

# tradeweek

Your Resource for Global Trade | August 31, 2009 | Vol. 120, No. 13

## Global Trade Management



The key to success in global trade lies in having good tools. Having the right people in place, the latest in logistics technology and the best compliance programs available are necessary elements for any company looking to thrive in the global marketplace. Of course, these will only be useful if you have the budget and financial strategies to manage risk and grow the business.

I.E.Canada's 78th Annual Conference will provide participants with the chance to hear from experts and build the tools necessary for success in global trade management. The morning will begin with an address from the Honourable Peter Van Loan, Canada's Public Safety Minister. Van Loan will discuss the outcomes of his recent meeting with U.S. Department of

Homeland Security Secretary, Janet Napolitano, where they addressed the issue of collaborative border management and the need to balance safety and security while still facilitating trade.

The rest of the morning will focus on building and funding world class compliance operations. Often overlooked, compliance departments play a critical role in the success of their organizations by avoiding risk, ensuring compliance with programs and ultimately contributing to the bottom line. Attendees will learn how to attract executive attention and build a budget to support global trade compliance operations. Compliance can contribute to the profitability of a business. Compliance leaders need to make this case

***Conference, cont'd on pg. 2***

### Call for Nominations!

I.E.Canada is searching for candidates for the inaugural CATIE© awards being held October 19, 2009 at the Delta Meadowvale Conference Centre in Mississauga, Ontario. Any outstanding Canadian

company is eligible (except for the Beth Travis Member of the Year Award).

The CATIE Awards, presented for the

***Nominations, cont'd on pg. 2***

### Canada - EU Trade Negotiations

On July 16, 2009, Bennett, Jones LLP, generously hosted a complimentary seminar for association members on the Canada - EU negotiations towards a Comprehensive Economic and Trade Agreement. Canada and the European Union (EU) officially launched the negotiations on May 6, 2009.

The seminar featured Don Stephenson, assistant deputy minister, trade policy negotiations with the Department of Foreign Affairs and International Trade, who outlined the importance of the negotiations, what the parties are attempting to achieve and some of the challenges.

One of the first questions that arises is why this agreement is being called a Comprehensive Economic and Trade Agreement (CETA) and not simply a free trade agreement (FTA). Mr. Stephenson explained that given the broad scope of the FTAs that Canada has entered into, there is no difference. However, the Europeans were not comfortable calling the agreement an FTA because they view FTAs as essentially tariff deals.

Regarding the importance of the negotiations, Mr. Stephenson noted

***Negotiations, cont'd on pg. 5***

Annual Conference	2
Project Cargo	3
MATRADE	4
I.E.Canada News	6

## Conference, cont'd from pg. 1

to executive using key performance indicators to prove the benefits of their departments.

Before making that case to executive however, businesses must make sure they have the proper compliance team in place. This could mean investing in in-house expertise and building a world class compliance team within your own organization, or it could mean outsourcing and focusing on the core business. Find the best fit for your organization by learning from leaders such as UPS and Costco.

Over lunch, Peter Hall, chief economist of Export Development Canada, will tell businesses what they can expect from the economy. Hall will discuss the results of global stimulus spending, the state of the U.S. and Canadian economies, and provide a forecast for oil prices and the Canadian and U.S. currencies. He will also discuss the opportunities that exist during this time of dramatic economic change.

The afternoon will provide practical advice on global compliance. Learn the best practices for improving supply chain visibility and logistics control through technology. Leading technology and software providers will outline options for streamlining trade processes while reducing global supply chain costs and minimizing trade compliance risks. Attendees will also have an opportunity to find out the best finance strategies for their businesses. Whether it be hedging strategies to deal with fluctuating exchange rates or insurance options for minimizing risk, businesses will benefit from being informed.

With all that knowledge firmly in hand, attendees will then be given a framework for putting it all together. Compliance professionals from Covidien, a leading global healthcare products company, will present a step-by-step outline for

building an effective trade compliance organization.

Finally, it will be time to honour the best in compliance. The first day of the conference will end with a very special event, the I.E.Canada Inaugural CATIE Awards, which will celebrate best practices in global trade. The awards will honour people and organizations in four categories: Best Practices in Trade Processes, Trade Leadership, Greening of the Supply Chain and a member volunteer award, named in honour of Beth Travis.

So, don't miss out. Join I.E.Canada to learn, exchange ideas, and honour the best in global trade!

For information, to register for the conference, or for a CATIE Award nomination form, please contact Jesse Arsenault at 416-595-5333 ext. 37 or e-mail [conference@iecanada.com](mailto:conference@iecanada.com).

### Nominations, cont'd from pg. 1

first time at this year's annual conference, address four categories:

**Best Practice in Trade Processes**, recognizing the implementation of a new process to improve trade processes, to create efficiencies and reduce costs.

**Trade Leadership**, celebrating an individual who has demonstrated leadership and vision in the process of compliance and the culture of professionalism in trade.

**Greening the Supply chain**, recognizing corporate best practices in environmental trade sustainability.

**Beth Travis Member of the Year**, honouring a member who has demonstrated a passion and commitment to the development of Canadian trade and to I.E.Canada's mission to be the voice of trade in

Canada. This is the only category where all nominations considered must be I.E.Canada members.

Nominate yourself or someone you know today! All nominations must be submitted by September 17, 2009.

For further information on the I.E.Canada CATIE Awards, or for a nomination form, please contact Jesse Arsenault at 416-595-5333 or by email at [jesse@iecanada.com](mailto:jesse@iecanada.com).

## New Members

The following members joined I.E.Canada in July and August. Welcome new members!

### Beauty Ventures Canada

Tara Sterling  
President & CEO

### Comage Container Lines Ltd.

Sonny Gurjal  
Vice President

### Grow Trade Consulting Inc.

Nancy Ward  
Director

### H&I Local and Importing

Ian Ramsundar  
Owner

### Imperial Evergreen Casket Corp.

Gordon Ropchan  
CEO

### Litens Automotive Partnership

Brad Long  
Global Logistics & C.I. Manager

### Speciality Vehicles and Transportation Equipment Manufacturers' Association

Lucie Dandenault  
Director - Business Development

### Thompson Dorfman Sweatman LLP

Silvia de Sousa  
Partner

## 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.*

### Project Cargo Outlook

It would seem that analyst forecasts from last year that breakbulk and heavy lift operators would weather the recession better than container shipping lines have proven pretty accurate. Among other things, the long lead times and large investments involved together with strong government commitments to infrastructure projects worldwide have had a positive market impact.

Multimillion-dollar construction projects are not turned off overnight, so specialized carriers have continued to move cargo from contracts that were signed several years ago. True, while demand for project cargoes has softened, these niche carriers are "riding the wave."

One shipping executive in Toronto told this observer that many projects remain on the market. "Interestingly enough, the big projects are coming alive whereas the small ones are coming down."

Maurice Vezina, executive vice president of Montreal-based Gillespie Munro, a leading Canadian freight forwarder, reports that brisk, ongoing business in mining equipment has shown virtually no weakness at all.

While certain Canadian ports, including Thunder Bay, Vancouver, and Montreal remain active players for cargo activity related to the Alberta oil sands, wind energy and other dimensional shipments, the global downturn (that has recently shown signs of reaching bottom) has provoked a significant change in some market trends.

In the words of Jan Beringer, "I always say in the shipping business - if it is not coming in, then it's going out." Beringer is president and ceo of Calgary-based Rohde & Liesenfeld Canada Inc., a company that is heavily involved in major project cargo developments.

In an interview, he pointed out that "we have taken an about face from the mega projects in oil sands and wind energy fuelling our economic growth to the stark reality of a growing trend of dismantling and shipping out Canadian assets. Assets, like for example, auto parts plants, forest product mills, steel mills, shipyards and other brick-and-mortar businesses are being loaded on breakbulk and container vessels destined for growth markets like India and China."

"In addition," Beringer continued, "mobile assets like drilling rigs, cranes and heavy equipment are being auctioned off across Canada and being shipped out to overseas buyers. This trend is directly linked to the downturn in our Canadian oil and gas and mining sector activities, where this equipment is now no longer required, and the equipment owners are desperate to dispose of the assets as quickly as possible.

"The economic reality is that increasing environmental restrictions and the high cost of unionized labour in North America are shifting our bricks-and-mortar plant and equipment assets to overseas markets."

According to Beringer, "at least in the short term, the relocation of assets out of Canada represents a stimulus package for both breakbulk and container vessel operators."

During the interview, Beringer indicated that "since the economic crisis hit us head-on, we have seen a substantial increase in our own revenues involving the dismantling and shipping of plant and equipment - almost to the point that we are as busy shipping out equipment as we were previously shipping in new equipment."

Beringer said that other areas of breakbulk activity in the project sector can be traced to mining equipment being exported and imported for potash plants.

He also singled out an emerging business opportunity in Canada: the establishment of plants for processing waste logs from pine beetle and damaged forests in western Canada to produce an end-product of wood pellets. "These pellets are then shipped to markets in Europe for wood burning stoves and other heating and power end uses."

In Beringer's view, the oil sands mega projects will come back on stream in a big way once world oil prices attain a sustainable level in the US\$80 range. They have recently been hovering around \$70 a barrel.

Leo.ryan@bellnet.ca

## Malaysia: The All-round Solutions for World Class Automotive Components, Parts, Accessories and Services.

From high-end electrical and electronic products to advanced security systems. From rubber and plastic parts to complete vehicles. Mark your diary today for a showcase on these products in Malaysia from August to December 2009 that display the very best of the capabilities of the Malaysian auto industry, all integrated under one roof. It is a perfect platform to establish linkages with Malaysian companies that can meet your complete requirements for quality replacement parts, new designs and subcontracting work. Private business meetings and factory visits can be arranged for you at no cost. Register now and come visit us at the Malaysia Export Exhibition Centre (MEEC) at MATRADE. Don't miss the opportunity to discover the products and partnerships that truly shift your business into top gear.

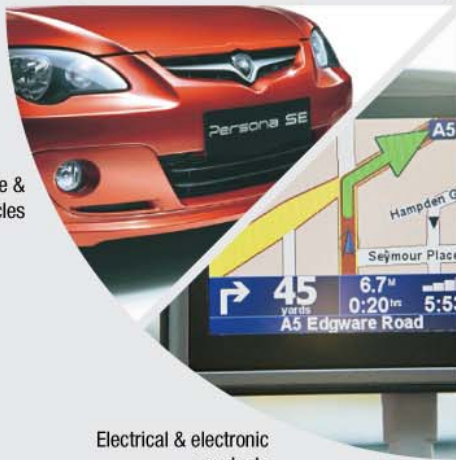


Trade Commissioner Consulate of Malaysia (Trade Office)  
First Canadian Place, 100 King Street West, Suite 5130,  
P.O. Box 389, Toronto, M5X 1E2, CANADA  
T: +1-416-504 6111 F: +1-416-504 8315  
E: toronto@matrade.gov.my

Metal based products



Plastic based products



Vehicle & motorcycles

Electrical & electronic products



Accessories, audio & security system

Rubber based products

## Negotiations, cont'd from pg. 1

that while there are other trade issues - such as the Buy American provisions in U.S. stimulus legislation - that due to their urgency compete for the number one spot, Prime Minister Harper has stated that the CETA is the country's single most important trade policy initiative, especially given the impasse at the World Trade Organization (WTO). It was this impasse at the WTO that caused the EU to review its policy with respect to FTAs, and clearly if the multilateral negotiations were to be resurrected, they would take precedence over the discussions with Canada.

However, the negotiations between Canada and the EU have special significance for both sides. For Canada, it represents the culmination of at least three decades of effort to engage the Europeans in such negotiations and presents an opportunity to reduce our reliance on the U.S. market. As for the Europeans, it is the first time that the EU has entered into free trade talks with a developed country and will establish a precedent for future agreements with other countries, including the United States. Traditionally, the EU has entered into FTAs with developing countries, especially the former colonies of EU members.

The EU is Canada's second largest market for goods and services and has important growth potential. Canadian export interests include meat, grains, processed foods, fish and seafood, wood and wood products, chemicals, plastics and aerospace products, as well as engineering and computer services. It is anticipated that the CETA could increase exports by 20% across the economy. There are also significant investment opportunities in both directions.

Mr. Stephenson noted that the Europeans wanted assurances that Canada is ambitious and prepared to go further than in other agree-

ments, and that the provinces were also prepared to come to the table to address issues that fall within their jurisdiction. As a result for the first time, the provinces will be at the negotiating table. Government procurement, services and investment policy are all matters that fall within provincial jurisdiction and without the provinces being fully engaged, problems would arise with implementation of an agreement.

The government has identified the issues that will be addressed, including market access, sanitary and phytosanitary measures, non-tariff barriers, regulatory cooperation, customs procedures, intellectual property, labour mobility, competition policy and so on. However, this is not a closed list and there are no a priori exclusions notwithstanding sensitivities on both sides.

In terms of the challenges, Mr. Stephenson commented on the importance of industry expressing support for the negotiations as those with interests in sensitive sectors will be well-organized in their opposition. He emphasized that it is the business community that must drive the substance of the negotiations and specifically identify what they are seeking from the agreement.

There will also be some sensitive issues, including geographic indications, processed foods, dairy products, textiles and apparel, ship building, autos and auto parts and so on.

Some of the challenges will be process related especially on the Canadian side with the provinces being directly involved in the negotiations rather than simply being consulted as they have been in the past.

Following the announcement of the negotiations in Prague in May, officials met in Montreal in June to work out technical details. Five full

negotiating sessions are planned before next fall and it is anticipated that an agreement will be reached in two to three years.

Following Mr. Stephenson's remarks, a panel of I.E.Canada members, Carol Buckton, Siemens Canada; Bob Riddell, TFB & Associates Limited and Ullrich Winkler, Elco Fine Foods, Inc., highlighted some of the issues that they would like to see addressed in the agreement, including packaging and labeling requirements, harmonization of standards, government procurement and border processes.

The Honourable Roy MacLaren, Canadian chair of the Canada Europe Roundtable for Business, concluded the event by highlighting some of the key themes. Mr. MacLaren has been promoting Canada-EU relations for more than thirty years. He noted the importance of these negotiations as a means of diversifying Canada's trade relations, the significance of provincial engagement not only for these negotiations but also as a means of addressing inter-provincial trade barriers; and the importance of the negotiations from a European perspective as the CETA will serve as a template for future agreements with other developed countries.

I.E.Canada recently conducted a survey of its members regarding the market access aspects of the proposed agreement between Canada and the EU. The results of this survey will be used for purposes of providing input into the negotiating process.

The association is also forming a new Trade Policy Committee that will have as its initial focus the Canada-EU CETA negotiations. If you or a member of your company is interested in participating in this committee, please contact Amesika Baeta, committee director, at [abaeta@iecanada.com](mailto:abaeta@iecanada.com).

## What's Up With Committees?

The following article was written by Amesika Baëta, committee director and Carol Osmond, vice president, Policy.

The Customs & Legislation (C&L) Committee has been very active during the past month.

### Advance Commercial Information (ACI) Subcommittee

On August 26, 2009, meetings were held with officials from the Admissibility, Enforcement and Innovation, Science and Technology Branches of the Canada Border Services Agency (CBSA) to walk them through the business processes of two I.E.Canada members. The purpose of the walk throughs, which were organized following meetings with Cathy Munroe, vice president, Admissibility, was to illustrate the challenges that importers anticipate with ACI/eManifest, particularly the Importer Admissibility Data set.

### Customs Self-Assessment (CSA) Subcommittee

A working group comprised of members of I.E.Canada's CSA Subcommittee, along with representatives of other associations, will have a follow up meeting with Canada Border Services Agency (CBSA) officials on September 2, 2009 regarding CBSA's working proposal for a CSA alternative clearance option. This meeting had originally been scheduled for August 25, 2009. A meeting of the CSA Importers Roundtable, which will be open to all CSA importers, as well as companies applying for the CSA program, will be held in early fall.

### Broker Licensing/Professional

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

### Status Working Group

The C&L has established a working group to address issues relating to broker licensing and qualified or professional status. The first meeting was held via conference call on August 24, 2009 to discuss a "wish list" of requirements that "qualified officers" of a customs brokerage business should have to meet. This issue had been raised within the Licensing Advisory Committee (LAC), and the association has been requested to provide feedback. The list will be submitted to the CBSA and discussed at the next meeting in September. Glen Perry of Canadian Tire is the importer representative on the LAC.

The members of the working group are among those who completed the recent broker licensing survey. The association received a tremendous response to the survey with approximately 94% of respondents indicating that they would support individuals who have written the Customs Broker Professional Examination being able to maintain their qualified or professional status without having to work for a customs brokerage firm, provided they can demonstrate that they continue to maintain their customs knowledge. Complete survey results are being finalized and will be circulated to the members of the C&L Committee.

### Courier Processes Trade Stakeholder Committee (CPTSC)

The CPTSC held its first meeting on August 25, 2009. This multi-stakeholder committee with representatives from the courier and customs brokerage industries, as well as the

importing community, will analyze and develop industry positions and solutions regarding courier processes, especially the Courier/LVS program. John Bescec of Microsoft Canada, Susan Subryan of L.V. Lomas Ltd., and Lorena Zevallos of EMC Corporation of Canada will represent I.E.Canada on this committee, along with Carol Osmond, I.E.Canada's vice president, Policy.

The C&L Committee will be holding a special in person meeting with CBSA on September 8, 2009 to discuss CBSA's Courier/LVS program review.

### Border Commercial Consultative Committee (BCCC)'s Examination Subcommittee

The BCCC's Examination Subcommittee held its first meeting on July 22, 2009. Molly Zito of Avnet Logistics Canada represents I.E.Canada on this subcommittee. Minutes of the meeting were circulated to the C&L Committee and are available from Amesika.

If you would like more information on any of the matters above, please contact Amesika Baëta, committee director, at [abaeta@iecanada.com](mailto:abaeta@iecanada.com).

---

### Members, cont'd from pg. 2

#### Trade Commissioner's Office Of Poland

Ewa Chmura-Golonka  
Vice-Consul Commercial Affairs

#### White Rock Courier Ltd.

Hanif Hamir  
President

---

Editor: Andrea MacDonald  
Assistant: Maggie Weaver

*Tradeweek* is published twice each month for and on behalf of the Canadian Association of Importers and Exporters Inc. / Association canadienne des importateurs et exportateurs inc. It is circulated by first class mail to members only. Reproduction of any of the contents of *Tradeweek* is encouraged provided that appropriate source credit is given.