

# tradeweek

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## Celebrating Our 77th AGM



[l to r] Mary Anderson, President, I.E.Canada, Robert Riddell, President, TFB & Associates Ltd., Isabel Alexander, Chair, I.E.Canada, and Jaime Seidner, Principal, Tradewin Canada – A Division of Expeditors Canada Inc.

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Isabel Alexander, Chair of the I.E.Canada board of directors, recognized the involvement of members across Canada on trade committees, as well as within our chapters, at our Annual General Meeting on June 12. The association is well positioned to offer the trade community both ongoing updates and specific workshops to address the changing requirements for

those involved in international trade. I.E.Canada initiates pro-active support for members and our advocacy is underpinned with sound information and open consultative relationships that drive consensus and offers articulate key messages on our issues to policy makers.

Last year the Board, with key **AGM Highlights, cont'd on pg. 2**

### Entrepreneur Recommends Caribbean

With Canada's re-engagement in the Americas a key foreign-policy priority of the federal government in 2008, last week's presentation at the Canadian Council for the Americas on investing for positive returns in the Caribbean by

Michael Lee-Chin, Chairman of Portland Holdings Inc., was a timely one indeed. Although Canada's economic, social and political roots in the Caribbean are deep, they are often misunderstood.

**Michael Lee-Chin, cont'd on pg. 5**

### Bill C-51 Workshop

By Keith Mussar, Food Committee Consultant, I.E.Canada

Member companies, including food and retail importers, domestic manufacturers that also import as well as service providers, participated in a special Bill C-51 working session – organized by I.E.Canada on June 2 in Toronto – on where this proposed legislation to amend the *Food & Drugs Act* and the subsequent regulations are headed. It was an excellent forum to ask questions and have a full discussion and debate with Debra Bryanton, Executive Director of the Canadian Food Inspection Agency, and David Lee, Director Health Canada. Limited to 20 participants, this session represented a unique opportunity for our members to explore the intent of the legislation and to provide first-hand feedback to the government representatives.

Areas of Bill C-51 that will have the most impact on our members include:

**Licensing or registration.** This will be broadsweeping, with a requirement to have a contact name and business location for all importers. Licensing and registration may also be required for those moving products across a provincial boundary, which could affect courier companies, for example, that may not take possession of the goods in terms of ownership, but are part of the

**Bill C-51, cont'd on pg. 4**

## AGM Highlights, cont'd from pg.1

members of regional Chapters and Staff, completed a strategic plan that lays the foundation for the new direction. The association is in a strong financial position and has developed the organizational design to support future growth. We have seen increasing membership and many I.E.Canada members are loyal as well as long-standing.

"Their contributions and hard work have been greatly appreciated," said Isabel in thanking those who completed their term on our board of directors. They include:

- **Bob Riddell**, President, TFB & Associates
- **Bob Armstrong**, President, ATLAS Trade Corp. Inc.
- **Cliff Sosnow**, Partner, Blake, Cassels & Graydon LLP
- **Jaime Seidner**, Principal, Tradewin Canada, a Division of Expeditors Canada Inc.
- **Randy Brooks**, Logistics Manager, Coe Newness McGehee Inc.; and,
- **Glen Millard**, Senior Account Manager, Saskatchewan Export Development Canada

The six vacancies on the Board of Directors created by the expiry of the terms of existing directors and resigned directors will now be supported with new directors:

As the Executive Program Manager for IBM's Global Import Compliance, **Kristina Bryson** is responsible for a compliant, secure and efficient import process in Canada, U.S. and the Caribbean. Prior to joining IBM, Kristina spent five years in public accounting with KPMG as a Senior Auditor and five years with Enbridge Gas as an Internal Audit Manager. She is currently a member of the eSPN Design Committee and CBSA's AMPS subcommittee on behalf of the Canadian Chamber of Commerce. A contributor to I.E.Canada's Tradeweek on Supply Chain Security issues, she is actively involved in our PIP working group and recently presented at the spring and Western conferences.

**Dan Mancuso**, Vice President of Ontario for (Export Development Canada) EDC, oversees a team of professionals responsible for a portfolio of close to 1,400 commercial exporting companies headquartered in Ontario. Since joining EDC in 1999, Dan's roles have included managing numerous domestic and international strategic clients as well as overseeing the Automotive Financing group which provides creative global financing solutions in support of exporter's international strategies. In addition, he has been nominated for EDC's President Award and Leader of the Year. Dan has been an active member of the Automotive Parts Manufacturers Association (APMA) working on the Strategic Initiatives and Marketing Committee and the Purchasing Committee, and is currently a Board Member at the Innovators Alliance.

**Reynold Martens**, Executive Vice President of GHY International, and President of the company's wholly owned subsidiary, GHY USA, Inc., has helped grow the company into one of Canada's leading independent customs brokers, with offices in Vancouver, Winnipeg, Toronto, a strategic partnership in Calgary, and a nationally licensed U.S. office based in Pembina, North Dakota. Reynold chairs the Trade committee of Canadian Manufacturers and Exporters (Manitoba Division), is on the Trade sub-committee of the Manufacturing Sector Economic Development Plan, was appointed by Transportation Minister Ron Lemieux to the Manitoba International Gateway Strategy Council, is a founding member of the Manitoba chapter of I.E.Canada, and is Board Chair of the Aulneau Renewal Center.

**Joy Nott**, Vice President and Managing Consultant, JPMorgan Global Trade Consulting, specializes in customs and international trade

## Export Committee Proposed

Based on response to the Canadian Export Survey conducted at I.E.Canada's annual conference in April, the association is considering the creation of an Export Committee to address issues relating to the export controls and controlled goods regimes, other government agencies, export reporting (controlled and uncontrolled goods) and export compliance generally. Ten members have already indicated an interest in participating.

The survey, designed by Joy Nott, Vice President & Managing Consultant, JPMorgan Global Trade Consulting – who is a newly-elected member of the I.E.Canada board – polled members on issues such as:

- Use of government agencies and resources, such as websites, for export assistance and information
- Product detention at the border
- Penalties for non-compliant exports
- Ease of getting export permits

Here are some highlights of the survey results:

- 72% of members interested in participating in the committee have 500+ exports from Canada per year
- 67% require export permits for at least some of their exports
- 67% said CBSA only "sometimes" does a good job balancing trade facilitation with security

Some of the areas where the committee would seek to have input to government include publications, departmental and agency websites, operational issues, legal and regulatory matters and enforcement and penalties.

If you are interested in participating on the proposed Export Committee, please contact Joy at [joy.l.nott@jpmchase.com](mailto:joy.l.nott@jpmchase.com) or 416-605-1829.

## Shipping and Trade Horizons



Leo Ryan

*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.*

### Halifax Rebound Elusive

At the Port of Halifax, the management team is pulling out all stops to spark a rebound in container performance. But the deep water, unused capacity, strategic location on the Great Circle Route and other trump cards have not been enough to halt a box cargo decline that has shown no signs of abating. The evidence suggests that this great maritime gateway in Nova Scotia has reached another crossroads in its history.

Let's turn the clock back two years. On the heels of a record container performance, Karen Oldfield, President and CEO of the Halifax Port Authority (HPA), confidently predicted that the port was well positioned to achieve "radical growth." At the time, she affirmed that "the difference between incremental growth and radical growth is our ability to piggyback on the world's fastest-growing markets." This was a reference to the promising early success of a commercial offensive underscoring the advantages of Halifax for shippers in Asia and the Indian subcontinent seeking

alternatives via the Suez Canal to congested West Coast ports for reaching the leading North America consumer centres.

In addition, some big retailers like Canadian Tire and Wal-Mart decided, as a precautionary measure, to bring some of their products from Asia through Halifax. And Fastfrate invested \$10 million in a new transload centre in nearby Burnside industrial park.

#### Boom times over

But changes have been happening thick and fast, and thus far this year container cargo is reportedly down to the high single digits, after slipping to 490,071 TEUs in 2007 from 530,000 TEUs in 2006 and more than 550,000 TEUs in 2005. This represents less than half of existing capacity. Main negative factors for Halifax in the past few years have been global carrier restructurings involving Maersk and Hapag-Lloyd and the loss of China Shipping calls. Then, early this year, Icelandic carrier Eimskip suspended a New England feeder service that was launched in July 2007.

#### Facing criticism

Moreover, as if losing another container customer was not enough, the port administration recently had to respond to criticism from the high-profile, former port chairman Merv Russell. The public broadside came following the decision by U.S. Midwest-based Caterpillar Inc. to shift its container shipments to Europe from Halifax to Hampton Roads, Virginia in the wake of traffic delays on the CN railway network during the past severe winter. This meant the immediate loss of 25,000 TEUs of container business. Russell alleged that "the only announcements out of the port are about real estate. You don't hear anything about new clients – you only hear of clients leaving."

#### Claim challenged

At her annual state of the port address to the Halifax Chamber of Commerce, Oldfield came out fighting, declaring, "Let me set the record straight – the management team at the Port of Halifax does not think it is a real estate agency." She said the port was working closely with CN and Atlantic Container Line and striving to lure Caterpillar back to Halifax.

According to Oldfield, the Port of Halifax has been affected by such factors as industry consolidation, the weakness of the U.S. dollar, expansion moves at U.S. East Coast ports, and a small local population. "So 70% of what comes to Halifax by ship goes out to other markets in Montreal or Toronto, or the U.S. Midwest by rail."

#### Advantages remain

CN spokesman Mark Hallman says the railway continues to cooperate strongly with the Port of Halifax to develop its container business, noting that the railway was a key participant in the recent Canada-India trade mission. He pointed out that Halifax is an estimated 1,850 nautical miles closer to Mumbai, India than the nearest West Coast port.

Meanwhile, not only does Halifax have to look over its shoulder at a major container terminal project in the Strait of Canso, another potential challenge has surfaced from the small port of Sydney on Cape Breton Island involving partners from France and Canada. Such new ventures are based on projections – that may be over-optimistic – of up to three million containers heading towards the region by 2015 thanks to deepwater facilities able to accommodate the new generation of mega-containerships.

leo.ryan@bellnet.ca

## Bill C-51, cont'd from p.1

distribution system. There could also be a requirement for registration or licensing of warehouses.

*Implication for importers:* There will be increased reporting responsibility and potentially an unlevel playing field with the domestic food industry at least for a period of time, with importers having compliance requirements for licensing and registration as soon as the legislation is enacted while similar requirements on the domestic industry would only come into effect following agreement between the federal government and the provinces, if not excluded through regulation.

**New prohibition.** The existing prohibition that unsafe food cannot be sold would be extended to prohibit the import of unsafe food as well. If the government deems a product is unsafe, it can refuse the offloading of that product at any port of entry or at an inspection site.

*Implication for importers:* The responsibility lands on the importer to pay for the product to be transported back from the inspection site to the port of entry and to make arrangements to remove it from Canada.

### **Expanded enforcement powers.**

The Canadian Food Inspection Agency (CFIA) will have authority to hold and test products without having to seize or detain them and thus avoid a paperwork burden on government upon release.

*Implication for importers:* This could result in increased level of product inspection and testing.

**Increased recordkeeping.** There will be a requirement to keep better records and to produce them in a timely fashion for inspectors.

*Implication for importers:* These new compliance obligations could become onerous and difficult for companies.

**Regulation of natural health products.** It's still uncertain whether natural health products (NHPs) that

manufacturers have incorporated into traditional food products (food-like NHPs) will be regulated as a therapeutic or food.

*Implication for importers:* There is a lack of clarity on what rules and regulations will apply to manufacturing, labelling and advertising.

Members interested in a formal discussion with Health Canada to discuss how natural health products and food-like NHPs will be addressed under C-51 should contact Keith Mussar at 905-542-2082 or kmussar@iecanada.com.

### **Outcomes positive**

CFIA has approached I.E.Canada to assist in two ways:

- to help develop a regulatory framework to come after Bill C-51 has passed, based on consultation with our members.
- to be actively engaged in broad stakeholder outreach through communication and education efforts, to which I.E. Canada has already made a commitment.

We anticipate that I.E.Canada will also be invited to present to the Standing Committee on Health when the bill goes before the committee, which is expected this fall.

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### **AGM Highlights, cont'd from pg. 2**

matters for both Canada and U.S. based clients. Prior to joining JPMorgan, Joy spent a number of years with KPMG LLP and Deloitte & Touche LLP as a Customs and International Trade consultant. Most recently, she has assisted clients in becoming registered for C-TPAT and PIP programs, obtaining favourable National Customs Rulings, and has presented voluntary disclosures to the CBSA and the U.S. CBP on behalf of clients. Very active with I.E.Canada, she is currently looking into forming an Export Committee (*see story p.2*).

**Sandra A. Scott** joined supply chain services company TradeMerit U.S. Corporation in February as Vice-President of Business Development. Formerly, she was advocate and director of international relations for motor carrier industry giants Roadway Express, Inc. and YRC Worldwide Inc. For two terms, Sandra served on the U.S. Dept of Homeland Security, U.S. Treasury Department Commercial Operations Advisory Committee (COAC), participating in the development of the C-TPAT guidelines, Free and Secure Trade (FAST) Program, Trade Act of 2002 compliance measures, and the FDA's Bioterrorism Act implementation. She continues to play an integral part in many U.S. Customs initiatives, serving as the co-chair of the International Trade Data System (ITDS) Committee. Sandra has also served on Canada's CTACC and on the Canada Border Commercial Consultative Committee (BCCC).

As Managing Director, Customs and Compliance for Avnet Inc., a \$16 billion global distributor of computer and electronic components, **Molly Zito** specializes in customs, global supply chain, and international trade matters for both Canada and U.S based clients and suppliers. She has been with the company for 17 years. In 2004, assigned as project manager for a large OEM client, she travelled to Hong Kong and Taiwan establishing global customs and logistics processes, and in 2006, she implemented two large semiconductor companies' operations in Hong Kong and was part of the SAP Warehouse implementation team for Avnet Logistics 3PL Services. Molly is Past President of I.E.Canada's Customs & Legislative Committee, has also sat on the board of the Organization of Women in International Trade-Toronto (OWIT-Toronto), and has participated in many design committees with the CBSA, including the Customs Self Assessment/FAST program.

## Quebec Seeks Input

Opportunity abounds in Quebec for I.E.Canada members to benefit from knowledge sharing and networking through the various events organized by the chapter. Each year the chapter produces a schedule of events from September through June that is attracting increasing numbers from the international trade community. With the season coming to a close, it is time to reflect and plan for next season.

Seminars, site visits, cocktails and the like offer participants throughout the season an opportunity to be kept up to date on import/export fundamentals, changes in the field and to meet and exchange information with peers.

This past season, the chapter organized 13 events. Customs issues are a perennial favourite as are our cocktails. The most popular event saw over 120 participants enjoy a breakfast presentation dealing with the future of first cost and 9801 and their impact on U.S. customs duties. Cocktails are held to launch the season in September, to celebrate the holidays in December and to close the season in June and offer unstructured networking in a relaxed atmosphere.

The 2008-2009 season is under development and members are invited to participate in the process. If you have topics or issues you would like addressed, a presentation you would like to make, or suggestions for an activity you would like us to produce, please contact us.

Don't miss this year's season closing cocktail which will be attended by National President Mary Anderson on Wednesday, June 18 from 5 p.m. onwards at Decca 77 1250 Rene Levesque West (ground floor) in Montreal. For events and to RSVP for the upcoming cocktail, please contact Quebec Chapter Coordinator Geoff Bush at 514-318-3924 or [gbush@iecanada.com](mailto:gbush@iecanada.com).



[l to r] Mary Anderson, President, I.E.Canada, Michael Lee-Chin, and Isabel Alexander, Chair, I.E.Canada

### Michael Lee-Chin, cont'd from pg. 1

Mr. Lee-Chin, whose privately-held investment company owns a diversified collection of businesses from financial services (including the AIC Mutual Funds) to media, emphasized that the Caribbean is a "treasure trove of opportunities" due, in part, to a dearth of equity capital and to long-term growth prospects. Its close proximity to the U.S. and Canada, predominantly English-speaking population, common heritage as part of the British Commonwealth and respect for the rule of law make it an attractive market for Canadian companies to target, he said.

### Poised for growth

His advice for doing business successfully in the Caribbean, which he stressed is poised for phenomenal growth, includes:

- visiting the region and meeting with Canadian Embassy representatives in order to get oriented; and
- capitalizing on areas of strong growth such as financial services, health care, telecommunications, real estate and infrastructure

Having successfully intertwined his passion for the Caribbean and for Canada, this visionary entrepreneur has not only anticipated demands and developed highly profitable services to meet them, but has a strong belief that wealth creation comes with a philanthropic responsibility. "The question to ask is 'How do we use our voice and power to ensure the many inequities in the world are addressed?'," he challenged the audience.

### Community first

In sharing the example of his launch of a telecom company in the Caribbean with a goal of sustainable development, he demonstrated the benefit of "thinking community first." In this case, "doing good" by bringing telecom costs down to a range affordable to the masses has also resulted in "doing well" in terms of profitable business.

*For more information on the Canadian Council for the Americas and future events, visit [www.cccanada.com](http://www.cccanada.com).*

## Committees Gain New Support

I.E. Canada welcomes Amesika Baeta as our new Committee Director. Joining us after an internship this year as a Trade Assistant with the U.S. Commercial Service at the U.S. Consulate in Toronto, Amesika will be supporting our committees and assisting Carol Osmond, VP Policy, on policy issues. "We are excited to have someone with Amesika's qualifications and enthusiasm on our team," says Carol. "She will play a critical role as we work to revitalize our committees and improve our services to members."

With a B.A. in International Relations from the University of Toronto and a Masters in International Development from the University of Manchester, Amesika welcomes the opportunities in her new role. "My internship at the U.S. Commercial Service really sparked my interest in the trade arena," she explains. "I am very excited about this role at I.E. Canada and about helping to define it through a strong committee program. It's also a wonderful opportunity to assist with policy and research work." Having worked as a Social Policy Researcher from 2004 to 2006, she brings research skills to her new role.

After just a week on the job, Amesika is impressed by the range of trade issues in which the association is involved. "I wonder how I.E. Canada ever sleeps!" She looks forward to working with all the committees and contributing to both a revitalization where needed and a strong program.

## The Customs Duty and International Trade Course

September 22-24, 2008, Calgary  
November 24-26, 2008, Toronto

I.E. Canada welcomes top trade and customs experts to teach this hands-on international trade course. Designed to provide trade professionals with a basic understanding of the rules that govern the international trade of goods and services, you will be in a better position to assess the risks and exploit the opportunities in international trade, including NAFTA, WTO and FTAA. You will also recognize how these agreements should feed into an organization's strategic decision making process.

For more information and to register, visit [www.iecanada.com/events.html](http://www.iecanada.com/events.html)



Amesika Baeta

Amesika can be reached at [abaeta@iecanada.com](mailto:abaeta@iecanada.com).

## Save the Date

I.E. Canada's 77th Annual Conference, Trade Show and Reception will take place on October 27-29, 2008 at the Delta Meadowvale Conference Centre, located at 6750 Mississauga Road by the Toronto airport. This year's theme is maximizing the value in your supply chain.

We are in the process of finalizing the agenda. If you wish to provide input into the topics or speakers, or are interested in sponsoring, please contact Fée Kiessling, project lead, 77th annual conference, by contacting her at 416-223-7072 or at [fkiesling@iecanada.com](mailto:fkiesling@iecanada.com). For trade show enquiries, please contact Jesse Arsenault at 416-595-5333 ext. 37.

Watch for updates on the conference at [www.iecanada.com](http://www.iecanada.com).



## New Members

The following new members joined us in May. Welcome aboard!

### **Nexans Canada Inc.**

Chris Archibald  
Markham, ON

### **Northern Lights Organics Ltd. c/o Edmonton Tea and Coffee Ltd.**

Dale Panteluk  
Edmonton, AB

### **Valley Metal Fabricators Ltd.**

Dwayne Puzzie  
Calgary, AB

Canadian Association of Importers and Exporters Inc.  
Association canadienne des importateurs et exportateurs inc.

160 Eglinton Avenue East, Suite 300  
Toronto, Ontario M4P 3B5  
Telephone 416 595-5333  
Fax 416 595-8226  
[www.iecanada.com](http://www.iecanada.com)

Editor: Susan Baka  
Assistant: Maggie Weaver

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