

## Team Canada Japan Results in \$409 Million in Deals for Canadian Firms

September 16, 1999  
Ottawa, Ontario

Prime Minister Jean Chrétien today witnessed the signing of \$409 million in trade deals for Canadian firms at a ceremony in Tokyo during the Team Canada mission to Japan. The deals include seven contracts valued at \$178 million, 11 memoranda of understanding worth \$52 million, four Letters of Intent valued at \$22 million and five other types of agreements with a value of \$157 million. The Prime Minister noted six additional agreements will bring Canadian products to the Japanese market, including a cooperation agreement between Bombardier Transportation and Mitsubishi Heavy Industries Ltd. in pursuit of the market in airport people movers estimated at \$3 billion over the next ten years.

"Team Canada has demonstrated once again that it is an effective way to help Canadian exporters succeed in the global marketplace by showcasing the best we have to offer," said the Prime Minister. "The fact that the majority of deals signed today are in high technology and innovation testifies to the fact that Canada can excel in the competitive Japanese market."

Over 260 businesses, eight provincial premiers, all three territorial leaders, as well as academic and other institutions participated in the 1999 Team Canadian mission which visited Osaka and Tokyo. The sectors of focus this year included electric power and new energy, environment, information and communications technologies, education, building technologies and materials, food biotechnology, space and health. The majority of the firms were small and medium-sized. During the course of the Team Canada mission, approximately 4,000 Japanese companies were contacted by Canadian participants.

"Canada's commercial relations with Japan, our second largest trading partner at over \$22 billion in annual trade, are already strong and well-established. Yet our ability to conclude such significant deals shows the potential for growth, and shows what small and medium-sized companies can accomplish when business and governments work together," added the Prime Minister.

Team Canada is a unique concept that has opened doors for more than 1,600 companies, helping them secure \$24 billion in new business during past missions. Four previous Team Canada missions have traveled to Mexico, Brazil, Argentina and Chile in January 1998; to South Korea, the Philippines and Thailand in January 1997; to India, Pakistan, Indonesia and Malaysia in 1996; and to China in November 1994.

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### BACKGROUNDER

**AMI Nutrition Inc., St. John's Newfoundland.** AMI Nutrition, a subsidiary of Atlantis Marine Inc., signed a Memorandum of Understanding with Fields Inc. of Yokohama for Fields to act as AMI Nutrition's marketing and sales agent for the Japanese market. The agreement is a major step forward in AMI Nutrition's efforts to provide its products to the burgeoning Japanese health supplements market and to further penetrate the Asian marketplace. AMI Nutrition manufactures and markets a superior form of Omega-3 health supplements, both in Canada and abroad.

**Atcan Industries, Dieppe, New Brunswick.** Atcan Industries Inc., signed a contract with Ogawa Kogei Co. of Tokyo to supply doors for kitchen and shoe cabinets to more than 40 Ogawa room units currently under construction. The Canadian content of the agreement is valued at approximately \$65,000 and forms the basis of future sales expected to exceed \$200,000 annually. Founded in 1986, Atcan's product line consists of a wide variety of cultured marble and stone counter tops, kitchen, vanity and shoe cabinets and pre-finished cabinet doors for the local building supply market in the Maritime provinces, Ontario and Quebec. Since 1994, Atcan has marketed its strengths to the Japanese market, which now accounts for 25% of its total sales.

**Atcan Industries Inc.** has also entered into an agreement with C.J. Material Inc. of Yamanashi City, Japan to supply kitchen cabinets for 40 housing units currently under construction. This contract is valued at \$155,000 in Canadian content and will form the basis of future sales expected to be approximately \$350,000 annually.

**Bombardier Aerospace, Montreal, Quebec.** Bombardier Aerospace and Air Nippon Co. Ltd. (ANK) of Tokyo announced that ANK has selected the 56-seat DASH 8 Q300 turboprop airliner for its regional operations. ANK, a subsidiary of All Nippon Airways, will use its Q300 aircraft on routes between Tokyo's Haneda International Airport and islands within Tokyo's domain, and for flights within Hokkaido, Japan's northernmost prefecture. This agreement, which is expected to be completed within the next four weeks, is valued at \$75 million. Bombardier Aerospace, a unit of Bombardier Inc. is the world's third-largest civil aircraft manufacturer and leads the 20-70 passenger regional carrier market.

**Bombardier Aerospace and The Fair Inc.,** of Tokyo announced that The Fair Inc. has selected Bombardier's Canadair Regional Jet (CRJ) for its regional airline operations scheduled to commence in mid 2000. This agreement will result in the sale of two new CRJs valued at \$75 million. This sale builds upon the already established presence of Bombardier's Q Series Dash 8 turboprop aircraft in Japan.

**Bombardier Transportation, St. Bruno, Quebec.** Bombardier Transportation and Mitsubishi Heavy Industries (MHI) Ltd. of Tokyo announced the signing of an exclusive Cooperation Agreement for the sale of MHI's Airport People Mover (APM) technology throughout North America and Europe. Bombardier Transportation, through its Kingston, Ontario-based Transit Systems will be responsible for the overall systems integration, including design, systems engineering, and communications and information systems of Mitsubishi's APM technology, whereas Mitsubishi will supply the vehicles and certain sub-systems and equipment. The market in airport people movers in North America and Europe is estimated at over \$3 billion over the next ten years.

**Canip Holdings Corporation, Victoria, British Columbia.** Canip Holdings Corporation signed an agreement with Hokuto Corporation of Tokyo whereby Hokuto will aggressively promote Canip's Canadian high-tech software products and ideas to large Japanese manufacturers, resellers and venture business companies. The total value of this agreement is approximately \$40 million over five years of which \$ 15 million is Canadian content. Canip Holdings' portfolio includes companies in the areas of high tech and information technologies, systems consulting, education, movie distribution, hospitality and real estate.

**Communications Research Centre (CRC), Ottawa, Ontario.** The Communications Research Centre signed a three-year Memorandum of Understanding with Japan's Ministry of Posts and Telecommunications Communications Research Laboratory to work together on developing specific hardware designs on key microwave technologies important to the growing microwave technology market. The total value of the agreement is \$600,000 with a Canadian content value of \$300,000. With its strong tradition of technology transfer to industry, the Communications Research Centre is the Canadian government's primary laboratory dedicated to advancing communications research and development, and has been responsible for the start-up of over 60 companies nation-wide.

**The Communications Research Centre** also signed an agreement with Moritex Corp. of Tokyo to evaluate potential new devices in the burgeoning fibre optics industry. The value of the initial agreement is \$200,000, \$100,000 of which is Canadian content.

**Culinar Canada, Montreal, Quebec.** Culinar Canada signed a contract with Tominaga Boeki Kaisha of Kobe to market Frenzi Bagel Crunch to the Japanese market. The convenience store chain Family Mart, with over 5,000 stores across Japan will be the first chain to sell Frenzi, a new unique snack product developed by Culinar. The value of this agreement is between \$4 to \$10 million per year, 100% of which is Canadian content.

**Datacom Ad Network, Toronto, Ontario.** Datacom Ad Network, a subsidiary of TargetNet Inc. signed a Letter of Intent with Datacom Japan Corporation of Tokyo to broaden their relationship to include other joint ventures in Asia. Datacom Ad Network intends to purchase equity in Datacom Japan, in addition to investments made by Japanese shareholders to firmly establish Datacom Japan as a significant force in the Asian marketplace. TargetNet Inc. and its divisions offer innovative targeted advertising and e-commerce solutions.

**DiveLink International Technologies Inc., Victoria, British Columbia.** DiveLink International Technologies Inc. signed a memorandum of understanding with Marine Star Rays of Osaka to work together to promote and distribute products in the \$US12 billion Japanese diving market. DiveLink is a unique Canadian invention that incorporates cutting-edge technology and allows voice-activated, hands-free underwater communication with application in a variety of industries.

**Entrust Technologies, Ottawa, Ontario.** Entrust Technologies Inc. signed an agreement with Secom of Tokyo to establish Secom as the Japanese distributor for Web server certificates from Entrust's recently-introduced business unit, Entrust.net, which provides a trusted security service for issuing digital certificates to Web servers. The agreement is expected to generate between \$500,000 and \$2 million in revenue, 50% of which is Canadian content. Entrust Technologies is a global leader in solutions that bring trust to e-business.

**Gold Chance International Limited, Scarborough, Ontario.** Gold Chance International Limited and Gaia Energy of Japan and Hong Kong joined together to form Gaia Energy International. Headquartered in Aurora, the joint venture is valued at approximately \$130 million and will bring Gaia Fuels, a new generation low pollution fuel, to Canada, the United States of America and other parts of the world. A further Letter of Agreement has been formalized to supply the new fuel to Japan that could produce sales of up to \$1 billion over the next ten years.

**INO, Ste-Foy, Quebec.** INO signed a partnership agreement with Moritex of Tokyo to exchange personnel and collaborate on joint research and development projects. In October of this year, two researchers from Moritex will be seconded to INO for a period of 12 months to develop new optical telecommunications devices. The value of this agreement is estimated at \$1 million dollars, 50% of which is Canadian content. Through Research and Development contracts and custom-designed products, INO offers state-of-the-art solutions in optical sensors, fibers, devices, laser systems, micro-optics, and vision systems.

**K. Ito and Associates, Vancouver, British Columbia.** K. Ito and Associates signed a Letter of Intent with Tsuchiya Two-By Homes Ltd. of Sapporo for Tsuchiya to import and promote the Super E House Program. The Super E program, developed by Natural Resources Canada with K. Ito and Associates as its official Canadian agent, promotes Canadian building technology, including construction methods, energy efficiency and environmentally friendly housing standards. The Canadian content value of the deal is valued at \$5.4 million over three years.

**Katlyn International Inc., Waterloo, Ontario.** Katlyn International Inc., Murata Machinery Corp. of Kyoto and CDG Cargo Systems of the United Kingdom have signed a contract with Air Canada to supply a cargo handling system for their new Automated Air Cargo Terminal currently under construction at Toronto's Lester B. Pearson International Airport. Murata will be the prime contractor, with CDG providing specialized cargo handling equipment, and Katlyn International providing overall project management and the entire computer control system. The total value of the agreement is estimated to be \$40 million, with a Canadian content value of approximately 50%. Katlyn is world-renowned for its proficiency in the automation of air cargo facilities and has provided its computer and controls expertise and project management for some of the world's largest automated air cargo terminals, including Hong Kong's new Chep Lap Kok airport.

**Kelsan Technologies Corporation, North Vancouver, British Columbia.** Kelsan Technologies Corporation signed a Letter of Intent with Sumitomo Metal Technology Inc. (SMT) and Sumitomo Corporation of Osaka to appoint SMT as Kelsan's exclusive distributor for solid stick and liquid lubricants and solid stick and liquid friction modifiers for the railway industry in Japan. The estimated value of the agreement is \$10 million over five years. Kelsan provides the benefits of its unique friction management technology through the sale of its products and through technology partnerships with other industry leaders.

**Laboratoires Confab, St-Hubert, Quebec.** Laboratoires Confab Inc. signed a Memorandum of Understanding with Sorm Co. of Tokyo to appoint Confab as Sorm's exclusive manufacturer of pharmaceutical products for sale in Japan, China, Korea and other countries in Southeast Asia. Revenues for the five-year contract are estimated to be \$15 - \$21 million and will help maintain and create up to 60 full-time positions at Confab's St-Hubert manufacturing facilities.

**Logo Computer Systems, Montreal, Quebec.** Logo Computer Systems signed an agreement with Soiku of Tokyo to distribute the Japanese-language version of Logo's MicroWorlds Pro software to approximately 40,000 schools in Japan. MicroWorlds Pro helps develop creativity, problem-solving and critical thinking skills that workers in the next century will need to compete in the global marketplace. This software will help

promote the goals of Japan's Virtual Agency. Based in Montreal since 1981, Logo Computer Systems is a leading publisher of award-winning, constructivist educational software for schools around the world. Soiku won the top award given by the Japanese Ministry of Education for 1999.

**Luscar Limited, Calgary, Alberta.** Luscar Ltd. signed a Memorandum of Understanding with Chugoku Electric Power Co. of Hiroshima reaffirming a long-term contract for the supply of thermal coal from Luscar's Obed Mountain mine located near Hinton, Alberta, until March 31, 2000. Under the terms of this contract Luscar will supply 400,000 tonnes of thermal coal for use in electric power generation by Chugoku EPC. The total value of this agreement is \$15 million, all of which is Canadian content. This contract symbolizes the continuation of Luscar's valued long term relationship with Chugoku EPC. Luscar is Canada's largest and most diversified coal exporter to Japan.

**Marine Expeditions Inc./World Cruise Company Inc., Toronto, Ontario.** Marine Expeditions Inc./World Cruise Company Inc. signed a new agency partnership with H.I.S. Company Ltd. of Tokyo. H.I.S. will represent both companies in the Japanese market, promoting and selling their products and services through its nationwide distribution system. Marine Expeditions Inc. is the world's leading operator of expedition-style cruises. H.I.S. has grown very quickly to become the fourth largest retail provider of international tourism in Japan. Today's contract is expected to generate revenue in excess of \$3.5 million for 1999-2000. The Canadian content value is reflected in the employment of tourism professionals in marketing, planning and execution of the cruise operations.

**Modulex, Quebec City, Quebec.** Modulex signed an agreement with Bennex Corporation of Sendai, Japan to sell 1,000 2-by-4 homes over the next five years. Bennex is one of Japan's leading importers of 2-by-4 homes. The total Canadian content value of this agreement is \$50 million. Modulex is one of Eastern Canada's leading pre-engineered panelized home manufacturers.

**Newbridge Networks, Ottawa, Ontario.** Newbridge Networks signed a Memorandum of Understanding with Toshiba of Tokyo to distribute Newbridge's products in Japan and other countries. The MOU has led to a firm order of \$3 million worth of Newbridge equipment and recognizes the value of a broader relationship between the companies to look at further cooperation in areas of joint development and manufacturing. The Newbridge broadband wireless access solution enables alternate service providers to enter the telecommunications market with a broad portfolio of premium quality services for business and residential customers. Known as local multipoint services (LMDS), broadband wireless can be quickly deployed to cost-effectively deliver data, Internet, voice, video and multimedia services. The deal will lead to multimillion LMDS equipment sales, to be announced in the next few weeks. Newbridge employs over 6,000 people on six continents and is a recognized world leader in digital networked communications.

**NSI Communications Inc., Ville St-Laurent, Quebec.** NSI Communications Inc., a world leader in VSAT satellite communications, has signed a Letter of Interest (LOI) with Toyo Communication Equipment Company Limited (TOYOCOM) of Tokyo, Japan, a world leader in communications technology. This LOI establishes the grounds for the exploration of further business cooperation between the two companies in the growing field of satellite communications and the potential for such systems sales in the Japan market and the international market.

**Pillitteri Estates Winery, Niagara-on-the -Lake, Ontario.** Pillitteri Estates Winery signed a contract with Mitsui and Co. of Tokyo for the distribution of Pillitteri's Canadiana series of wines. Mitsui will establish a program to deliver the Canadiana series directly to Japanese homes. The Canadiana collection is a series of four commissioned art works that depict picturesque sights in Canada and were placed on specially selected reserve wines from the Pillitteri cellars. As part of the series, the Pillitteri Vidal Icewine, captured in 22 carat foil stamping, was given a "superlative score" at the World Wine Championships. The initial contract is valued at \$1 million in the first year, with further orders to follow. Pillitteri Estates is a manufacturer of high quality wines, meeting Vintners Quality Alliance (VQA) standards, specializing in Icewine.

**Spacebridge Networks, Hull, Quebec.** Spacebridge Systems signed a Memorandum of Understanding with Toshiba Corporation of Tokyo to provide for the identification of mutually-beneficial business opportunities focussed on the broadband satellite technology market. Both companies will share marketing and technical information with the intent of jointly developing state-of-the-art technologies that will enable more efficient communications within emerging satellite network systems. Spacebridge is a leader in the development of next-generation wireless communications through the design of hardware and software products for both terrestrial and space-based communications systems.

**TelPlus Systems, Quebec, Quebec.** TelPlus Systems signed a marketing agreement with Nichimen Corporation of Tokyo to provide exclusive representation of TelPlus' revolutionary credit card-sized authentication technology throughout Japan, the Pacific Rim, Australia and New Zealand. The TelPlus technology provides safe, simple and secure card authentication by adding unique tone generation to conventional magnetic stripe cards and smartcards for transactions conducted in person, over the telephone and on the Internet.

**University of Alberta Telehealth Technology Research Institute, Edmonton, Alberta.** University of Alberta Telehealth Technology Research Institute signed a Memorandum of Understanding with Mitsubishi Electronic Corporation of Koriyama to establish a relationship between the two organizations that will concentrate in the area of research and development. The cooperation will carry out activities such as the testing of commercial products for clinical applications, consultation on market analysis and the participation in development of new technologies.

**Vancouver Maple Leaf Language College, Vancouver, British Columbia.** Vancouver Maple Leaf Language College signed a Memorandum of Understanding with JTB Global Education of Tokyo to provide English language training and cultural exchange opportunities for Japanese youth. The training of these students will not only provide economic benefits in terms of jobs, expenditures and growth in Canada, but will also lead to enhanced social-cultural ties between Canada and Japan. This agreement is valued at \$500,000.

**Viceroy Homes Ltd., Port Hope, Ontario.** Viceroy Homes Ltd., building on a five-year relationship, signed an two-year agreement with Selco Home Company Ltd. of Sendai to distribute Viceroy's high quality housing packages to Japanese consumers. The agreement's Canadian content is valued at approximately \$100 million over two years. Viceroy Homes is a manufacturer of Canadian Woodframe Housing and related building products, with factories in British Columbia and Ontario.

**Walton Development Asia Inc. Calgary, Alberta.** Walton Development Asia Inc. (WDAI) signed an agreement with Keikei Fukushi Ltd. of Tokyo to enter into property management asset management and development. The project is valued at \$6 million. WDAI is a property management company with offices in Tokyo, Singapore, Hong Kong, Phoenix and Vancouver.

**Walton Development Asia Inc.** also signed a Letter of Intent with T&T Hills Keikei Fukushi 21 Ltd. of Tokyo to enter into additional property asset management and development financing. The deal is valued at nearly \$6.5 million.

**NOTE:** Information contained in this document has been compiled based on press releases and other submissions provided by the companies listed. The Government of Canada takes no responsibility for the accuracy of this information.