



## NEWS RELEASE

### Phancorp president / I.E.Canada chair talks about issues at 75<sup>th</sup> annual conference and how they affect chemical distributors

**“For more than seven decades, I.E. Canada, the Canadian Association of Importers and Exporters, has provided leadership to and represented the best interests of those organizations involved in importing and exporting. This important milestone offers a chance to reflect upon this association’s many achievements over the years, while looking ahead to the challenges and opportunities affecting our country’s importers and exporters.”**

Stephen Harper  
Message from the Prime Minister  
I.E.Canada 75<sup>th</sup> Annual Conference, Oct. 24, 2006

**Brampton, ON, Nov. 23, 2006** – As Chair of I.E.Canada’s Board of Directors, Isabel Alexander was impressed by the attention paid by both federal and provincial governments to the recent 75<sup>th</sup> Annual Conference, Trade Show and Gala in Toronto. Alexander gave an opening welcome for keynote speaker David Emerson, federal minister of international trade and minister for the Pacific Gateway.



“I personally met with David Emerson, and with other prominent government representatives such as Sandra Pupatello, Ontario’s minister of economic development and trade,” said Alexander, Phancorp Inc. president and founder.

“I realized that government has become critically aware of how important the trade community is in Canada. It is a recognized fact that we have to import to export - this represents a shift in thinking for Canada.”

“As a nation, we must import commodity materials to export finished goods. For Canada to compete in global markets, we must have investment in infrastructure and harmony in trade regulations between countries,” said Alexander.

**“WE NEED TO PUSH REGULATORY PEOPLE”**

“There are a complications and barriers to doing business with the U.S., our largest trade partner, because of new security regulations.”

“In the event of a cross border incident with closing of ports of entry, importers and exporters registered in security programs such as Customs-Trade Partnership Against Terrorism (C-TPAT) and Free and Secure Trade (FAST) will be given priority status.”

“One of the many topics at the conference, particularly important to Phancorp’s customers, was about bringing trade partners into alignment with these policies and with the new initiatives being implemented, such as security programs and changes to customs practices.”

“We heard from representatives of the World Customs Organization (WCO). Former priorities, such as tariffs, have now taken a back seat to security issues in crossing borders. Security must not trump trade. They must work in harmony.”

The Security and Prosperity Partnership of North America (SPP) was launched in March 2005 as a trilateral effort to increase security and enhance prosperity among the United States, Canada and Mexico through greater cooperation and information sharing. The SPP has identified safe and secure gateways (border security and facilitation) as key priorities.

“We need to push regulatory people; we want to be safe and protect rights, but if you tie everyone up in red tape and costs, we will not be able to compete globally,” said Alexander. “We must get everyone together to say, ‘Yes, we have to do the right stuff, but let’s do it efficiently, cost effectively and expediently.’”

It used to be that we worried about paying duty or being held up at borders to be checked for drugs and smuggling and about the wrongs things coming into the country. For example, in the late 1990s a law was introduced by the U.S. Customs Service placing an import limit of one Beanie Baby (a small stuff toy fad) per family for people re-entering the United States. This was before 9/11 and obviously represented a simpler time in our history when our priorities were different, she said.

#### “WAKE UP AND SMELL THE MAPLE SYRUP”

“The second topic of importance to chemical distributors was the need for government investment in infrastructure, such as roads, railroads, ports, border crossing and ports of entry,” Alexander said.

“Infrastructure investment is important to the chemical industry because it is essential to move product. We should support our trade associations at both the provincial and federal level to provide the funding momentum to do this. This is long term planning. It takes 10 years for a port to be built, but if we don’t push forward now, instead of using Port Rupert or Port Vancouver, importers will be forced to go to Seattle and Los Angeles. Canadians must wake up and smell the maple syrup,” said Alexander.

#### “BRAINS INSTEAD OF BRAWN”

“The third impression I had was of a growing recognition that Canada must invest in new goods and services for export,” she said.

“We can no longer export the same things we once did, because we can’t compete with what is made in China or in India. We require new products and services; we need to be higher up the food chain. Instead of making car parts, we must become more sophisticated and use our brain instead of brawn,” Alexander said.

“Industry in China, India and Brazil is growing rapidly and their economies are going to overtake us quickly, if we don’t do anything about making the right climate here for trade. The threat is immediate, it’s happening already. Where are the opportunities to benefit from the growth of those countries? Opportunity exists, for example, because middle class and consumer demand is also growing, but what products and services can we export to meet that demand? We must look at developing technology, specialized products and services, and expertise,” said Alexander.

“Canadians require more investment in research and development, education and innovation. Education is, to me, of huge importance. We have an extreme shortage of skilled labour across Canada. Although there is the opportunity for western Canada to be the largest contributor to the Canadian economy, even it is hampered by a shortage of skilled labour.”

“An inordinate amount of emphasis is on energy and mining as the two largest sources of revenue for export. Yes, they are important, but we should be diversifying our exports so that we are not as vulnerable to contingent global or economic occurrences. For example, what would happen to our economy if there was a major discovery of oil in China? Further, we are shifting our focus so much to western Canada that employment in the east may be threatened,” said Alexander.

**About Phancorp Inc.**

Phancorp Inc. is a global chemical wholesaler serving distributors across the North American chemical industry. In the intensely competitive business of chemical distribution, Phancorp provides strategic advantages and award winning service to chemical distributors. ISO 9001:2000 certified and emergency-response enabled, Phancorp is truly The Distributors' Partner™. For more information about Phancorp visit [www.phancorp.com](http://www.phancorp.com).

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