

Pacific Gateway Strategy announced

Vancouver > On October 21, the Government of Canada released details of the Pacific Gateway Strategy, designed to enhance prosperity and strengthen Canada's position in international commerce by further developing the Pacific Gateway.

The strategy includes up to \$590 million in specific measures and commitments in several areas, including investments in transportation infrastructure, secure and efficient border

services, and deeper links with the Asia-Pacific region.

Canada's Pacific Gateway is a multimodal network of transportation infrastructure focused on trade with Asia. It is made up of interconnected public and privately owned assets, including ports, airports, rail and road systems. Changing trade patterns associated with emerging markets are predicted to result in significant growth in traffic through the Gateway. By 2020, container cargo coming through British Columbia ports is projected to increase by up to 300%. The value of this trade is

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The Port of Vancouver handled more than 73 million tonnes of cargo in 2004.

Doing business in Botswana: Opportunities and advice

Botswana is a geographically vast but arid country that is thinly populated with 1.8 million people. Yet Botswana's economic growth rate—averaging slightly above 7% over the past two decades—has been among the highest in the developing world.

Private sector business climate

For a long time, the country has offered some of the lowest tax rates in Southern Africa plus generous incentives, including programs of equity injection, to attract foreign direct investment. In addition, the business environment is very accommodating, with good intra- and inter-urban transport systems, efficient telecommunications and power supply networks, a contract law system

that is enforced and an efficient financial system. To promote employment and poverty reduction, efforts are also being intensified to empower locals through citizen empowerment schemes, which include preferment provisos in public procurement and the reservation of certain contracts for citizen-owned businesses.

Botswana's economy is generally well managed (attested to consistently by various international ranking agencies). In the 2004-05 World Economic Forum Global Competitiveness Report, Botswana was ranked number 45 in the world and number two in Africa (after South Africa) in terms of growth competitiveness. In a recent World Bank report,

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Korea to host 2005 APEC Summit

Busan, South Korea > From November 15 to 19, Canada and the other 20 Asia-Pacific Economic Cooperation (APEC) members will meet in Busan, Korea, for the annual APEC Summit. As the 2005 host, Korea has selected the theme "Toward One Community: Meet the Challenge, Make the Change" to guide discussions throughout the year.

As a founding member of APEC, Canada has been involved in the organization since its creation in 1989. Since then, Canada has been very active on APEC's various committees and working groups, helping to draft the agenda and proposing themes of interest for Canadians for the annual Ministerial and Leaders' meetings. It has also provided capacity building assistance to the region, notably in trade policy and counter-terrorism.

Among Canada's priorities for this year's APEC Summit is the advance of key Canadian trade policy interests, which include supporting the

WTO Doha Round of negotiations and our regional trade policy objectives, and making the Asia-Pacific region more accessible to Canadian businesses through facilitating trade, increasing transparency and fighting corruption.

Support for the WTO is particularly important this year for APEC Leaders and Ministers, as the 6th WTO Ministerial Conference will take place in Hong Kong this December, shortly after the APEC Summit. As such, APEC provides a useful forum to call for progress in WTO negotiations. APEC also helps build developing economies' capacity to identify and act on their trade policy interests and their WTO obligations.

At this year's Summit, Canada will aim to promote private sector development in Asia Pacific by supporting trade policy measures that benefit small and medium-sized enterprises, strengthening legal infrastructure in developing economies and narrowing the digital divide.

For more information on Canada and APEC, go to www.apec.gc.ca, or visit the 2005 Summit Web site at www.apec2005.org.

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projected to reach \$75 billion by 2020, up from the current \$35 billion.

"Expanding our trade relations is key to securing our collective prosperity and economic security," says International Trade Minister Jim Peterson. "There is no doubt that the gateway will increase investment and will expand trade with emerging powerhouses such as China and India, as well as in Northeast Asia."

"We are taking steps to reinforce British Columbia's position as an internationally competitive transportation gateway," says Minister of Industry and co-Senior Minister for British Columbia David L. Emerson. "Working with the province, we will tackle the roadblocks that stand between

us and a seamless, matchless flow of trade with China, India and other Asian countries."

The rise of emerging markets such as China and India makes it a national priority to maximize the effectiveness of the Pacific Gateway and ensure the Canadian economy is taking maximum advantage of it. That requires a new, integrated approach to a wide range of interconnected issues, including, but going well beyond, transportation infrastructure. This is the challenge and the national priority that Canada's Pacific Gateway Strategy is intended to address.

For more information, visit the Transport Canada Web site at www.tc.gc.ca.



CanadExport is published twice a month by International Trade Canada's Communications Services Division.
Circulation: 54,000

CanadExport paraît aussi en français.

ISSN 0823-3330

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For address changes and cancellations, return your mailing label with changes. Allow four to six weeks.

Publication Mail Agreement
Number: 40064047

Return undeliverable Canadian addresses to:

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Ottawa, ON K1A 0G2

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entitled “Doing Business in 2005: Removing Obstacles to Growth”, Botswana was rated as one of the world's top twenty economies on the ease of doing business. It was ranked as being number one in the developing world.

Business opportunities

Botswana’s economy is dependent on the diamond industry and the government has in the last couple of years made a move towards developing other sectors. Its private sector is growing; information and communications technologies (ICT) is Botswana’s fastest growing sector. The Government of Botswana intends to spend over \$280 million in this sector over the next five years, and is currently the largest consumer of ICT products and services in the country.

The main challenges of doing business in Botswana are that the market is small and there is stiff competition from South Africa in terms of proximity and pricing. There are a number of South African companies that have branches in Botswana, which gives them a competitive advantage. Given that the Botswana government is trying

to develop its export market as well as its local industries, there are incentives for companies that establish factories in Botswana.

Advice on doing business

Canadian businesses are advised to look for local partners, as this is a requirement should companies decide to bid for government tenders. It is important to be careful though—local companies are usually focused on obtaining financial support to expand or aid their own businesses. Technology transfer and skills development are key areas that the government will look at when companies bid. While the communications infrastructure is decent, businesses must be patient as responses to correspondence may take a long time. It is advisable to make frequent follow-up telephone calls. It is also important to visit Botswana and, where possible, to bring samples of goods for potential customers.

The main opportunities, as stated earlier, lie in the ICT sector, where opportunities exist for the provision of goods and services, particularly if one has a local partner. Most tenders are published on the government’s Web site. Botswana’s airports are being rehabilitated and provision of technology is a key area where Canadian businesses can compete. It is important to note that the Government of Botswana is the largest consumer of goods and services, finances most of its projects and is known to pay on time. Investment opportunities exist in the mining sector as well, for the provision of equipment, but companies have to approach individual mining firms.

Business travellers are advised to hire vehicles as taxis can be unreliable. U.S.dollars and the local currency, the Botswana Pula, can be used for hotel payments. Elsewhere, only the local currency is accepted unless otherwise stated. Business travellers should make appointments at least two weeks ahead of time and reconfirm them several days in advance.

For more information, contact the Canadian Embassy in Zimbabwe (responsible for Botswana), e-mail: hrare-td@international.gc.ca, Web site: www.infoexport.gc.ca/zw.



Key Web sites:

- **Canadian Embassy in Zimbabwe**
www.infoexport.gc.ca/zw
- **Botswana Development Corporation**
www.bdc.bw
- **Botswana Export and Development Investment Agency**
www.bedia.co.bw
- **Development Gateway Market**
www.dgmarket.com
- **Government of Botswana**
www.gov.bw
- **Public Procurement and Asset Disposal Board**
www.ppadb.co.bw
- **Ministry of Trade and Industry**
www.mti.gov.bw



**VIRTUAL
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EDC : Helping Accucaps build and shelter its international strategy

The international trade of soft gel capsules for food supplements and pharmaceuticals is getting a boost from Canadian expertise, now that Accucaps Industries Limited is growing globally with some help from the Virtual Trade Commissioner. In particular, the Virtual Trade Commissioner has opened doors to useful foreign market information and to Export Development Canada's (EDC) export finance tools for Accucaps.

The Windsor-based company is a contract manufacturer of soft gel capsules in custom shapes and sizes, used in the pharmaceutical, health, nutrition and bath & beauty industries. This flexibility in turn has helped Accucaps find a profitable market niche—with a workforce of 400 employees.

About two years ago, the company started to export internationally (that is, outside of the United States, which it now considers a “domestic” market). “When we started planning to branch out internationally, I did a search on the Web, where I came across International Trade Canada’s Trade Commissioner Service,” says Denis Decarie, Vice-President, Global Business Development, who registered Accucaps with the Virtual Trade Commissioner.

“This also led me to EDC’s Web site, where I found its evaluation to determine whether a company is ready to export (EXPORT Able?). I also used EDC’s [on-line]

service to get a credit profile on a potential client (EXPORT Check). We have now used it for several other foreign clients,” notes Decarie.

“It is very helpful to know if we are dealing with the right company from a financial perspective. You can’t rely on simply talking to a person to go ahead and do business with their company, no matter how good a presentation they make. EXPORT Check provided a quick reference to guide us, which was then validated by our credit department. We will also use EDC to insure some of our payables.”

Accucaps is steadily increasing its overseas exports, now at about 3% of sales, to markets like Argentina, Belgium, Chile, Denmark, Peru, Taiwan and the U.K., with recent inroads into France.

“By 2008, we forecast that our exports outside North America will reach 10%,” says Decarie. “Becoming a global contract manufacturer is part of our mission.” And checking out the Virtual Trade Commissioner on a regular basis has become part of Accucaps’ international strategy.

EDC provides financing and insurance to help Canadian exporters and investors expand their international business.

To receive a personalized Virtual Trade Commissioner and benefit from EDC services, visit www.infoexport.gc.ca.

Insulation exporter's deal in China air tight

For one of Canada's leading building product exporters, the celebration in China was two and a half years in the making. To top it off, the occasion was marked with Labour and Housing Minister Joe Fontana in attendance at the Canadian Embassy in Beijing.

In China on an official visit, Minister Fontana witnessed the mid-September project signing ceremony involving the distributors of Icynene Inc.—an Ontario-based company recognized as a world leader in foam insulation for steel- and wood-frame construction—and its first major Chinese clients.

Modern Land Group, Liaoning Nianhua Real Estate Development Co., Ltd. and Beijing First China City Development Co., Ltd. purchased the Icynene Insulation System®.

This lightweight foam insulation windproofs and seals wall, floor and ceiling cavities against air movement, including spaces around electrical outlets and light fixtures, at baseboards and where walls meet windows and doors. In a spray or pour fill formula, the system minimizes air leakage for increased energy efficiency, healthier air quality and reduced airborne sounds.

"I'm hearing that some other developers in attendance at the event have shown keen interest in using Icynene for their future projects," says Hiro Tawara, Icynene's Director of International Sales. "It is a great advantage being a Canadian company in China with strong support from the Canada Mortgage and Housing Corporation (CMHC) and the Embassy."

Since its inception in 1986, Icynene has achieved phenomenal growth, deriving 80% of its revenues from exporting to the U.S., the U.K., Japan, Korea, Mexico, the Caribbean and now China.

The road into the Chinese market wasn't easy, according to Icynene President and CEO Alan Rankin. "We certainly weren't an overnight success. China has 28 provinces and three city states, and all have different building codes," he says. "After trying on our own, and then six months after SARS, CMHC and International Trade Canada pointed us in the direction of the right people. We then worked our way through the Chinese regulatory agency and found success dealing with the Ministry of Construction."

He advises prospective exporters to China to spend some time finding out who the key people are and to develop personal relationships. He believes the Chinese purchases were closely linked to the government's increased emphasis on energy-saving green building concepts.

In 2004, CMHC and International Trade Canada introduced Icynene to select Chinese contractors, builders, and developers. This past March, the company was also part of an 11-company trade mission to Beijing and Shanghai, organized by CMHC.



Icynene representative Bo Bi (seated, middle) and Labour and Housing Minister Joe Fontana (standing, behind Bi) at the signing ceremony in Beijing.

"We're extremely proud to have assisted Icynene in developing new markets," says Leslie Barrett-Sanderson, Manager of Communications and Marketing for CMHC International. "They have a track record of excellence that clearly makes them a Canadian success story."

In addition to China, CMHC has also assisted Icynene by supporting product-awareness seminars—organized in conjunction with staff of regional Canadian consulates—as well as arranging interviews and providing introductions with interested parties in the U.S. and Mexico.

The Icynene Insulation System® has won numerous housing and construction industry awards, been featured in new home construction demonstrated by well-known television personality and respected house builder Bob Vila (host of Bob Vila's Home Again!) and used as part of EarthCraft House, a voluntary build green program.

For more information on CMHC International, go to www.cmhc-schl.gc.ca/en/homadoin/excaprex.

Connect with Latin America at EXPOCOMM Argentina

Buenos Aires, Argentina, October 3-6, 2006 > Don't miss out on the opportunity to participate in the Canadian booth at **EXPOCOMM Argentina 2006**, an international information and communications technologies (ICT) trade fair that will feature telecommunications, wireless, networking and Internet. ExpoComm is a key meeting place for business people and decision makers from all over Latin America.

This year's ExpoComm just wrapped up in September, and Canadian companies participating in the pavilion rated it an unqualified success. "ExpoComm 2005 surpassed our objectives and our goals largely due to the hard work put forth by the staff of the Canadian Embassy," says Lorne Conway, Business Development Manager of Smart Telecom. "We expect to have a substantial presence in Argentina much sooner than expected as a direct result of participating in the Canadian pavilion, and will certainly participate again in ExpoComm2006."

The Canadian Embassy in Buenos Aires has booked the same 128 square-metre space it had in 2005, located in the main area of the exhibition hall and surrounded by

the most important ICT companies in the local market. Some of the 2005 Canadian exhibitors have already confirmed their participation for next year.

Companies exhibiting in the Canadian booth will benefit from additional services and activities, including one-on-one meetings, individual agendas, networking opportunities with Argentine companies, and market information and intelligence. Given the success of ExpoComm 2005—177 companies exhibited and the fair welcomed 25,000 qualified professional visitors—70 % of the space at the 2006 edition has already been booked.

In order to secure space in the Canadian booth, companies should confirm their registration by December 15, 2005. Now is the time to get on board for this business and technology event.

For more information, contact Barbara Brito, Trade Commissioner, Canadian Embassy in Argentina, tel.: (011-54-11) 4808-1056, fax: (011-54-11) 4808-1111, e-mail: bairs-commerce@international.gc.ca. Web site: www.expocomm.com.ar.



Animation India 2006

Hyderabad, India, January 12-13, 2006 > India's National Association of Software and Service Companies (NASSCOM), in association with the Government of Andhra Pradesh, is organizing **Animation India 2006**, a two-day international conference and seminar that will be held in Hyderabad. This important event has been specifically structured to address emerging global opportunities and strategies for the animation and gaming industry in India. According to NASSCOM, total global animation production is expected to reach \$67 billion by 2006.

The Indian animation industry, currently worth about \$1.7 billion, is projected to have a 30% compound annual growth rate, reaching \$4.1 billion by 2007. The Indian gaming market is expected to reach a target of about \$60 million by 2007. With increases in back end service work, Indian animation studios

are moving up the value chain; they are witnessing more co-production deals and increase in the development of intellectual property in India.

Over the years, Animation India has become the largest and most successful animation event in India, with active participation from distinguished industry players across the region, including CEOs, programming directors from the media and entertainment industry, as well as top animators from leading animation studios.

For more information, contact Kishore Kumar, Trade Commissioner, Canadian Consulate in Chennai, e-mail: kishore.kumar@gocindia.org. Web site: www.nasscom.in.

Success in the spotlight at Hong Kong Filmart

Hong Kong, China, March 20-23, 2006 > The Hong Kong International Film & TV Market (HK Filmart), organized by the Hong Kong Trade Development Council, is considered to be one of Asia's leading trade events in the film and entertainment industry. Over 350 exhibitors and nearly 3,000 visitors from around the world attended last year's fair, including film production companies, film and television program distributors, animation production houses and financial agencies.

Entering into its 10th year, HK Filmart will be part of the Entertainment Expo Hong Kong 2006 mega-event and should attract some of the biggest players in the film and entertainment industry.

For more information, contact Kitty Ko, Trade Commissioner, Canadian Consulate General in Hong Kong, tel.: (011-852) 2847-7414, e-mail: kitty.ko@international.gc.ca. Web site: www.hkfilmart.com.



Three-in-one Hong Kong event to focus on security in Asia

Hong Kong, China, March 1-2, 2006 > Govsec Asia, the Government Security Expo and Conference to be held at the Hong Kong Convention and Exhibition Centre this coming March, will run concurrently with both the Asia Law Enforcement and Asia Ready conferences.

With homeland security evolving into a worldwide issue and many Asian governments taking interest in the topic, Govsec Asia/Asia Law Enforcement/Asia Ready aim to provide the Asia-Pacific region with a platform that facilitates education, knowledge exchange, interaction, insightful discussions, collaboration and exploration of innovative approaches in public safety and security, and emergency preparedness.

The accompanying exhibition will offer a comprehensive array of new products from the world's leading providers of government security technology and solutions.

For more information, contact Eunice Wong, Trade Commissioner, Canadian Consulate General in Hong Kong, tel.: (011-852) 2847-7454, e-mail: eunice.wong@international.gc.ca. Web site: www.govsecasia.com.

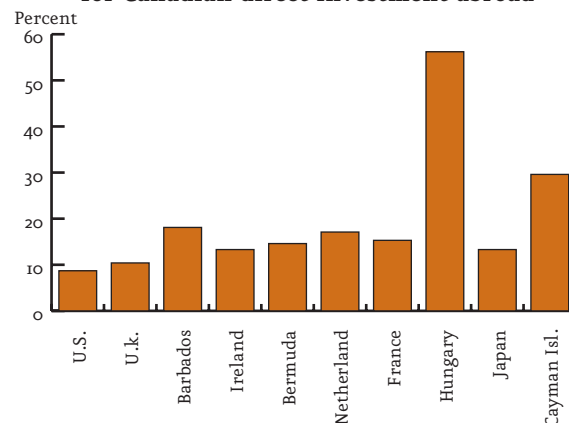
Canadian direct investment heads to tax-friendly jurisdictions

Half of the top 10 countries in which Canada invests are low-tax jurisdictions, including Barbados, Bermuda, the Cayman Islands, Hungary and Ireland. The U.S., with \$194 billion and a 43.6% share of the total Canadian direct investment abroad (CDIA) in 2004, heads the list. The U.K. is a distant second at 9.9%, or \$44 billion. But the importance of these five low-tax jurisdictions has grown. Together they hold \$83 billion of CDIA, and their share has nearly doubled over the past decade, increasing from 9.7% in 1995 to 18.5% by 2004. While their total share of CDIA remains small compared to that of the U.S., they have been inching their way up.

Provided by the Trade and Economic Analysis Division (www.international.gc.ca/eet).

FACTS & FIGURES

1995-2004 growth for top 10 destinations for Canadian direct investment abroad¹



Source: Statistics Canada

¹ Data are for total CDIA stocks in countries listed, not annual flows. Growth = compound average annual growth rate.

TRADE EVENTS

AGRICULTURE, FOOD AND BEVERAGES

Culiacan, Mexico

January 25-28, 2006

Expo-Agro Sinaloa takes place annually in Mexico's main agricultural valley and is one of the country's most complete agricultural trade shows, with over 198,000 square metres of exhibition space and more than 400 exhibitors.

Contact: Juan-Carlos Munoz, Trade Commissioner, Canadian Embassy in Mexico, tel.: (011-52-33) 3615-6215, e-mail: juan-carlos.munoz@international.gc.ca.
Web site: www.expoagro.org.mx

Denver, Colorado (U.S.)

January 31-February 1, 2006

Don't miss **WestEx 2006**: The Rocky Mountain Regional Foodservice & Restaurant Exposition, featuring the latest technological innovations and products, a bar and nightclub pavilion, show specials and culinary demonstrations.

Contact: Kent Jensen, Trade Commissioner, Canadian Consulate General in Minneapolis, tel.: (612) 333-4641, e-mail: kent.jensen@international.gc.ca.
Web site: www.coloradorerestaurant.com

Minneapolis, Minnesota (U.S.)

February 24-26, 2006

More than 300 exhibitors will be offering samples of fine wines and gourmet food from around the world at the **Twin Cities Food & Wine Experience**. The latest in culinary tools will also be on display.

Contact: Kent Jensen, Trade Commissioner, Canadian Consulate General in Minneapolis, tel.: (612) 333-4641, e-mail: kent.jensen@international.gc.ca.
Web site: www.foodwineshow.com

CONSTRUCTION AND BUILDING PRODUCTS

Seoul, South Korea

February 15-19, 2006

The Canadian Embassy will coorganize a Canadian pavilion at **Housing Brand Fair 2006**, a five-day fair featuring a trade show and networking reception, as well as technical seminars for Korean architects, builders and developers.

Contact: Hee-Song Lee, Trade Commissioner, Canadian Embassy in the Republic of Korea, tel.: (011-82-2) 3455-6053, e-mail: hee-song.lee@international.gc.ca.
Web site: www.leadexpo.co.kr

London, U.K.

February 21-23, 2006

Ecobuild 2006 will provide a high-level conference, exhibition and networking opportunities that will focus exclusively on sustainable design and "green" construction products and services.

Contact: Jason Kee, Trade Commissioner, Canadian High Commission in the U.K., tel.: (011-44-20) 7258-6600, e-mail: jason.kee@international.gc.ca.
Web site: www.ecobuild.co.uk

London, U.K.

February 21-23, 2006

Co-located with Ecobuild, **Futurebuild 2006** will focus on modern methods of construction and new materials and processes in housing and commercial applications. It will offer exposure to thousands of decision makers from the design and construction industry.

Contact: Jason Kee, Trade Commissioner, Canadian High Commission in the U.K., tel.: (011-44-20) 7258-6600, e-mail: jason.kee@international.gc.ca.
Web site: www.futurebuild.co.uk

Seoul, South Korea

March 23-27, 2006

The **Seoul Living Design Fair** is the largest annual exhibition of interior home design in Korea. The theme for the 2006 edition is Eco-Style and the focus will be on showcasing eco-friendly interior products.

Contact: Hee-Song Lee, Trade Commissioner, Canadian Embassy in the Republic of Korea, tel.: (011-82-2) 3455-6053, e-mail: hee-song.lee@international.gc.ca.
Web site: www.livingdesignfair.co.kr

ICT

Washington, D.C. (U.S.)

March 7-9, 2006

FOSE 2006 is the largest technology event serving the U.S. government. It will provide a unique opportunity to reach those in government who have the authority, budgets and need to purchase products, services and solutions.

Contact: Lindsay Margenau, Trade Commissioner, Canadian Embassy in the U.S., tel.: (202) 448-6312, e-mail: lindsay.margenau@international.gc.ca.
Web site: www.fose.com

PLASTICS

Buenos Aires, Argentina

March 20-24, 2006

Argenplas 2006 is an international exhibition for the plastics industry that will bring together more than 300 companies and 25,000 trade visitors from across Argentina, Latin America and the world.

Contact: Paula Solari, Trade Commissioner, Canadian Embassy in Argentina, tel.: (011-54-11) 4808-1000, e-mail: bairs-commerce@international.gc.ca.
Web site: www.argenplas.com

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