interest generated at the wine tasting, the Embassy hosted a Canadian info stand in March at Vinordic, the major trade fair in northern Europe for wines, spirits, beers and ciders.

Finland

The Canadian Embassy in Helsinki also hosted an event to introduce Canadian wines to the Finnish market. Present were some 30 wine importing professionals, as well as media representatives. Guests were taken with the quality and variety of the Canadian wines. The wines represented were

Henry of Pelham, Vineland, Blossom Winery, and La Face Cachée de la Pomme.

Katja Angervo of Alko Inc., the Finnish alcohol trading monopoly, is a key contact in Finland. While she was not able to make it to the event, she and two colleagues did have a chance to taste these Canadian wines at a later date.



From time to time, Alko seeks new products for its general selection. According to Angervo, four Canadian wineries recently sent in an offer to have their wines on Alko outlet shelves. Inniskillin won with its oak-aged 2001 icewine, which is now available at Alko's 300 outlets. Alko regularly conducts searches for new wines from around the world and Angervo suggests that vineyard reps should have a look at Alko's Web site (www.alko.fi), where searches are announced about once a month.

Norway

Canadian Ambassador Shirley Wolff Serafini hosted the event in Norway and some 30 guests were present, including a local wine agent and wine

judge. Together with the two agents from Europe, the event in Norway was a success, especially since this was the first Canadian wine tasting to be held there. The wines represented were Henry of Pelham, Vineland, Creekside Estate Winery, Konzelmann Estate Winery, Royal DeMaria, Legend Wines, Inniskillin, Pelée Island and La Face Cachée de la Pomme.

As of March 2003, the local "Vinmonopolet" (local alcohol retail monopoly) will carry the following Canadian wines: Royal DeMaria's 2000 Vidal icewine and 2000 Gewurztraminer icewine, Creekside's 2000 Chardonnay and its 2000 Laura's Blend red wine and Konzelmann's 1998 Cabernet-Merlot Reserve. This is the first time Canadian white and red wines have been available in Norway, although an Inniskillin icewine has been on the market in Norway for some time.

For more information, contact Maria Stenberg, Canadian Embassy in Sweden, tel.: **(011-46-8) 453-3000**, e-mail: maria.stenberg@dfait-maeci.gc.ca or Nina Pennanen, Canadian Embassy in Finland, tel.: **(011-358-9) 17-11-41**, e-mail: nina.pennanen@dfait-maeci.gc.ca or Barbara Thorjussen, Canadian Embassy in Norway, tel.: **(011-47) 2299-5300**, e-mail: barbara.thorjussen@dfait-maeci.gc.ca 🌟

IKK 2003 in Hannover

There's something in the air

HANNOVER, GERMANY — October 8-10, 2003 — **IKK 2003** is the ideal platform for Canadian exporters seeking an international audience for their refrigeration, air conditioning and ventilation applications. Last year's event attracted 23,444 visitors (45% from outside Germany) with products and services showcased by 798 companies.

IKK sets the standards as the world's leading refrigeration exhibition. One reason for IKK's outstanding position is its comprehensive range of refrigeration and air conditioning products. From refrigeration system components for building services, commerce and transport, to refrigerated cabinets, cold storage cells, and tools and supplies for installation and servicing, professionals in

continued on page 8 — IKK 2003

2003 Tokyo Motor Show revs up



TOKYO, JAPAN — October 24-November 5, 2003 — Industry Canada, in cooperation with the Canadian Embassy Tokyo and the Automotive Parts Manufacturers Association, is organizing a Canadian stand at the **2003 Tokyo Motor Show**.

As the premier exposition in Asia for motor vehicles and automotive parts since 1973, the Tokyo Motor Show features hundreds of exhibitors from Japan and other major auto-producing regions of the world, and attracts more than a million visitors, including industry executives, technical and purchasing staff, international media and the general public. The show

provides an excellent opportunity for Canadian companies to demonstrate their capabilities to a global audience, to identify new business leads, and to assess emerging automotive trends, technologies and competitors.

Join the Canadian stand

The stand is intended to showcase Canada's capabilities in automotive parts, materials and technologies and will include leading suppliers such as the **ABCgroup, Dofasco, JIT Automation, Magna International, Wecast Industries** and the **Woodbridge Group**.

Participating companies will also have access to special networking and

promotional events at the show such as the official Embassy reception and press conference. This event is a perennial sell out, but some exhibit space is still available for Canadian manufacturers of auto parts, machinery and related products.

The Government of Canada intends to launch a new global branding campaign for the automotive sector at the **2003 Tokyo Motor Show**. The campaign is designed to raise the international profile of Canada's automotive industry, in support of the federal government's ongoing efforts to promote trade, investment and innovation in the sector.

For more information, contact Brian Sundue, Aerospace and Automotive Branch, Industry Canada, tel.: **(613) 946-8183**, fax: **(613) 952-8088**, e-mail: **sundue.brian@ic.gc.ca** 🍁

China's wood products industry expands

China is in the midst of massive economic, structural and societal changes that are opening doors for manufacturers of Canadian wood products. These changes include the development of wood-frame building codes, housing policy reform and entry into the World Trade Organization (WTO).

Market overview

New inspection and construction codes for wood-frame buildings have already been approved. The federal government, in partnership with the Canadian wood products industry, has worked closely with the Chinese Ministry of Construction (MOC) to address amendments to specific codes that cover wood-frame construction.



While developers were building unfinished concrete boxes in the past, developers in Beijing and Shanghai are now required to provide fully outfitted homes. These new policies will not only create market opportunities for

Canadian wood-frame construction but also for Canadian suppliers of wood products such as kitchen cabinets, windows, doors, hardwood floors, and wall panelling.

In addition, China's entry into the WTO will increase both its imports and exports and strengthen its position as an important competitor. As China is already a huge exporter of many wood products—mainly furniture—Canadian exporters could position themselves to become major suppliers of wood to these industries.

Stiff competition

Canadian exporters of wood products have to face strong competition from the United States, Russia, New Zealand, the European Union and Southeast Asia. Canadian companies will also be competing with builders who use light steel and concrete—by far the most common material used for home construction.

For more information, contact David Hamilton, Trade Commissioner, Canadian Embassy in Beijing, tel.: **(011-86-10) 6532-3536**, e-mail: **david.hamilton@dfait-maeci.gc.ca** or Etienne Sum Wah, Trade Commissioner, Canadian Consulate General in Shanghai, tel.: **(011-86-21) 6279-8400**, e-mail: **etienne.sum-wah@dfait-maeci.gc.ca** or Eric Pelletier, Trade Commissioner, China and Mongolia Division, DFAIT, tel.: **(613) 996-7177**, e-mail: **eric.pelletier@dfait-maeci.gc.ca** 🍁

(For the unabridged version, see www.infoexport.gc.ca/canadexport and click on "Roadmap to China and Hong Kong".)

COMMUNICASIA 2003

Venture Capital and Partnering Forum

SINGAPORE — June 16, 2003 —

Looking for partners or financing from sources in the Asia-Pacific region? If you are an information and communications technology (ICT) firm, you may want to participate in the **Venture Capital and Partnering Forum** at

CommunicAsia, the Asian international ICT exhibition and conference (**June 17-20, 2003**).

Organized by the Science and Technology Division of the Department of Foreign Affairs and International Trade (DFAIT), Industry Canada, and

the Trade Section of the Canadian High Commission in Singapore, the forum will provide selected Canadian firms with an opportunity to address and meet with key financial and business leaders from Singapore and elsewhere in the region.

Last year, 18 of Canada's most promising emerging ICT companies were selected to showcase their capabilities to more than 200 senior executives and decision makers.

For more information, contact Jim Burt, Science and Technology Division, DFAIT, tel.: **(613) 996-4292**, e-mail: jim.burt@dfait-maeci.gc.ca Web site: www.communicasia.com 🍁

Market access information for Canadian exporters

The Department of Foreign Affairs and International Trade, through its Tariffs and Market Access Division, offers market access information to Canadian exporters. This includes information on tariffs, taxes, rules of origin, some entry procedures and, for the United States, counselling on Food and Drug Administration (FDA) and U.S. Department of Agriculture (USDA) food product labelling. More general information is also available for other countries. The service covers almost all Canadian exports, and is for most countries and regions.

For more information on market access and tariffs, tel.: **(613) 944-1569** or **(613) 944-5070**, fax: **(613) 944-4840** or **(613) 992-6002**, e-mail: eat@dfait-maeci.gc.ca For counselling on FDA/USDA food product labelling to the United States, tel.: **(613) 944-1015**, fax: **(613) 944-4840** or **(613) 992-6002**, e-mail: eat@dfait-maeci.gc.ca 🍁

IKK 2003 in Hannover

— *continued from page 6*

the industry come to see it all at IKK. The exhibition will also feature systems for room air conditioning, ceiling cooling, anti-vibration fittings, air humidifying systems, fans and ventilation systems with heat and moisture recovery.

For more information on **IKK 2003**, contact Amy Schur, Unilink, tel.: **(613) 549-0404**, fax: **(613) 549-2528**, e-mail: as@unilinkfairs.com 🍁

Conférence de Montréal

MONTREAL — May 5-8, 2003 —

Take part in the Ninth **Conférence de Montréal**. This year's theme of the Forum of the Americas on the International Economy is "Innovating in an Uncertain World".

The list of speakers from the Americas, Europe, Asia and Africa is impressive. Hundreds of participants and speakers are expected to attend, representing the business community, universities, and international and government organizations.

For more information, call toll-free **1-866-877-8835** or **(514) 744-2342**, fax: **(514) 871-2226**, or go to www.conferenceofmontreal.com 🍁

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