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Supply Chain Committee Meets



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*The following article was prepared
by Carol Osmond, senior policy ad-
visor, I.E.Canada.*

On August 22, 2006, members
gathered at I.E.Canada's head
office for the inaugural meeting of
our Supply Chain Committee.

Mary Anderson, president of

I.E.Canada, outlined the goals of the
committee, which will serve as an
advisory group to I.E.Canada: to
educate members with respect to
supply chain issues involving all
modes of transportation; to advo-
cate on their behalf; and to align
with other associations with com-
mon issues.

The purpose of the meeting was to
hear from members about issues
and concerns that could be ad-
dressed by the committee and to
seek volunteers to serve as an ex-
ecutive.

Potential issues raised during the
roundtable that could be addressed
by the committee include the fol-
lowing:

- Contingency Planning: The concern
was raised that few firms have en-
gaged in developing contingency
plans in the event of an emergency,
whether the result of a terrorist at-
tack, pandemic or other cause.

Meeting participants suggested that

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We Hope You'll Join Us on September 12

I.E.Canada's Security Committee
will meet by conference call on
Tuesday September 12, from 2:00
p.m. to 4:00 p.m.

The following topics will likely be
discussed at the meeting:

- BCCC Subcommittee on Contin-
gency Planning and the recent table-
top exercise
- Proposed air cargo security policy

If you would like to take part in this
meeting, please contact Margaret
Yipchuck@myipchuck@iecanada.com.

Export Controls

In late July, I.E.Canada learned that
Foreign Affairs and International
Trade Canada is in the process of
updating its Web site, as well as the
Export Controls Guide and regula-
tions.

The department will be rolling out
an updated version of its Web site in
the coming weeks; Foreign Affairs
and International Trade Canada is
modifying the Web site to make it
more user friendly for its clients.

I.E.Canada has raised concerns
about export control information
discrepancies on Foreign Affairs and
International Trade Canada's Web
site with department officials. (The
information on the department's
Web site conflicts with current legis-
lation.)

Join us for the export controls
workshop at our annual conference
on October 25, 2006, led by Joy
Nott, senior import consultant -
Canada, JPMorgan Chase Vastera.
Government and industry experts
will field your questions about ex-
port controls.

For details about our upcoming
75th annual conference, please visit
our Web site (www.iecanada.com).
Please mark your calendars for our
three-day conference, which takes
place October 23, 24 and 25, 2006.
We hope to see you there!

Wood Packaging Import Requirements

The following article was written by the Canadian Food Inspection Agency.

On July 5, 2006, Canada began stepping up its enforcement activities on wood packaging that does not meet the requirements of an international wood packaging standard.

In 2002, Canada adopted this international standard in harmony with the United States and Mexico. It requires that wood packaging entering and leaving the country be heat-treated or fumigated with methyl bromide and identified with the internationally recognized International Plant Protection Convention (IPPC) mark. In lieu of the mark, a consignment must be accompanied by a phytosanitary certificate specifying the treatment used.

Any shipments found to contain wood packaging that is not compliant with Canadian import requirements could be refused entry into the country, or result in further delays, additional costs and monetary penalties to the importer or person in charge of the shipment. Non-

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the association could take a leading role in this area.

It was noted that Patrick Clair of Maple Leaf Foods, I.E.Canada's representative on the BCCC Contingency Planning Subcommittee, participated in a bi-national tabletop exercise on July 20, 2006. One of the key issues that arose related to communication in the event of an emergency: by and to whom, how and when? These questions point to the need for I.E.Canada to develop its own plan for communicating with members in the event of an emergency.

- Visibility in the Supply Chain:

Members raised the lack of visibility in the supply chain (eg. the railway not knowing where a container is before it is loaded on the train) as another serious issue confronting the trade community. Members also pointed out that a lack of information/visibility is important from a revenue recognition perspective as well as in terms of compliance with Sarbanes-Oxley requirements and security needs.

A related concern for I.E.Canada members is "push versus pull": companies are obliged to pull information rather than having it provided to them.

Meeting participants stressed the need to have all of the actors in the supply chain around the table to ensure that as each develops its own plans to improve the flow of information, the appropriate linkages are made.

Members also pointed out that smaller forwarders are not prepared to invest in technology and will require a flexible solution, such as a web portal. It was noted that Canadian International Freight Forwarders Association (CIFFA) has in the past discussed developing a portal to increase visibility.

- Surcharges: Shippers are constantly being confronted with rising fuel surcharges, as well as new charges from freight forwarders/carriers associated with customs/security programs, especially on export.

It was suggested that Canada's importing and exporting community requires education about fuel and other surcharges, how they affect the various modes of transportation differently, the different bases for mark-up, regional differences, etc.

- Supply Chain Security Programs: Members recommended that the

committee monitor developments associated with the Authorized Economic Operator (AEO) concept under the WCO Framework of Standards, as it will have an impact on Canadian and international supply chain security programs.

Mary remarked that Renee Stein from Microsoft, who chairs the private sector consultative group advising the WCO on the Framework of Standards, will speak at I.E.Canada's annual conference in October 2006.

- Infrastructure: Canada is heading towards an infrastructure crunch while the various actors continue to work in silos. Railways are being left to their own devices with no private-public sector financing as in Europe. One meeting participant mentioned that ports in Canada are six times less efficient and three times more expensive than ports in Asia. Another participant talked of the role of the auto sector in Canada's economy and the need to focus on roads and bridge crossings with the United States.

- Need for Forecasting: Members emphasized the need to communicate the importance of good forecasting to all players in the supply chain so that information can be provided to railways and terminals early.

The importance of strong internal communications within companies was also stressed, such as making CFOs aware of the importance of being proactive and the potential costs if companies are not.

- Costs: Those who attended the meeting pointed to factors driving costs into the system rather than out, including the exorbitant fees at Pearson Airport, the archaic taxing system for railways, etc. As the government is interested in innovation and economic efficiencies, this issue could be tackled from that perspective.

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Wood Packaging

Shipping and Trade Horizons



Gary Leroux, executive director, Association of Canadian Port Authorities, presents a gift to Mary Anderson, president, I.E.Canada, at the annual conference of the Association of Canadian Port Authorities

Shipping and Trade Horizons, a Tradeweek column, is produced by Leo Ryan. The column addresses Canadian industry issues and trade developments of interest to our members.

Anderson Addresses Port Group

A marked increase in imports and exports during the last few years has created jobs and stimulated growth in Canada. However, continued shortcomings in the country's transportation infrastructure need to be addressed to respond to the changing patterns of world trade, notably provoked by the exploding Chinese economy. In the new global trading environment, shippers are increasingly concerned over logistical chain and capacity weaknesses.

These are some of the central points made by Mary Anderson, president of I.E.Canada, at the annual conference staged earlier this month in Oshawa by the Association of Canadian Port Authorities. At the same time, the head of I.E.Canada summed up the feedback from members in a

survey comparing trade and transportation-related conditions in 2006 versus 2005.

While Canada remains very reliant on the U.S. for trade, Anderson indicated that since 2001 both imports from and exports to the U.S. have declined relative to volumes with other countries. Today, some 84 per cent of Canadian exports flow to the United States against 87 per cent in 2001. Imports from the U.S. have fallen, during the same period, from 64 per cent to 57 per cent.

There has, predictably enough, been a dramatic surge in imports from China. The latter represents 8 per cent of total Canadian imports against 4 per cent in 2001.

In terms of prioritizing trade activity, I.E.Canada's 750 members place Canada first, followed by the United States, Mexico, China and the United Kingdom (ranking third as a Canadian export market).

"The key to Canada's competitiveness," declared Anderson, "is clear: predictable rules for trade to allow Canadians the benefits of global supply chains and efficient transportation

infrastructure. Business is faced with issues that weren't on the radar screen at the beginning of the decade: port, transportation and border infrastructure challenges, increased documentation and (post 9/11) security requirements with global implications."

I.E.Canada members, Anderson recalled, have had to cope with several intermodal breakdowns (from late 2003 to a Vancouver container trucking shutdown for six weeks in the summer of 2005) resulting in time-critical import products being delayed for retail markets. Shippers were compelled to make alternate arrangements, such as diverting cargo to U.S. west coast ports and shipping goods to Calgary by rail for re-shipment to Vancouver.

Regarding feedback on current conditions, Anderson said I.E.Canada members feel the gate reservations systems at ports for truckers, especially at Vancouver, still need "tweaking." And anxiety about the reliability of ports through the peak season has not disappeared.

Nevertheless, there is a consensus that the overall situation has improved. The proactive stance taken by port authorities in working closely with terminal operators has had "very positive" results.

Of great importance, Anderson stressed, is the marked improvement in the time it takes to put cargo on the Vancouver docks onto rail. "Now, it is generally taking five days. It used to take 7-10 days and up to two weeks."

Meanwhile, Anderson said, Canadian ports and railways have invested billions of dollars in modernizing terminals with new container and bulk-handling equipment, upgrading mainlines and acquiring hundreds of new locomotives and thousands of freight cars.

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Our Annual Conference: Capitalizing on Global Change



Port of Vancouver's southshore, photo courtesy of the Vancouver Port Authority

I.E.Canada knows that only those importers and exporters committed to continuous innovation will capitalize on global change. Our annual conference will inspire new ways of thinking. It will provide you with the tools, information and networks you need to succeed.

Learn from and connect with some of North America's most experienced international business people, policy makers and economists. Propel your business forward by reconfiguring your market approaches, processes, technologies and management systems. Even small shifts in perspective can pay large dividends.

We hope you'll join us for our 75th annual conference, trade show and gala, which takes place October 23, 24 and 25, 2006. The theme for this year's diamond anniversary event is "Capitalizing on Global Change."

We've organized three information-packed days. For example, you'll hear about the Pacific Gateway. Given the critical importance of Canada's Pacific ports to businesses across the country, I.E.Canada has invited the Honourable David Emerson, Canada's minister of international trade and minister respon-

sible for the Pacific Gateway, to lead off the conference by outlining the federal government's vision for Canada's Asia-Pacific Gateway.

Minister Emerson's speech will be followed by an expert panel that will examine the transportation challenges associated with Canada's burgeoning trade with Asia, and what needs to be done to meet those challenges. Speakers will include Don Krusel, president and CEO, Port of Prince Rupert, Ruth Sol, president, Western Transportation Advisory Council, and Yuen Pau Woo, president and co-CEO, Asia-Pacific Foundation.

We look forward to seeing you at our annual conference. For details, please visit our Web site (www.iecanada.com).

I.E.Canada's Trade Show

You won't want to miss our annual conference trade show, which takes place October 23 and 24, 2006. Our trade show is a key part of our plan to kick-off the celebrations of our diamond anniversary year at our 75th annual conference.

The following companies and

groups will showcase their products and services at our trade show:

- Bank of Nova Scotia
- Canada-Ontario Export Forum
- Canadian Sailings Magazine
- Cole International Inc.
- CrimsonLogic (North America) Inc.
- E.J. Brooks Industries Ltd.
- Expeditors International of WA Inc.
- FedEx
- Forum for International Trade Training (FITT)
- Hamilton Port Authority
- Hercules Forwarding Inc.
- ICPA Inc.
- Livingston International Inc.
- Logistics Institute
- PricewaterhouseCoopers LLP
- Standards Council of Canada

A limited number of booths are still available. For details, please contact Margaret Yipchuck at: myipchuck@iecanada.com or (416) 595-5333 ext. 30.

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tive, said one member.

• Truck Drivers: Concerns have been raised about the shortage of drivers, especially drivers with FAST approval.

There was some discussion of other associations that I.E.Canada could work with on these issues nationally and globally. On contingency planning, for example, I.E.Canada could work with other associations, such as the Ontario Chamber of Commerce, who have already been doing work in this area.

The new committee plans to select and focus on a few key, manageable issues, as well as to set dates and timelines.

If you are interesting in joining the Supply Chain Security Committee, please contact Mary Anderson at (416) 595-5333 ext. 24 or by e-mail at: manderson@iecanada.com.

Thank You, Deborah Lewis!



Deborah Lewis, director, conferences and programs, I.E.Canada

We would like to thank Deborah Lewis, director of conferences and programs, for her contribution to the association over the last year. Deborah has filled the key role played by Fée Kiessling, who has been on maternity leave.

With her experience with e-business solutions, Deborah helped I.E.Canada to navigate the process of introducing online registration; as a result, delegates can save time by registering for our conferences online.

I.E.Canada's conference and seminar programs also benefited from her innovative ways. For example, she suggested offering our Customs Duty and International Trade Course in Calgary, which is scheduled to take place September 25 to 27, 2006. (You can register online at www.iecanada.com.)

She gained a strong understanding of members' needs and structured conference programs to meet those needs. Deborah also worked very closely with I.E.Canada's sponsors to understand their individual needs and tailored sponsorship packages accordingly. Indeed, she helped to enhance I.E.Canada's sponsorship program.

Deborah became familiar with the complex concepts associated with international trade and customs programs very quickly.

She also proved to be a very good negotiator. "Deborah demonstrated flexibility in her interactions with conference speakers. She has been a strong team player who brought a lot of spirit to her role," says Jason Butkus, conference coordinator, I.E.Canada. Members also really liked Deborah.

We will all miss Deborah and wish her all the best for the future! She will be working on a variety of projects this fall. Deborah can be reached at: deborahlewis@rogers.com or www.torontocityevents.ca.

Fée Kiessling Returns!

Fée Kiessling, vice-president of conferences and programs, I.E.Canada, will return from her maternity leave on Tuesday, September 5, 2006. We welcome her back! Fée will be busy with preparations for our annual conference (October 23 to 25, 2006) when she returns. Fée can be reached by e-mail at: fkiessling@iecanada.com or at: (416) 595-5333 ext. 29.

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"Yet, with all the investment, many in the business fear Canada's transportation system is treading water instead of pulling ahead. Governments have recognized the problem through a number of initiatives such as the Pacific Gateway Strategy, which, while promising, has yet to produce a lot of concrete actions. Similar developments are being worked on for Halifax, the St. Lawrence River and southern Ontario."

Anderson also underlined the federal government's efforts to eliminate or reduce choke points impeding a smooth flow of goods across the U.S. border through joint initiatives with Washington. These have included the Smart Border Action Plan and participation in the Container Security Initiative to scuttle terrorism threats before they reach North American shores.

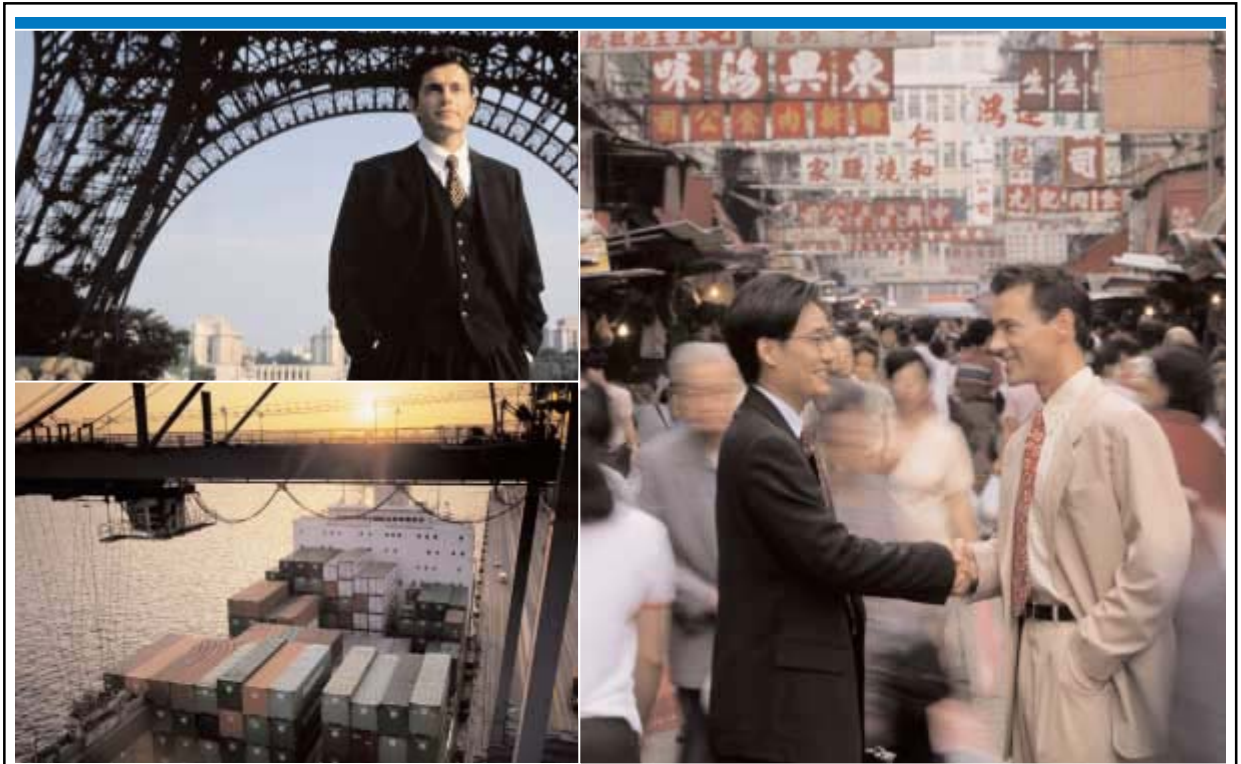
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compliant wood packaging may also be refused entry into Canada.

The intent of these regulations is to reduce the risk of introducing invasive alien species such as the Emerald Ash Border or the Asian Long-horned Beetle into the country. These harmful pests, which can be transported and spread via untreated wood packaging, can have a serious negative impact on Canada's trees and plants, including those vital to the forestry, horticultural and agricultural sectors of our economy.

These regulations do not apply to wood packaging materials made of Canadian or continental-U.S. wood that are travelling within or between the two countries.

For details, please visit the Canadian Food Inspection Agency website at: www.inspection.gc.ca/english/plaveg/for/cwpc/wd/pkgc.shtml.



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