U.S. Department of State
FY 2001 Country Commercial Guide: Canada

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TABLE OF CONTENTS

CHAPTER I. EXECUTIVE SUMMARY

A. Canada - Our Largest Trading Partner By Far

In 1999, two-way trade in goods between the United States and Canada amounted to US$365 billion, or US$1 billion per day. Of Canada's total 1999 imports, 74 percent came from the US, while over 86 percent of Canada's exports were shipped to the United States. The US exported more to Canada in 1999 (US$160 billion) than to our number two and three export markets (Mexico and Japan) combined.

In 1999, the Canadian economy grew by an impressive 4.5 percent, further fueling US-Canada trade. Economic growth is expected to continue at a rate of 4.1 percent in 2000, while falling slightly to a more sustainable 3.0 - 3.5 percent during 2001. Private consumption is forecast to rise by at least 3 percent in 2000, due primarily to strong real growth in wages and record low unemployment. Canada's strong economy will continue to support the demand for US goods and services of all kinds. Growth in the information and communications technology, biotechnology and other high-tech sectors, as well as the auto industry and oil and gas industry will provide particularly good opportunities for US exporters. For Canadian companies upgrading their plants and equipment, as well as for those constructing new facilities, the United States is a principal source of new machinery and technology. US companies will continue to find Canada an extremely attractive and accessible place to do business.

B. Think "Canada First!"

Canada has a population of roughly one tenth that of the United States, and the Canadian economy mirrors the US economy in about the same ratio. In many respects, the two countries have developed along similar lines. This has made Canada an ideal export and investment destination for American companies looking for an environment and marketplace most similar to their own. We believe that for export-ready US firms, or for companies that are just beginning to think about exporting, Canada is the logical first choice. Its business practices and attitudes are more similar to those in the United States than are those of any other country in the world. For US companies that already have some Canada experience and are exploring new opportunities in the country's diverse regional markets, geographical proximity reduces time and expense. NAFTA offers tariff-free benefits for US-produced goods. Add the advantages of congruent time zones, a straightforward regulatory regime, and a common language, and doing business in Canada simply makes good sense.

Geographic proximity, cultural and historical ties, and strong awareness of business and technological developments in the United States are key factors in the enormous volume of sales of US goods and services in the Canadian market. Third-country competition tends to be far less prevalent in Canada than in most other international markets. NAFTA tariff benefits boost the advantages that US exporters already have in the Canadian market, compared to their competitors from Europe, Asia and elsewhere.

In general, Canadians have strong national pride and will often favor Canadian products over US products if price and quality are similar. Nevertheless, US firms that can offer technical, cost, or product advantages over locally-produced goods can do as well in the Canadian market as they can in the domestic American market.

C. Best Prospects for US Firms

Business opportunities in Canada cover the full range of industrial and agricultural sectors and include virtually every commercial activity. The top five sectors offering the best prospects for US exports in the coming year are: automotive parts and service equipment; electronic components; computers and peripherals; aircraft and parts; and building products. There are also excellent opportunities for exporters of computer software, telecommunications equipment, and electric power systems. In the agricultural sectors, there will be continued strong demand for fresh vegetables, red meats, organic food products, and snack foods from the United States. Please see Chapter V for more detailed information on best prospects.

D. Market Entry Vehicles

The US Commercial Service encourages American firms to come to Canada to participate in one of a variety of low-cost market entry programs offered by the US Government. Our Dealmaker events, for example, offer pre-screened appointments with Canadian firms, briefing sessions with experts, and networking events at minimal cost to US companies. (Please see Chapter XIII for a complete trade event schedule.) Customized assistance and appointment scheduling is also offered to US firms under the Gold Key program.

For additional information on the Canadian market, please contact the US Department of Commerce Export Assistance Center serving your area or the Commercial Service of the US Embassy in Ottawa, Canada. (Chapter XI contains complete contact information.)

US exporters seeking general export assistance and/or country-specific commercial information should contact the Trade Information Center by Tel: (800) 872-8723 or (202) 482-0543, or by Fax: (202) 482-4473. This Country Commercial Guide, as well as those for other countries is available on our website: www.usatrade.gov.

CHAPTER II. ECONOMIC TRENDS AND OUTLOOK

A. Major Trends and Outlook

Canada has an affluent, high-tech industrial economy that closely resembles the United States in its per capita output, market-oriented economic system, and pattern of production. The Canadian economy grew by 4.5 percent in 1999, eclipsing its 3.3 percent growth in 1998, as it rode the wave of a booming United States economy. A consensus of private sector forecasters predicts growth at 4.1 percent in 2000, although first quarter 2000 results suggest that the Canadian economy could grow by as much as it did in 1999. In 2001, output is forecast to ease to a more sustainable 3 – 3.5 percent. These projections assume that US growth will subside to nearer 3 percent in 2001, as US Federal Reserve Board interest rate increases in late 1999 and 2000 take effect.

Private consumption is forecast to grow by at least 3 percent in 2000, easing slightly in 2001 as a result of higher interest rates. Consumer spending is fueled by strong growth in real wages and low unemployment, which dropped to a 24-year low of 6.6 percent in May 2000. The FY2000-2001 federal budget will provide fiscal stimulus in the form of federal tax cuts, both personal and corporate, and investment programs for health, education and technology innovation. Business investment rose by 9.4 percent in 1999, and should continue relatively strong growth in 2000 as a result of firming commodity prices and high export demand, in part stimulated by the low Canadian dollar. Some slowing in business investment is expected, however, due to the lagged effect of higher interest rates in 1999 and 2000.

Growth in Canada's export sector should continue to be fueled by ongoing strength in the US economy and Canada's weak dollar. Global economic recovery, particularly in East Asia and Latin America, will further boost Canadian export revenues. The combination of a weak Canadian dollar and upward pressure from record high petroleum prices could push Canada's inflation rate to the upper limit of the Bank of Canada's 1-3 percent target band. Canada's core inflation rate (Consumer Price Index less food and energy) is expected to move up to the middle of the target band.

B. Principal Growth Sectors

Growth is expected in several sectors, including forest products, petrochemicals, oil and gas, high technology, biotechnology and mining technology. Central Canada (Ontario and Quebec) is a major participant in the global high-tech surge. Large and small firms are at the leading edge of fiber optics, wireless telecommunications and information technology system developments, and substantial new investment is planned. Output in the electrical and electronics industry, which includes integrated computer components, has recorded double-digit growth for three straight years. In addition, aerospace, mass transportation, telecommunications carriers and computer service firms are showing particular strength.

C. Government Role in the Economy

Canada is the world's seventh-largest market economy. Production and services are predominantly privately owned and operated. However, the federal and provincial governments are significantly involved in the economy. (Spending on goods and services by the two levels of government in 1999 accounted for 21 percent of GDP.) They provide a broad regulatory framework and engage in redistribution of wealth from high-income individuals and regions to lower income persons and provinces. Federal government economic policies since the mid-1980s have emphasized reduction of public sector interference in the economy and promotion of private sector initiative and competition. Both federal and provincial governments also privatized selected crown corporations. Nevertheless, federal government regulatory regimes affect foreign investment in telecommunications, publishing, broadcasting, aviation, mining, and fishing.

D. Balance of Payments Situation

Canada's deficit on its global current account dropped in 1999 to US$2.3 billion from US$11 billion in 1998. With respect to US-Canada bilateral trade, burgeoning demand for Canadian exports from a soaring US economy resulted in Canada's merchandise trade surplus with the United States rising by US$15.4 billion between 1998 and 1999, to US$32.1 billion. Total two-way merchandise trade between the United States and Canada was US$365 billion in 1999. When services and investment income are included, total two-way trade was over US$450 billion. Canada is the largest single-country export market for the United States. In addition, total two-way merchandise trade between the United States and Canada is larger than total US merchandise trade with the entire European Union, or total US merchandise trade with Japan. The most traded commodities are transportation equipment, machinery and equipment, energy, other natural resources and agricultural products.

The stock of US foreign direct investment (FDI) in Canada was US$116.6 billion in 1999, up US$12.7 billion from the previous year. US investment in Canada represents 72.2 percent of total FDI in the country and are concentrated in manufacturing, finance, and the resource sectors. The stock of Canadian FDI in the United States amounts to 52 percent of total Canadian direct investment abroad. In 1999, total Canadian FDI in the US, including investments from Canadian holding companies in the Netherlands, rose to US$90.4 billion from US$85 billion a year earlier. Investment was concentrated in finance and insurance, metallic minerals and metal products, communications, and chemical products.

E. Infrastructure

1. Transportation

According to the Global Competitiveness Report produced by the World Economic Forum, Canada's transportation infrastructure ranked first among the G-7 countries. This ranking is based on the extent to which a country's transportation infrastructure meets the requirements of an internationally competitive business, and measures the adequacy of roads, railroads, air transport and port access. Canada's truck, air and rail services are well integrated with US networks, providing efficient access to consumers and suppliers throughout North America.

(a) Railways

Canada's two major railways, Canadian National Railways (CNR) and the Canadian Pacific Railway Company (CPR) offer rail services on a national scale, including inter-modal services, to shippers and receivers from the Atlantic Ocean to the Pacific Ocean.
Both transcontinental railways are already highly integrated with the rail transportation systems in the United States. For example, the CNR concluded a merger with the Illinois Central Railroad in 1999, and in March 2000 the CNR and Burlington Northern – Santa Fe Railroad proposed to merge. In May 2000 the CPR formed an "e-commerce" alliance with Union Pacific, Norfolk Southern and CSX to facilitate internet-based tracking of freight movement and with the aim of creating a "continent-spanning transportation network." Short-line railways supplement the transcontinental lines of the CPR and CNR The short-line sector is growing vigorously and in 1998 experienced a 24% increase in the size of the network operated.

(b) Motor Freight

Canada has more than 500,000 miles of public roads. The 4,500-mile Trans-Canada Highway is the country's major east-west route, linking all 10 provinces. The road network includes a large number of crossing points with the US, eighteen of which are major trade gateways. Freight tonnage carried every year on Canadian highways is estimated at 400 million tons. Every year, roughly ten million trucks cross the United States-Canada border, and trucks carry about 70 percent of the annual US$365 billion dollars worth of US-Canada merchandise trade. The provinces have jurisdiction over highways in Canada and common carriers require an operating authority (or trip permit) from the appropriate provincial Department of Transport or Highways in which cartage will occur.

Both US and Canadian customs rules regarding cabotage were liberalized in 1997. Under the new rules, as long as cargo is international, the trucking equipment will also be considered international and free from cabotage restrictions. In 1999, Canada Customs liberalized cabotage restrictions on equipment moving without payload. Canada currently permits domestic pick-up and drop-off by US trucks, provided that the domestic shipment is secondary to the international shipment and that the route taken for the domestic load does not deviate substantially from the route for the international cargo. Existing immigration rules governing drivers, however, have not been affected by these changes.

(c) Water Transport

Canada is a maritime nation with access to three oceans, the Pacific, the Atlantic and the Arctic, and to the world's longest inland waterway open to ocean shipping, the Great Lakes/St. Lawrence Seaway System. Vancouver is Canada's largest port and the main terminal for goods being shipped to the Asia-Pacific region. In the eastern part of Canada, shipments are divided among several ports, including Montreal, Halifax, Saint John and Quebec City. Despite the cold climate in winter, many of Canada's deep-water ports are open year round. Modern container facilities at major ports, such as Halifax, Montreal and Vancouver, connect with inland container trains to ensure rapid movement of goods throughout North America. The Port of Montreal is Canada's leading container port because of its inland location, as well as its rail and road links to major markets in central Canada and the US northeast and mid-west. Canada, like the United States, places restrictions on foreign activity in the "Coasting Trade." Foreign-flagged vessels require a license to operate commercially within Canadian territorial waters.

(d) Aviation

Canada has a highly developed air transportation system that includes 10 major international airports and some 300 smaller airports. Canada's principal airline, Air Canada, has comprehensive domestic and international route networks and is complemented by a growing number of smaller domestic carriers. Air connections between the United States and Canada are extensive, with well-developed facilities for freight and passenger traffic. In the airline industry, Canadian and American carriers have unlimited access to fly between any Canada-US city pair. Twenty-five US carriers and 47 major foreign air carriers are licensed to provide scheduled airline services to and from Canada. Travel between the US and Canada is facilitated by the presence of US inspection agencies (Customs and INS) who "pre-clear" US-bound passengers at seven airports in Canada: Calgary, Edmonton, Montreal, Ottawa, Toronto, Vancouver and Winnipeg.

2. Information Technology

Canada is one of the most "wired" nations in the world: all major cities are well-connected to a high-speed internet backbone and, according to OECD figures, Canada has the lowest internet access costs among G-7 countries. The Government of Canada has made a priority of supporting high-speed research networks and internet access for institutions and communities. An example is the world's first all-optical network designed to carry only Internet data traffic. This network, called CA*Net3 will have a bandwidth capacity of 40 gigabytes per second - about sixteen times greater than the capacity planned for the fastest current US initiative, the Abilene network. Already spanning much of Canada, CA*Net3 is expected to be complete in 2001.

CHAPTER III. POLITICAL ENVIRONMENT

A. Nature of Political Relationship with the United States

The United States and Canada are allies and close friends that share a wide range of fundamental values, a commitment to democracy, and traditions of tolerance and respect for human rights. Both have dynamic market economies with sophisticated industrial, agricultural, natural resource, and service sectors, and both are committed to high living standards for their citizens. These factors complement the obvious geographic facts and have combined to make each the other's best customer. Despite the occasional friction over trade issues, the bilateral relationship, probably the most intensive and complex in the world, is positive and highly cooperative.

B. Major Political Issues Affecting Business Climate

One issue that has affected the business climate is the possibility that some day Quebec might vote to separate from Canada. The Parti Quebecois (PQ), which advocates sovereignty for the province of Quebec in partnership with Canada, controls the Quebec provincial government after having won elections in September 1994 and again in November 1998. The PQ held a referendum on Quebec sovereignty in October 1995, which was narrowly defeated. It has declared its intention to hold another referendum in the near future.

Since 1984, the federal government has devolved powers and social programs to the provinces, at first for political reasons and later in response to a fiscal crisis. During much of the same period, trade between each of the provinces and the United States grew faster than trade among provinces, exacerbating strains on the Canadian federal system. The federal budget deficit was eliminated by the end of 1997, and in January 1999 the federal government reached agreement with the provinces on joint decision-making on new social spending. Although renewed federal social spending may halt the trend toward devolution, the shift in powers to the provinces already accomplished is unlikely to be undone in the short term. The provinces can be expected to play an assertive role vis-à-vis Ottawa in decision-making on social, environmental and resource-related matters.

C. Political System

Canada is a parliamentary democracy and a federal state composed of ten provinces and three territories. The current federal government was elected on June 2, 1997, when the Liberal Party won 155 of the 301 seats in the House of Commons. A government is elected for a period not to exceed five years, but normally calls elections during the fourth year.

The major political parties in Canada are:

Liberal Party – a centrist party, led by Prime Minister Jean Chretien, which currently has a slim majority in the House of Commons with 157 out of 301 seats;

Canadian Alliance (formerly Reform Party) – a Western-based populist conservative party which holds 57 seats in Parliament and is the official opposition;

Bloc Quebecois – a Quebec sovereigntist party, the federal counterpart of the provincial Parti Quebecois, holding 44 seats;

New Democratic Party – a leftist, social democratic party which holds 20 seats in the House;

Progressive Conservative Party – a center-right party, also known as the Tories, which holds 18 seats in the House.

Provincial or Territorial Elections were held in British Columbia in May 1996 (NDP), in Alberta in March 1997 (PC), in Quebec in November 1998 (PQ), in Newfoundland and Labrador (L) and in Nunavut in February 1999, in Ontario (PC) and in New Brunswick (PC) in June 1999, in Nova Scotia in July 1999 (PC), in Saskatchewan (NDP) and in Manitoba (NDP) in September 1999, in Northwest Territories in December 1999, and in Prince Edward Island (PC) and in Yukon (L) in April 2000. The next elections in British Columbia must be held by June 2001.

CHAPTER IV. MARKETING US PRODUCTS AND SERVICES

A. Distribution and Sales Channels

Sales to Canadian companies are handled through relatively short marketing channels, and in many cases products move directly from manufacturer to end-user. A large number of Canadian industries are dominated by a handful of companies that are highly concentrated geographically. In many cases, 90 percent or more of the prospective customers for an industrial product are located in or near two or three cities. Canada's consumer goods market, on the other hand, is much more widely dispersed than its industrial market. The use of marketing intermediaries in consumer goods is common practice. Often, complete coverage of the consumer market requires representation in the various regions of Canada. Toronto, the largest metropolitan area and commercial center of the country, is usually the most logical location for establishing sole representation. From a regional perspective, the country may be divided geographically into five distinct markets, plus the territories, which are detailed later in this chapter. Establishing representation in each of these markets provides optimal coverage and the ability to target promotional programs to suit specialized market needs.

B. Use of Agents and Distributors

Distribution channels in Canada vary greatly according to the products and commodities involved. Large industrial equipment, for example, is usually purchased directly by end-users. In contrast, smaller equipment and industrial supplies are frequently imported by wholesalers, exclusive distributors, or by manufacturers' sales subsidiaries. US firms have historically preferred to appoint manufacturers' agents that regularly call on potential customers to develop the market.

Many sales agents expect to work on a two-tier commission basis. Agents receive a lower commission for contract shipments and a higher rate when purchases are made from the local agent's own stocks. Consumer goods are purchased by importing wholesalers, department stores, mail-order houses, chain stores, purchasing cooperatives, and many large, single-line retailers. Manufacturers' agents play an important role in the importation and distribution of consumer goods. In addition, the importance of department stores, mail-order houses and cooperative purchasing organizations as direct importers has increased substantially. Many of these groups have their own purchasing agents in the United States.

For assistance in identifying appropriate agents and distributors in Canada, US companies are advised to contact the Export Assistance Center serving their area to request the Agent/Distributor (ADS) or Gold Key Service. To locate the nearest office, please call the US Department of Commerce's Trade Information Center at the toll-free number: 1-800-USA-TRADE, or check the US Commercial Service website: www.usatrade.gov.

C. Franchising

Canada is one of the largest foreign markets for US franchisors. Canada's franchising sector is made up of approximately 1,300 franchisors, of which approximately 25 percent are US-based, and 76,000 franchised businesses. These range from restaurants to non-food retail establishments, food and convenience stores, automotive products and services outlets, and purveyors of business services. Approximately 45 percent of all franchises operating in Canada are based in Ontario, 18 percent in the Prairies, 17 percent in Quebec, 12 percent in British Columbia, and 8 percent in Atlantic Canada. Annual sales by franchises in Canada total over US$60 billion, representing about 48 percent of all service and retail sales, but only 5 percent of total businesses.

Franchised businesses of all varieties have enjoyed exceptional growth and success in Canada over the past decade. The principal advantage US franchisors have over third-country competitors in this sector is the strong recognition and familiarity of American products and services with Canadian consumers. The high volume of travel by Canadians to the United States combined with constant exposure to US television media through cable networks results in a relatively high receptivity which most Canadians have to US products and services, even before these products and services are introduced into the Canadian market. Overall, US companies seeking to introduce proven franchise operations supported by sufficient marketing and promotional campaigns can expect to be extremely well-received by Canadian consumers and potential franchisees.

Franchising is an increasingly attractive method of doing business in Canada because no federal regulations currently exist which specifically restrict franchise activities. Alberta and Ontario are the only provinces in Canada with legislation regulating franchise operations. These provincial regulations are intended to ensure that small business franchise investors are better able to make informed decisions prior to committing to franchise agreements. The new disclosure requirements reportedly ensure that prospective franchisees are aware of how franchisors plan to approach key contractual issues such as termination. The legislation also affords franchisees stronger legal remedies, should court action be required. Similar franchise legislation is now under consideration in other provinces. US franchisors already doing business in Canada and those considering establishing themselves in the Canadian market should take note of the proposed legislation and the strong likelihood of its adoption. Franchisors should be prepared to review existing and/or new franchise agreements, internal disclosure policies, and operating procedures to ensure their consistency with the new legislation.

D. Direct Marketing

Per capita, Canadian consumers purchase more goods through the mail than do their US counterparts. Tapping into this market can be as easy as placing an advertisement in a magazine or on the Internet. In general, Canadian audiences are targeted using the same techniques that are used in the United States. However, shipping goods to Canadian customers involves additional preparation.

When mailing goods to Canada, properly completed paperwork will ensure the goods reach their destination without delay. For most mail order shipments, the only paperwork needed is a standard business invoice. When completing the invoice, two elements are critical: a description of the goods and the value of the goods.

Companies should indicate the amount paid by the customer for the goods, in either US or Canadian dollars. If goods are shipped on a no-charge basis (samples or demos), companies must indicate the retail value of the shipment. Two copies of the invoice should be attached to the outside of the package.

All goods entering Canada are cleared through Customs, where duties charges are levied based on the value of the item(s). Duties for a specific product are determined by the type of product and the country of origin. The Customs Act states "that the validation for duty is the selling price that appears on commercial invoices covering sales in the country of export. This price may include freight, warranty, and other charges applicable in the domestic market of the country of export."

All shipments to Canada are also subject to the seven- percent Goods and Services Tax (GST), a multi-stage sales tax. Although companies pay the GST on each purchase, it is recoverable because the GST is a consumer tax, not a business tax. Canada Post also charges a C$5 (approximately US$3.40) processing fee on all packages that owe duty or tax.

Mail-order companies can avoid having the C$5 fee assessed to their customers by registering to collect Canadian duties and taxes themselves as a Non-Resident Importer. Companies registering with Canada Customs and Revenue Agency will be required to prepay duties and taxes monthly. Companies can also arrange to put up a bond in the amount of the estimated duties and taxes.

E. Joint Ventures/Licensing

In the broadest sense, any arrangement in which two or more businesses combine resources for some definable undertaking is considered a joint venture. The Canadian legal system provides great flexibility and imposes few restrictions as to the form which joint ventures may take, such as equity or non-equity. Some joint ventures require approval from the Government of Canada under the Investment Canada Act. Approval is based on the "net benefit" of the venture to

Canada. The "benefit criteria" include: the level of Canadian participation; the positive impact on productivity; technological development; product innovation; industrial efficiency; and product variety in Canada. In certain key industries, joint ventures with Canadian partners may prove to be the most effective or, in some cases, the only means of market entry for US companies.

There are a variety of reasons that Canada is an attractive market for foreign licensors. Most notably, Canada has no regulatory scheme governing licensing arrangements. Foreign licensors also do not require registration or public disclosure. Moreover, the Investment Canada Act has no direct application to licensing unless it relates in some way to the control of a Canadian enterprise.

F. Steps to Establishing an Office

Incorporation in Canada is a straightforward and inexpensive procedure, accomplished federally under the Canada Business Corporations Act, or provincially under provincial corporate statutes. The major differences between incorporating federally and provincially are: the need to publicize financial statements; fees; and turnaround time on the incorporation process. Incorporating federally allows companies to conduct business in any province, although the corporation may still be required to pay a license or registration fee in some provinces.

A flat fee of C$500 (approximately US$340) is charged to incorporate federally. Fee structures vary among the provinces; however, most provinces charge approximately C$200-300. An average of three-four weeks is required to process an application. Information on incorporating federally under the Canada Business Corporations Act can be obtained from Industry Canada’s Corporation Branch.

As indicated above, a company incorporated under the laws of one province must register to operate in each of the other provinces in which it wants to do business. An important exception is the reciprocal arrangement between the provinces of Ontario and Quebec that allows companies incorporated under regulations in one of these provinces to do business in the other without additional licensing requirements. Also, the province of New Brunswick does not require registration of extra-provincial companies.

It is noted that firms established or operating in the province of Quebec must comply with the requirements of Quebec’s Charter of the French Language and adopt a French corporate name. Firms considering establishing operations in Quebec are advised to contact the Office de la Langue Francaise (Office of the French Language), which routinely works with companies to develop plans for complying with Quebec’s language laws. (See Chapter XI. for contact information.)

G. Marketing Factors

For first-time exporters to the market, it is important to note that distinct cultural differences between Canada and the United States may in some cases dictate a wholly Canadian approach to selling, advertising and marketing. Although many strategies used by firms in the United States can be equally effective in the Canadian market, US companies are advised not to automatically assume that selling in Canada is the same as selling in the domestic American market. US companies should carefully research the implications of promotional activities prior to their implementation in Canada.

H. Advertising

Television advertising accounts for the largest percentage of net ad revenues, followed by advertising in magazines and then newspapers. Although a majority of Canadians speak English, the French-speaking areas, concentrated in Quebec, should be considered a distinct market. Quebec is well served by French-language press, radio and television. Advertising directed toward this market should be specifically tailored to Quebec's distinct cultural identity, consumer tastes, preferences and styles. Over 450 advertising agencies operate throughout Canada and a number of these are subsidiaries of US companies. Canadian advertising rates are generally comparable with those in the United States.

1. The Press

There are more than 110 daily newspapers published in Canada. Over 85 percent are in English, approximately 10 percent are in French, and a few dailies are published in other languages. Trade magazines, most of which are sent to specific audiences without charge, typically carry a large amount of advertising and serve almost every major industry sector in Canada. In 1999, the top five general interest Canadian magazines were: Readers Digest (monthly circulation: 1,137,387), Chatelaine (monthly: 793,288), TV Guide (weekly: 705,954), Maclean's (weekly: 500,000), and Time (weekly: 310,000). Canada's two daily national newspapers with substantial business sections are: The Globe and Mail (Monday - Friday: 330,000) and The National Post (M -F: 296,000). Additional information on print media is included in Chapter XI.

2. Television and Radio

More than 51 percent of Canadian households have at least two televisions and approximately 81 percent of Canadians have at least two radios in their homes. Hundreds of public and commercial firms operate cable television and major broadcasting stations in metropolitan areas. More than 155 television stations, 1,756 radio stations, and 2,071 cable television systems, which service 8,023,000 subscribers, broadcast in Canada.

The Canadian Broadcasting Corporation (CBC) operates both English-language and French-language national television networks. Both networks broadcast on two channels, one with regular programming and one with all-news programming. A second, private national television network, CTV, operates two English-language channels (regular programming and all-news). Global Television, another private network, broadcasts in the heavily populated area of southern Ontario and in some areas of western Canada, Atlantic Canada, and Quebec. There are also fifteen independent television stations in Canada. Market penetration of cable television in Canada is very high, with over 73% of all households subscribing to one of the cable systems.

I. Product Pricing

As in the United States, product pricing is key to remaining competitive. In the retail sector, for example, Canadian businesses have followed the successful American trend toward larger stores with highly competitive prices. Retailers in sectors such as food, drugs, consumer electronics, home improvement, office equipment and supplies, and general consumer goods have invested in large warehouse or discount-style operations to expand sales in an increasingly competitive market. The emergence of high-volume warehouse merchandising in this market is the direct result of consumer demand for competitively priced quality goods. Value for dollar is the predominant purchasing determinant in both the consumer and industrial markets.

When determining appropriate product pricing levels, US firms should pay particular attention to the effects of exchange rates and applicable taxes on the price charged to customers and end-users. A price survey of competitive products available from domestic and third-country sources is an absolute necessity in developing any pricing strategy. Moreover, US firms should be careful not to select pricing levels which may constitute "dumping" or "predatory pricing" infringements under the NAFTA or other international trade agreements.

J. Sales Service/Customer Support

Canadian companies have a strong awareness of, and preference for, US products and services. Nevertheless, Canadian customers, whether corporate or individual, demand high-quality sales service and after-sale customer support, particularly because of the often significant distances involved between customers in Canada and sellers in the United States. Corporate clients often expect the US seller to have an agent or distributor whom they can contact immediately should any problems arise. Like their counterparts in the United States, Canadian customers expect fast service and emergency replacement if required.

An American company entering Canada should evaluate the system of after-sale service and support in the US market, and replicate that network as closely as possible in the Canadian market. If the market demands a strong network of sales and after-sale service in the United States, it is probable that success in Canada will depend on appointing agents who can provide that service. There are many companies in Canada that can offer that service as an agent or representative, or on a retainer basis. Alternatively, many US companies have found that establishing a toll-free telephone number which services both Canada and the United States is extremely useful in maintaining contact with customers. This gives Canadian customers instant access to US vendors for solving problems, answering questions, or simply providing a higher "comfort level" with a new product.

K. Selling to the Government

The US-Canada Free Trade Agreement (FTA) expanded the size of Canada's federal government procurement markets by lowering the threshold for contracts offered by federal entities to as low as C$25,000 (approximately US$17,360) for goods and C$100,000 (US$69,440) for services and construction. It opened these markets to free, non-discriminatory competition between US and Canadian suppliers. The FTA stipulated clear, fair rules of bid selection and provided for an effective bid challenge system. This meant that a US company bidding on a Government of

Canada contract could compete on equal footing with its Canadian competitors, and would be judged solely on its ability to deliver a low-cost, high-quality product.

The NAFTA incorporated FTA provisions and expanded them to cover services and contracts offered by selected Crown corporations. The new, liberalized NAFTA thresholds make the following available to US firms:

Contracts of C$37,200 (approx. US$23,750) or more offered by a federal entity such as a Department or Agency (e.g., Industry Canada) for goods. The list of these federal entities was expanded to include Communication Canada, Transport Canada, and the Ministry of Fisheries and Oceans.

Contracts of C$80,900 (approx. US$56,200) or more offered by a federal entity for services.

Contracts of C$10.5 million (approx. US$7.3 million) or more offered by a federal entity for construction services.

Contracts of C$404,600 (approx. US$281,000) or more offered by a Crown corporation or other federal government enterprise for goods and services. The list of these corporations includes the St. Lawrence Seaway Authority, the Royal Canadian Mint, the Canadian National Railway (freight), Via Rail (passenger service), Canada Post, and numerous others.

Contracts of C$12.9 million (approx. US$8.95 million) offered by Crown corporations or federal government enterprises for construction services.

The WTO Agreement on Government Procurement (WTO-AGP), which came into effect on January 1, 1996, applies to most federal government departments. It is a multilateral agreement that aims to secure greater international competition. The WTO-AGP applies to the procurement of goods and services valued at C$261,200 (approx. US$181,400) or more, and construction requirements valued at C$10 million (approx. US$6.94 million) or more.

The Canadian government's official internet-based electronic tendering service, MERX, gives subscribers access to more than 1,500 open tenders from the federal government, provincial governments, and many municipalities, school boards, universities and hospitals. Approximately 200 new tenders are posted daily. US companies can log onto MERX (www.merx.cebra.com) free of charge to view and search open tenders. Bid documents can then be ordered directly from the website. MERX subscribers, who pay C$7.95 per month, have access to additional services, such as reduced prices for bid documents, lists of companies that have ordered a particular bid document, and a matching service that informs users of opportunities that fit their pre-determined criteria. MERX also has a call center for technical support or general questions, which is available 24 hours a day, seven days a week at: 1-800-964-MERX (6379).

L. Services Industries

The services sectors are a significant part of the Canadian economy. In 1998, services accounted for almost three-fourths of Canada's GDP and totaled US$351 billion. The services sectors have been growing at a faster pace than the manufacturing and primary industries. Every decade since the 1960s, growth in communication services and business services has been more than 50 percent higher than the growth rate of the total Canadian economy.

Canada has a trade deficit in services overall and with the United States, which partially balances out Canada's surplus in merchandise trade. However, Canada's exports of services are growing faster than its imports of services, resulting in a steady decrease in Canada's services trade deficit over the last few years. The majority of Canada's trade in services is with the US. However, in percentage terms, Canada is less dependent on the US as an export destination and a source of imports for services than it is for goods. In 1999, 60 percent of Canada's services exports went to the United States, compared to 87 percent of Canada's merchandise exports. Also, 62 percent of Canada's services imports came from the United States, while 67 percent of its merchandise imports came from the US.

CANADA'S SERVICES TRADE
(US$ billions)

	1998	1999	2000
Exports	31.0	33.1	36.6
Imports	35.7	37.6	40.9
Imports from US	22.0	23.1	25.1
Share of Imports from US	61.6%	61.5%	61.5%
Exchange Rate	0.6743	0.6730	0.6944

Source: Statistics Canada, Department of Foreign Affairs and International Trade.

The Free Trade Agreement (FTA) was the first trade agreement to include trade in services. The Agreement ensures that companies in more than 150 service sectors can provide their services in the partner country without discrimination. The FTA does not change existing regulations governing services in the two countries, but locks in current levels of protection. In effect, the Canadian Government is prohibited from passing new legislation that would further restrict the right of a US-based engineering, advertising or other covered service firm from doing business in Canada. The services chapter of the FTA includes special provisions for the architecture, tourism, and telecommunications sectors. NAFTA further extended agreements on trade in services to cover nearly all service sectors and removed citizenship or permanent residency requirements for the licensing of professional service providers.

The NAFTA provisions on the temporary entry of people have significantly opened up the opportunities for US and Mexican firms in the service sector in Canada. Under this section of NAFTA, individuals considered "professionals" are automatically granted a work authorization for Canada. This allows individuals in many categories, such as architects, management consultants, and physicists to work for Canadian companies without being subjected to Canada's job validation process. (A process by which it must be shown that there is a shortage of qualified Canadians that could perform the work required). However, these NAFTA provisions do not override other domestic requirements for individuals in those professions, such as, in some cases, the need to be licensed in a province in order to do business there. In addition, there are many categories that are not included in the list of professionals, such as language instructors and IT trainers. Individuals in these categories are subject to Canada's job validation process. Citizenship and Immigration Canada has published a guide for American and Mexican business persons that explains the provisions governing entry of temporary foreign workers under NAFTA. The guide is available at: www.cicnet.ci.gc.ca/english/visit/nafta00e.html.

Advances in technology have opened up new opportunities for services exports to Canada. Many services that were previously considered "unsellable" due to low profit margins that did not allow for required travel costs, or due to restrictions on the temporary entry of people, can now be exported using information technology. According to a recent Canadian government report, "the informatics infrastructure (i.e., information technology + telecommunications) facilitates services trade in much the same way as the transportation infrastructure supports goods trade." Technologies such as e-mail, the Internet, and videoconferencing allow for self-paced delivery and long-distance delivery, distance interaction, and client review of work-in-progress, all of which cut down on or eliminate the need to travel to the client's location. Reduced travel costs often make US exporters more competitive with local companies.

M. Protecting Your Product from IPR Infringement

1. Trademarks

An individual contemplating the establishment of a business in Canada should take steps to protect his or her trademark in Canada before actually commencing to sell products or perform services in the country. An applicant may base the application not only on use of the trademark in Canada, but also on proposed use, i.e., an intention to use the trademark in Canada. Before the registration of a proposed "use" trademark will be granted, the applicant must confirm that use in Canada has commenced. A Canadian application may also be based on either an application or a registration of the trademark in the applicant's country of origin and use by the applicant or a licensee in that country, in which case a registration can be obtained without proof of use in Canada.

Accordingly, if there is any likelihood that a market in Canada will exist for the trademarked product, a foreign trader should file an application in Canada as soon as possible. This practice will minimize the possibility that someone else, observing the use abroad, will file in Canada first and preclude registration by the true owner of the mark. A Canadian trademark registration can often be obtained within 12 to 15 months of filing and is granted for a term of 15 years. Under present legislation the registration may be renewed for successive 15-year periods on payment of renewal fees. Amendments introduced in implementation of the NAFTA strengthen the ability of the owner of a registered trademark to stop the importation of allegedly infringing goods from abroad. It is now possible to obtain, prior to the commencement of an action, a court order requiring Canadian customs officials to detain such infringing goods pending trial. However, the US Government has encouraged Canada to consider further strengthening enforcement by authorizing customs agents to seize shipments of allegedly infringing goods prior to judicial action.

2. Patents

Patents in Canada are governed by the Patent Act. The Act allows for patenting of processes as well as products. Canada has a "first to file" system with an absolute novelty requirement. Canadian patents that continue to be issued from applications filed prior to October 1, 1989 are granted for a term of 17 years; in the case of these applications, the Patent Office publishes the specifications only when the patent is issued. Canadian patents that are issued from applications filed after October 1, 1989 are granted for a term of 20 years measured from the date of filing in Canada. Deferred examination is possible, and provisions exist for payment of maintenance for pending applications and issued patents.

The patent cooperation treaty came into force in Canada in January 1990. It provides for foreign patent protection in Canada for treaty signatories. From the perspective of the Canadian inventor, the treaty standardizes Canadian patent practices with those of Canada's principal trading partners and makes it easier for Canadians to acquire foreign patents through standardized filing. A bilateral cooperation understanding between the united states patent and trademark office and the Canadian intellectual property office stipulates that the respective department heads from both countries meet at least annually to consider where future joint activities, exchange of information, or other cooperation are feasible and mutually beneficial.

In the late 1980s and early 1990s, Canada passed legislation to bring its patent drug regime into GATT compliance. Changes included 20-year patent protection in exchange for research and development (R&D) investment by major multinational pharmaceutical firms that equal 10% of the company's annual sales. The R&D investment is monitored by the Patented Medicine Prices Review Board (PMPRB). "Linkage" regulations were created in 1993 in an attempt to balance the Act and allow generic competitors to complete Health Canada regulatory requirements, as well as manufacture and stockpile patented products, before patent expiry ("early working"). The linkage regulations were also created to prevent generic companies from receiving regulatory approval from Health Canada until they demonstrate that their copy does not infringe upon existing patent rights. The linkage regulations allow a 24-month timeframe to determine patent infringement, during which period generic manufacturers are effectively prevented from "working" their product. Early in 2000, the World Trade Organization (WTO), in response to an EU challenge, ruled that manufacturers of generic drugs in Canada can "early work" their products but they are not allowed to stockpile them. In addition, in response to a US challenge, the WTO ruled that Canada has to comply with its WTO TRIPS obligations and extend full 20-year patent protection on pharmaceutical patents filed before October 1, 1989 – something Canada has yet to do. The US Trade Representative (USTR) continues to place Canada on its Special 301 Watch List because of the "17/20" issue and the copyright issues noted below.

3. Copyright

Canada is a member of the World Intellectual Property Organization (WIPO). As a NAFTA signatory, Canada also adheres to a number of international agreements, including the Bern Convention for the Protection of Literary and Artistic Works (1971), and the 1952 Universal Copyright Convention (UCC). These two agreements require that Canada provide national treatment with respect to intellectual property rights (IPR). On December 18, 1997, the Canadian government committed itself to sign two new international treaties dealing with copyright and with protection for performers and "phonogram" producers. The WIPO Copyright

Treaty and the WIPO Performances and Phonograms Treaty are designed to establish international minimum standards in the area of copyright and related rights.

The Canadian Copyright Act currently grants explicit copyright protection for computer programs. It also provides a right of payment for retransmission of broadcast programming as required by the FTA, the protection of emerging forms of technology, specifically integrated circuit design and biotechnology and a revision of the definition of "musical work," and ensures that royalties are paid for all uses of the work. The Act also reflects the changes required by the NAFTA, such as rental rights for computer programs and sound recordings, protection for databases and other compilations, and increased measures against all categories of pirated works.

Two amendments made in 1997 to Canada's Copyright Act have resulted in USTR placing Canada on its Special 301 Watch List. The first amendment calls for a "neighboring rights" royalty, which requires broadcasters to pay royalties to domestic recording artists and producers, as well as to those from countries that are signatories of the Rome Convention (the United States is not a signatory). The second is for a "private copying" levy to be paid by manufacturers and importers of recordable, blank audio media, such as cassettes, tapes and compact discs. The proceeds go to domestic artists and to artists from countries that extend the same benefits to Canadian artists. The US does not have such a levy for cassettes and tapes, only for compact discs. The US argues that because Canada is following the principles of reciprocity in its application of both the "neighboring rights" royalty and the "private copying" levy, Canada is in violation of its national treatment obligations under NAFTA. Canada's federal Industry Minister can make exceptions to these two amendments and grant benefits to countries that are currently precluded. The US is, at the present time, waiting for a decision with respect to American artists and producers.

N. Need for a Local Attorney

The use of attorneys for expediting routine business dealings in Canada is far less prevalent than in the United States, and the tendency to litigate disputes is also less common. Nonetheless, US companies should consult with a local attorney when establishing a corporate investment or other presence, or prior to making contractual commitments related to the marketing of products or services. This requirement becomes even more critical in agreements involving copyright, patent, trademark, or other forms of intellectual property protection.

Most large Canadian law firms have partnerships or strong associations with counterpart firms in the United States and are experienced with international business law. Any legal problems or difficulties with Canadian government agencies are likely to be best handled by an experienced local legal representative. The US Embassy and Consulates in Canada can provide lists of local attorneys experienced in a range of commercial and other legal matters.

O. Regional Marketing Differences in Canada

The Canadian market mirrors the US market in many respects. However, just as there are differences among regional markets in the United States, there are important differences among

Canadian regions. Some of these differences will have an impact on the way US firms approach these markets.

For the purposes of the Country Commercial Guide, Canada can be divided into six marketing regions.

I. The Atlantic Provinces: New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador.

II. The Province of Quebec

III. The Province of Ontario

IV. The Prairie Provinces: Manitoba, Saskatchewan, and Alberta

V. The Province of British Columbia

VI. The Territories: the Yukon, the Northwest Territories, and Nunavut

Region I: The Atlantic Provinces

The Atlantic provinces represent a geographic area close to the size of France and have a population of about 2.4 million. The only Atlantic province which borders on a US state (Maine) is New Brunswick, and it is, therefore, one of the principal entry points for American-made goods. Additional products enter the region through distribution centers in Ontario and Quebec, adding significantly to the total sales of US products in this region. The region is known for a number of current major energy projects, recent growth in its information technology sector, and the diverse industries represented in its four economically independent provinces.

The Atlantic provinces have been known as net importers of finished products, and exporters of resource-based and semi-processed materials and services. This traditional mix has changed over the last five years, as an increasing variety of finished products is now exported from the region, and the service industry continues to grow. The region enjoys strong relationships with states along the eastern seaboard, the result of a longstanding trading pattern that began before Canadian confederation.

Regional business is served by well-placed distributors, agents, and manufacturer's representatives, many of whom have long established relationships with US suppliers across diverse sectors. Because of the geographic distance between US suppliers and these four provincial markets, some type of local representation in the region is virtually essential for sales success.

In many instances, buyers in the area have stated that American companies are better served by representatives located in the Atlantic provinces than by those based in Ontario or Quebec. Personal contact between vendor and purchaser is highly valued in this part of Canada, and, where pricing and other factors are not major issues, these relationships can greatly influence the success of a US company in this market. This is very important for new-to-market companies, where an intimate knowledge of local business practices often makes the difference between success and failure. Typical are those situations requiring after-sale service or high levels of quality control, as is often seen in sales to the government and institutions. Purchasing requirements are not necessarily the same in every province, even though product specifications may be similar.

For major projects, business relationships such as joint ventures, partnering, and various forms of alliances have all been applied successfully and are viewed by local business as an effective way to win sales, both locally and offshore. The energy sector continues to expand with additional fields being developed in Newfoundland, and the construction of the infrastructure for natural gas distribution now a reality in Nova Scotia and New Brunswick. Also, this part of Canada is known for the significant number of telecommunications companies, a high level of interest in marine technologies, growth in biotechnology firms, and for activity in the environmental industries.

Region II: The Province of Quebec

The province of Quebec, Canada's only French-speaking province, has been experiencing an economic renaissance in recent years, when compared to its own performance for the greater part of the 1990s and that of Canada as a whole. The city of Montreal, Quebec's economic and cultural hub, is poised to become one of the leading high-technology centers in North America. Despite the province's history of separatist politics, the provincial government has been active in promoting Quebec as open to international business. In fact, Quebec now stands as the sixth largest trading partner of the United States. Companies in the province's aerospace, telecommunications, pharmaceutical and biotechnology, and software and multimedia sectors have developed into global giants. As a result, these latter-mentioned sectors will continue to provide many opportunities for US exporters.

In 1999 the Quebec economy achieved real growth of 3.7 per cent, which compared favorably to its past performance and to economic growth in other areas of Canada. The Bank of Montreal is currently predicting that Quebec's economy will grow by 3.8 per cent in 2000 and then slow to 2.3 per cent growth during 2001, paralleling a broader North American economic cool-off. Over the 2002-2004 period, Quebec's GDP is expected to grow at an annual rate of 2.8 per cent. Strong investment, including US investment, has characterized recent growth trends, and with between 400 and 500 US firms established in Quebec, Quebec's position as the sixth most important world trading partner of the United States ensures growing opportunities for years to come. Quebec has also been a strong supporter of free trade, including the US-Canada FTA, NAFTA, and the envisioned FTAA, and it is continuing to grow exports to the United States, which already exceed 83 per cent of its total exports. On the import side for Quebec, purchases of US goods amounted to US$19.4 billion.

Special care must be taken in addressing Quebec markets, both industrial and consumer. As the only province where French is the official language, Quebec has labeling requirements that are even more extensive than the general Canadian federal requirement for bilingual labeling. While the business community is generally bilingual and diverse, attention to the French language and Quebec's distinct channels of distribution is appreciated. Both direct marketing and advertising in Quebec call for specific approaches as consumer tastes in Quebec often differ from the rest of Canada. Despite its peculiarities, Quebec generally welcomes both foreign investors and foreign suppliers. Quebec depends heavily on trade with the United States, especially in leading growth sectors, thus ensuring warm relations with its commercial partners to the south.

Region III: The Province Of Ontario

With its substantial and highly-diverse industrial base, Ontario is the economic engine of Canada. In 1999, the province accounted for 38 percent of Canada's total population, 41 percent of its gross domestic product, and over 50 percent of its manufacturing shipments.

Ontario's GDP grew by 5.7 percent in real terms in 1999, while the Canadian economy as a whole grew by 4.2 percent. The economy in Ontario is healthier than at any time since the late 1980's. The province's unemployment rate, which averaged 1.3 percentage points below the national average during 1999, declined to 5.7 percent in early 2000. Manufacturing shipments in Ontario increased by nearly 12 percent from 1998 to 1999, a growth rate considerably higher than that found in the other provinces.

Ontario rivals the State of Michigan as North America's largest auto assembly center. The province is noted for its automotive parts and accessories production, steel, industrial chemicals, aerospace, food processing, and computer software industries. Ontario is also at the forefront in fields such as biotechnology and telecommunications. Besides being Canada's industrial heartland, Ontario produces a wide variety of fruits, vegetables, grains, oilseeds, poultry, and dairy products. Ontario also accounts for 30 percent of Canada's mineral mining and 20 percent of its forest product production.

The province has a modern infrastructure that is fully integrated, with road, rail, water, and air transportation systems facilitating the north-south flows of people and goods. The volume of trade between and the United States and Ontario is enormous, over US$220 billion in 1999, making the province the number two US trading partner, after (all of) Canada. Ontario's largest state trading partner is Michigan, because of the auto industry, although the province also does substantial business with New York, Ohio, California, and Illinois. In 1999, Ontario's exports accounted for 30 percent of its GDP, with an extraordinary 93 percent of these exports destined for the United States.

Ontario workers are ranked among the best educated and most productive in the world. More than 90 percent of the province's workforce has attended high school, and half of its high school graduates have gone on to college or university. Ontario's workforce is also extremely diverse, with almost half of the province's population claiming an ethnic background other than English or French.

Toronto, the capital of Ontario, boasts a population that represents some 100 nationalities. This diversity is embodied in an entrepreneurial workforce and business community that is familiar with and well connected to business partners around the world. As the country's commercial center, Toronto is also home to half of Canada's largest financial institutions, 90 percent of its international banks, and over 75 percent of US subsidiaries in Canada.

Ottawa, Canada's federal capital, should not be overlooked as an important business center in Ontario. Ottawa's high-tech sector has experienced remarkable growth in the last five years and has attracted the attention of numerous information technology and telecommunications companies from across the United States. Continued steady expansion of the technology sector is predicted during the foreseeable future.

Region IV: The Prairie Provinces

The Prairie provinces -- Manitoba, Saskatchewan, and Alberta -- are endowed with rich natural resources that have long provided a strong underpinning to the Canadian economy. They account for over four-fifths of Canada's agricultural land and over two-thirds of its total mineral production, including over ninety percent of its mineral fuels. As these primary industries' contribution to Canada's GDP has fallen almost steadily for four decades -- from 12 percent in 1961 to 7 percent in 1999 -- the Prairies have steadily diversified their economic base into manufacturing and services.

Notwithstanding the downward trend in agricultural and mineral prices during most of the 1990s, and the precipitous drop in virtually all commodity prices (particularly oil) from 1997 to mid-1999, the economies of all three provinces grew more rapidly than the nation as a whole from 1993 to1997, before weakening substantially during 1998 and 1999. With the stabilization of the agricultural sector and the combination of strong demand and sharply higher prices in the energy sector, the region's economy (led by Alberta) is projected to pace the nation at least through 2001. The three Prairie provinces have the lowest unemployment rates in Canada. The resurgence in the regions economy since mid-1999, driven in large measure by the energy sector, has led to a dramatic expansion in the region's trade with the United States. During the first four months of 2000, for example, Prairie exports to and imports from the United States rose by 58 percent and 25 percent, respectively, over levels one year earlier.

Despite the continuing importance of primary commodities to the regional economy, the Prairies led the nation in manufacturing growth, with shipments rising by over 10 percent annually from 1993 through 1997, before weakening in 1998 and early 1999. Strong growth in manufacturing resumed in mid-1999, and shipments during the first quarter of 2000 are running roughly 15% above levels from the previous year. Driven by strong exports, the food-processing sector has grown steadily and remains the Prairies' largest manufacturing industry. However, all manufacturing sectors, in particular machinery and transport equipment, are recording solid growth and represent excellent markets for US intermediate component suppliers.

Canada is the largest single source of imported hydrocarbons for the United States. Currently, over 90% of Canadian energy exports originate in Alberta, home to the corporate headquarters of Canada's oil and gas industry. Sharply and steadily rising US demand for Canadian natural gas has led to a proliferation of new pipeline projects and a major expansion in gas exploration, drilling, and other production activity. Surging oil prices have accelerated major long-term projects for developing Alberta's huge resources of oil tar sands. This expanded activity has greatly increased export opportunities for US industry.

Per capita construction expenditures in Alberta, fueled in large measure by the energy sector, and aided by the nation's most rapid population growth, are over double the national average. US firms interested in this region should consider selecting an agent or distributor located in the Prairies to handle their product lines or services. Regional distributors can better cover this broad expanse of territory than can representatives from Eastern Canada. Additionally, inter-provincial trade barriers and significant transportation costs make it easier for US firms located in states directly south of the border to export northward into this region, than for Canadian firms based in eastern Canada to distribute US-origin products westward to the Prairies. With the trade liberalization ushered in by NAFTA, the Prairie provinces now export over 40% of their manufactured output, with nearly four-fifths of that going to the United States, while importing an even larger share of their manufacturers' requirements from the United States.

Region V: The Province of British Columbia

British Columbia (BC) belongs geographically to the Pacific Northwest region of North America, which is sometimes referred to as Cascadia. British Columbia, with its 3.9 million inhabitants, is the third largest of Canada's ten provinces in population.

Canada's major banks and local credit unions are forecasting growth for 2000 between 1.5 and 2.5 percent in British Columbia. Due to slowing economic conditions in BC's major trading partners and local interest rate hikes, growth is expected to taper off to between 1.2 and 1.7 percent in 2001.

Scotia Bank economists indicate the principal growth sectors for 2001 are technology, forestry and tourism. Current favorable economic conditions could also spell a modest turnaround in BC's retail sales sector. However, BC's construction and mining industries are expected to continue struggling.

Growth in the technology sector is again expected to lead the BC economy in 2001. The British Columbia Ministry of Finance reports that from 1990 to 1998, the high-tech sector outpaced the BC economy as a whole by an average of three percent per year. High-tech economic activities currently represent US$3 billion of the province's GDP. During 1999, employment in the high-tech sector increased over ten percent to 52,000. Rapid growth areas such as high-tech communication equipment manufacturing, biotechnology and computer services are leading the way.

The forecasted upswing in a number of traditional sectors is dependent on strengthening of Asian markets, increasing commodity prices and continuing economic growth in the United States. The rebound of the Asian markets has sparked growth in a number of BC industries. British Columbia's US$4 billion forestry sector continues to build on its 1999 resurgence. Fueled by rising Asian demand, BC's US$1 billion pulp and paper industry has reported a 15 percent rise in production from early 1999. The outlook for the tourism industry also looks good. An increased number of Asian and American visitors will provide a vital boost to the estimated US$3.5 billion sector. British Columbia's cruise ship industry alone injected just under US$200 million into the economy in 1999. Moreover, increased tourism and strengthening domestic demand are expected to give a 2.5 percent boost to BC's retail sales sector in 2001.

The BC Government's simulative fiscal policy, consisting of increased spending and modest tax cuts, is continuing in 2000. Total capital spending is up 15 percent in 2000, to US$3.1 billion. The government is spending the bulk of the money in the health care and education sectors. Capital spending is expected to decrease to US$2.5 billion in 2001, since no new projects are scheduled. In an attempt to stimulate small business growth, the provincial small business tax has been cut again. At 4.45 percent, it is the second lowest in the country.

As Canada's Province on the Pacific Rim, British Columbia continues to be the country's gateway to Asia. The Port of Vancouver is the largest and most diversified port in Canada. Most Asian trading companies have agents in Vancouver that source products from North America for shipment to their home markets. American companies interested in establishing business relationships in Pacific Rim countries may find doing business with Vancouver-based representatives of trading companies from these Pacific Rim markets the most economical manner in which to begin.

Region VI - The Territories: the Yukon, the Northwest Territories, and Nunavut

Stretching across the north are the territories of Yukon, Northwest Territories, and Nunavut, occupying roughly one-third of Canada's land mass, but home to only about 100,000 people. Despite this sparse population, however, there are trade opportunities in certain sectors.

Mining and related mineral exploration offer the greatest opportunities in all three territories. The government of the Northwest Territories is encouraging the establishment of a secondary diamond industry (cutting, polishing, and valuation) to complement the main diamond mining sector. Tourism and related support industries are also growing, as the three regions encourage adventure travel to these remote northern sites.

Special opportunities exist in Nunavut, the newest territory, created on April 1, 1999. This territory is still in the process of setting up its own government and seeks management expertise in establishing systems to administer social services, education, health and other related services. There is also a need for construction and transportation equipment and materials.

CHAPTER V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

This chapter identifies "best prospect" industry sectors in Canada representing the greatest potential for US exporters of both food and non-food products. Detailed statistical and market estimates for each sector are provided.

Section A contains information about non-agricultural goods and services industries, while Section B deals with agricultural products.

Notes To The Best Prospects:

1. All figures are expressed in US dollars, unless otherwise indicated.

2. All growth rates are expressed in real terms.

3. All statistics are unofficial estimates.

4. The following exchange and inflation rate estimates were used in the calculation of statistical information for the best prospect sectors.

	1998	1999	2000
Exchange Rate (C$1.0 = US$X)	0.6743	0.6730	0.6944
Inflation Rate	0.9%	1.7%	1.8%

A. Best Prospects for Non-Agricultural Goods and Services

The Canadian import market has grown steadily over the last decade and should continue to expand in the coming years. Since 1995, total imports to Canada have risen by over 30 percent, to nearly US$259 billion in 1999. US goods and services account for a huge share of these imports. In 1999, American companies exported US$191 billion worth of goods and services to Canada, which represented 74 percent of total Canadian imports. Japan, the second-largest supplier to Canada, exported a mere US$12 billion in goods and services to the Canadian market in 1999. The United States is also Canada's largest export market, with 1999 US imports from its northern neighbor reaching just under US$229 billion, or 82 percent of all Canadian exports.

On the basis of current trends and market conditions, the following sectors are considered to hold the most potential for US exporters. The best prospect sectors have been ranked according to the projected dollar value increase from 1999 to 2000 in US exports to Canada.

1. Automotive Parts and Service Equipment (APS)
2. Electronic Components (ELC)
3. Computers and Peripherals (CPT)
4. Aircraft and Parts (AIR)
5. Building Products (BLD)
6. Computer Software (CSF)
7. Electric Power Systems (ELP)

8. Telecommunications Equipment (TEL)
9. Plastic Materials and Resins (PMR)
10. Pollution Control Equipment (POL)
11. Medical Equipment (MED)
12. Oil and Gas Field Machinery (OGM)
13. Furniture (FUR)
14. Pulp and Paper Machinery (PUL)
15. Sporting Goods and Recreational Equipment (SPT)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 1

B: NAME OF SECTOR: AUTOMOTIVE PARTS AND SERVICE EQUIPMENT

C. ITA INDUSTRY CODE: APS

PART II. NARRATIVE

Retail sales of new cars and trucks in Canada totaled 1.4 million units in 1999. Light truck sales closed at 633,000 units and passenger car sales at 739,000 units, a 6.9 percent increase over 1998. Strong retail sales, coupled with record level production of more than 2.8 million cars and light trucks in 1999 (up 19.4 percent from 2.3 million units in 1998) will serve to increase Canada's demand for automotive parts, components and accessories. Industry experts predict 10 to 12 percent annual real growth in this sector through 2001.

The automotive parts market in Canada, valued at US$33.8 billion in 1998, expanded 13.3 percent in 1999, to US$38.8 billion. This sector is estimated to grow another 11.6 percent in 2000, reaching a value of US$45.4 billion.

US automotive parts exports to Canada are expected to keep step with the market and expand at an annual rate of 10 to 12 percent, in the framework of the US-Canada Auto Pact. American automotive parts exports to Canada rose from US$24 billion in 1998 to US$27.8 billion in 1999. Total US exports in this "best prospect" sector will experience a real growth of 10.3 percent in 2000, to reach US$32.2 billion.

PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL MARKET SIZE	33,790	38,810	45,410
B.	TOTAL LOCAL PRODUCTION	20,260	22,690	27,160
C.	TOTAL EXPORTS	14,040	15,800	18,850

D.	TOTAL IMPORTS	27,570	31,920	37,100
E.	IMPORTS FROM THE U.S.	24,010	27,840	32,200

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 2

B. NAME OF SECTOR: ELECTRONIC COMPONENTS

C. ITA INDUSTRY CODE: ELC

PART II. NARRATIVE

The Canadian electronic components industry has been identified as a high-growth sector because of its close association to the telecommunications equipment, computer, software products, and instrumentation industries. Demand for electronic components is derived from its end-use markets, principally: computers; communications equipment; consumer electronics; industrial, automotive and military components. Computers and communications equipment are the largest and fastest growing end-use markets for electronic components.

The majority of firms operating in this sector are located in Ontario and Quebec, with another concentration in southern British Columbia. Manufacturers of passive components are highly concentrated in Ontario and southern Quebec, primarily as a result of their proximity to the end-user market.

Canada has historically run a deficit in its trade of electronic components with the world and equally with the United States, its largest trading partner for such goods.
In 1999, Canada imported US$11.8 billion worth of American electronic components, while exporting US$3.2 billion to the United States. US suppliers enjoyed a 48 percent share of Canada’s import market for such goods.

With the North American telecommunications and IT sectors poised for strong growth in the coming years, the Canadian electronic components industry is expected to parallel this growth. Analysts project that US suppliers of electronic components will continue to enjoy a very receptive market for their goods in Canada

PART III. DATA TABLE (in millions of US dollars)

	1998	1999	2000

TOTAL MARKET SIZE	11,675	13,398	15,202
TOTAL LOCAL PRODUCTION	4,562	4,761	5,237
TOTAL EXPORTS	3,295	3,207	3,300
TOTAL IMPORTS	10,408	11,844	13,265
IMPORTS FROM THE U.S.	5,421	5,741	8,326

(The above statistics provided by Industry Canada: 1998-official figures; 1999-estimates based on monthly data; 2000-projections)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 3

B. NAME OF SECTOR COMPUTER HARDWARE AND PERIPHERALS

C. ITA INDUSTRY CODE: CPT

PART II. NARRATIVE

The Canadian computers and peripherals market is projected to grow at a real rate of 8.2 percent to US$10.5 billion in 2000. Canada is a prosperous country, with a population of 31 million and approximately 9 million households. While demand for computers from the business sector is large, the major force in the computer market will be household demand. This growth is a result of lower component prices, which led to the introduction of high performance PCs under US$1,000. Canada has the world's highest penetration of PCs on a per capita basis and is one of the best-wired nations on earth.

Canadian governmental organizations and corporations of all sizes will continue to invest in computers and peripherals as part of their corporate strategy to maintain competitiveness in the global economy. Computers are used to automate back and front office operations for work tasks and enhanced efficiency.

Applications such as e-commerce, the Internet and telecommuting are also fuelling purchases of new equipment and peripherals in all segments of the Canadian market.
E-commerce and the Internet in particular are strong drivers of networking hardware, one of the most dynamic sectors of the computer hardware industry.

US companies are expected to remain the primary suppliers of computer hardware and peripherals to Canada. American companies with competitively priced products, effective distribution channels, and strong customer service programs can expect to profit from the growth in computer hardware and peripheral sales in Canada well into the millennium.

PART III. DATA TABLE (in millions of US dollars)

	1998	1999	2000

A.	TOTAL MARKET SIZE	8,395	9,247	10,494
B.	TOTAL LOCAL PRODUCTION	5,357	5,910	6,774
C.	TOTAL EXPORTS	4,929	5,519	6,418
D.	TOTAL IMPORTS	7,967	8,856	10,138
E.	IMPORTS FROM THE U.S.	5,338	5,934	6,833

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 4

B. NAME OF SECTOR: AIRCRAFT AND PARTS

C. ITA INDUSTRY CODE: AIR

PART II. NARRATIVE

Based on annual sales, Canada’s aerospace industry is a world leader. Currently sitting in fifth position in the global market, Canada is expected to take over fourth position by 2004. Certain market niches such as regional aircraft, commercial helicopters, turbine engines, flight simulators as well as a broad range of aircraft systems, components and equipment have been the driving force behind this success.

In 1998, airframes was the leading subsector in terms of sales, followed by propulsion, other aircraft & parts, avionics, and space. It is expected that airframes will continue to lead the industry and show substantial growth in the coming years.

With the forecast for average annual worldwide growth in air traffic expected to be between 5-6 percent over the next twenty years, the value of new jet aircraft to be purchased within this time frame is valued at over US$690 billion. The estimate for the regional aircraft market, which is a Canadian strength, is over US$69 billion. This means robust demand for aerospace products and services. Although materials and supplies purchased by domestic sources are rising, imports are growing even faster. It is estimated that if current trends continue, by 2001 foreign aerospace suppliers will provide two-thirds of the material inputs of Canadian aerospace products.

PART III. DATA TABLE (in millions of US dollars)

	1998	1999	2000
A. TOTAL MARKET SIZE	5,664	6,393	7,638
B. TOTAL LOCAL PRODUCTION	6,271	6,865	7,916
C. TOTAL EXPORTS	5,799	6,394	7,291
D. TOTAL IMPORTS	5,192	5,922	7,013
E. IMPORTS FROM THE U.S.	3,101	3,298	4,166

(The above statistics are unofficial estimates)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 5

B. NAME OF SECTOR: BUILDING PRODUCTS

C. ITA INDUSTRY CODE: BLD

PART II. NARRATIVE

Canada's building products industry is best noted for commodities like lumber, plywood, shingles, veneer and particleboard. Other higher value-added building products produced in Canada include prefabricated homes, doors, windows, kitchen/bathroom cabinets and hardwood flooring.

The Canadian building products sector is directly affected by the level of activity in residential, commercial, industrial and institutional construction and renovation sectors. Approximately two thirds of building products consumed in Canada are used in industrial, commercial and institutional construction, while the remaining one third are utilized in residential construction. In 1999, the Canadian building products market increased by a real growth rate of ten percent to US$19.8 billion, up from US$17.6 billion in 1998. This growth was a direct result of the very active residential and non-residential construction as well as renovations markets. Currently, the Canadian economy is in high gear, with moderate mortgage rates, strong job creation and high consumer confidence. Economists expect the Canadian economy to grow by 4.1 percent in 2000, with residential and commercial construction expected to increase by six percent. The Canadian building products market is expected to grow at a real growth rate of 13 percent in 2000, to US$23.4 billion.

US exports of building products to Canada were valued at US$5.3 billion in 1999 and represented 75 percent of Canada's total building products import market. The success of American building products suppliers in Canada reflects the advantages that US manufacturers enjoy over third-country suppliers, including geographic proximity, similar quality demands as well as channels of distribution, and duty tariff-free access under NAFTA. US exports of building products to Canada are expected to increase at a real growth rate of eight percent in 2000, to US$6.1 billion.

Canadian buyers regard the quality of building products manufactured in the United States to be superior to third-country building products. Of particular interest to Canadian builders are new and innovative building materials and products that address Canada's high energy-efficiency interests and environmental standards. Pacific Rim countries continue to export a wide range of low-end building products to Canada. However, many of these products fail to meet the quality standards required for construction materials in the Canadian climate.

PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL MARKET SIZE	17,600	19,800	23,400
B.	TOTAL LOCAL PRODUCTION	22,100	24,700	29,000
C.	TOTAL EXPORTS	10,700	12,000	13,600
D.	TOTAL IMPORTS	6,200	7,100	8,000
E.	IMPORTS FROM THE U.S.	4,700	5,300	6,100

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 6

B. NAME OF SECTOR: COMPUTER SOFTWARE

C. ITA INDUSTRY CODE: CSF

PART II. NARRATIVE

Valued at US$3.85 billion in 1999, and projected to grow at approximately 14 percent to US$4.61 billion in 2000, the software market is one of the fastest growing segments of the Canadian economy.

Software sales in Canada will be driven by continued growth in electronic commerce, the Internet, Intranets, and the development and deployment of associated applications. The universal acceptance of Intranets and the need to connect heterogeneous computers with a wide range of processors, operating systems, configurations, and devices will continue to require connectivity software. The industry is concentrating its efforts on developing Internet-based software to complement the Internet's growth.

The need to provide information on demand will continue to propel the software market in Canada. The software industry is focusing its efforts on converting software products to web-enabled applications, making it possible for companies to instantly update their software on all types of computers simultaneously. This concept enables companies to outsource the maintenance and administration of software to systems integrators and application service providers.

US companies are the dominant suppliers of computer software to Canada with a 52 percent share of the total market. However, Canada's indigenous computer software industry has developed strong companies that have achieved international recognition as market leaders in their product niches. Third-country competitors supplying less expensive programming and software services also have a presence in the Canadian software market.

PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL MARKET SIZE	3,358	3,855	4,610
B.	TOTAL LOCAL PRODUCTION	1,891	2,182	2,601
C.	TOTAL EXPORTS	958	1,110	1,325
D.	TOTAL IMPORTS	2,425	2,783	3,334
E.	IMPORTS FROM THE U.S.	1,746	2,024	2,416

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 7

B. NAME OF SECTOR: ELECTRICAL POWER SYSTEMS

C. ITA INDUSTRY CODE: ELP

PART II. NARRATIVE

Canada's electrical power industry has an installed capacity of over 110 million kilowatts, of which 59 percent is derived from hydroelectric, 29 percent from thermal, and 12 percent from nuclear resources. The industry's main activities are concentrated in: electrical power generation; transmission at high voltages over long distances; and distribution at lower voltages to industrial, commercial and residential customers. The provinces of Quebec and Ontario are the largest producers of electricity in Canada. Quebec derives 90 percent of its electricity from hydroelectric plants whereas the power of Ontario is diversified with 56 percent coming from nuclear, 29 percent from hydroelectric, and 14 percent from coal-fired plants.

Alberta and Ontario are at the forefront of Canada's electricity regulatory reform. This trend towards deregulation will open new opportunities for the export of products and services and increased investments. The movement towards deregulation will drive corporate entities to invest heavily in a wider mix of energy products and services for their customers. This movement could also involve mergers and acquisitions. Canadian utilities are already engaging in strategic partnerships with other sectors such as water utilities, oil and gas companies, financial services, marketing companies, engineering consultants and technological research and development firms.

In Canada, the future of the electrical power industry is increasingly being shaped by heightened competition and technological advancements. The development of comprehensive power systems that combine existing and emerging technologies, particularly environmentally friendly technologies, is of particular interest. The increased use of co-generation technology and gas turbines has raised the demand for turbines, boilers and transformers in Canada. Strong interest in renewable energy solutions from private and public sectors are also creating new export opportunities for technologies related to wind power, solar power, fuel cells, and biomass gasification.

The electrical power systems industry in Canada includes: power boiler and heat exchangers (SIC 3011); electrical transformers (SIC 3371); electrical switchers and protective equipment (SIC 3372); turbine and mechanical power transmission equipment; and communications and energy wire and cable (SIC 3381). The electrical power systems equipment industry in Canada grew to US$4.4 billion in 1999, an 11 percent increase over 1998. In 1999, total imports accounted for US$4.4 billion. U.S. imports grew by 17 percent, and represented approximately

70 percent of the total 1998 Canadian imports or US$3.0 billion. U.S. imports are projected to reach US$3.4 billion in 2000.

PART III. DATA TABLE (in millions of U.S. dollars)

		1998	1999	2000
A.	TOTAL MARKET SIZE	3,650	4,054	4,397
B.	TOTAL LOCAL PRODUCTION	2,292	2,355	2,479
C.	TOTAL EXPORTS	2,429	2,725	3,020
D.	TOTAL IMPORTS	3,786	4,423	4,939
E.	IMPORTS FROM THE U.S.	2,694	3,091	3,460

(The above statistics are unofficial estimates)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 8

B. NAME OF SECTOR: TELECOMMUNICATIONS EQUIPMENT

C. ITA INDUSTRY CODE: TEL

PART II. NARRATIVE

The Canadian telecommunications equipment industry consists of establishments primarily engaged in manufacturing telephone, telegraph, and microwave transmitting and related equipment for use in public and private telecommunications networks. These products include: carrier current equipment, telephone or telegraph, switching equipment, intercommunicating telephone sets, and multiplex equipment. The Canadian industry has strong research and development capabilities and is a world leader in tele-communications, connectivity, satellite, wireless and rural communications. The industry is also strong in training software, multimedia applications, and advanced network infrastructure.

Extensive deregulation in the telecommunications services sector, the ability of users to own terminal equipment, as well as the rapid growth in telephony and private networks have all contributed to significant expansion of the Canadian market. The total market for telecommunications equipment is projected to increase 7.2 percent to US$5.7 billion in 2000.

Personal Communications Service (PCS) technology in Canada is also expected to expand in the years ahead, as Canadian demand for secure, inexpensive, mobile communications equipment and services continues to increase. The wireless telecommunications equipment sector has expanded 150 percent since 1995, and this rapid growth is expected to continue.

The widespread use of high-capacity optical fiber, the digitization of telecommunications, the emergence of new access technologies including broadband and satellite, and the exponential growth of internet usage, are a few of the factors that will continue to spur demand for telecommunications equipment in Canada. Furthermore, the convergence of telecommunications technologies and information technologies, in an environment of deregulation and increased competition in Canada, will also have an impact on market growth.

US companies dominate Canada's import market for all telecommunications equipment. American firms will find lucrative opportunities in several of the Canadian telecommunication equipment sectors, including: wireless, fiber optics, satellite, multimedia applications and cable.
PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL MARKET SIZE	3,688	3,547	3,924
B.	TOTAL LOCAL PRODUCTION	5,056	5,866	6,727
C.	TOTAL EXPORTS	2,755	4,154	5,109
D.	TOTAL IMPORTS	1,386	1,835	2,305
E.	IMPORTS FROM THE U.S.	885	1,088	1,379

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 9

B. NAME OF SECTOR: PLASTIC MATERIALS AND RESINS

C. ITA INDUSTRY CODE: PMR

PART II. NARRATIVE

According to Industry Canada, the size of the Canadian market for plastic materials and resins (PMR) reached US$5 billion in 1999. This represents real growth of nine percent over the value of the 1998 market (US$4.6 billion). Industry analysts predict that the PMR market will grow at an annual real rate of between five and seven percent in 2000 and 2001.

A combination of factors is fueling the growth of demand for PMR in Canada. Firstly, there is a strong demand from end-users for improved packaging products, particularly in the area of health and foods. Secondly, from the manufacturer's end, there is a growing interest for new, engineered resins better adapted to comply with new manufacturing processes and technological advances.

The growth of PMR market in Canada can also be attributed to the on-going development of the plastics industry in general, which has been driven by diversity. The three major subsectors that dominate Canada's plastics industry are packaging products, construction products, and automotive components.

In 1999, Canadian imports of plastic materials and resins reached a value of US$3.3 billion. US producers of PMR have traditionally supplied more than 90 percent of these imports. In 2000, the growth of local industry shipments for PMR will be steady. The future growth in the PMR market in Canada will be fueled primarily by the development of domestic producers' export business.

PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL MARKET SIZE	4,605	5,077	5,300
B.	TOTAL LOCAL PRODUCTION	4,057	4,402	4,800
C.	TOTAL EXPORTS	2,472	2,626	3,000
D.	TOTAL IMPORTS	3,020	3,301	3,500
E.	IMPORTS FROM THE U.S.	2,864	3,042	3,200

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 10

B. NAME OF SECTOR: POLLUTION CONTROL EQUIPMENT

C. ITA INDUSTRY CODE: POL

PART II. NARRATIVE

Canadian demand for pollution control equipment will continue to show real growth of between two and four percent in 2001. With a total market in 2000 of approximately US$8.2 billion, Canada presents qualified opportunities for those US companies which are prepared to work with local engineering firms and with end-users in developing both short- and long-term prevention and treatment strategies. Of the total market, approximately 48 percent can be allocated to environmental products and 52 percent to services. The 2000 market for all types of environmental products in Canada is close to US$5.7 billion. There are an estimated 4,500 Canadian companies active in this sector, with about two-thirds offering an environmental service as their principal business activity. The four major end-users of pollution control technologies in Canada include the chemical, petroleum, mining, and pulp and paper industries.

Air pollution control products will continue to show growth in demand as a result of Canada's commitment to the reduction of greenhouse gasses. That demand, primarily for specialized monitoring equipment, is expected to remain stable among provincial and industrial end-users. Standards for potable water in Canada have come under close scrutiny as a result of a high-profile case in Ontario. Although Canadian water treatment technologies are generally well developed, the costs of additional testing and upgrading will push municipal organizations to look for affordable improvements and monitoring. Livestock wastes remain an issue in Canada, providing opportunities for manufacturers of appropriate, turnkey treatment systems. In the 2000 Federal Budget, approximately US$480 million was allocated to various "environmental" initiatives to support projects in areas such as energy and water savings, the reduction of greenhouse gas emissions and waste diversion.

The Canadian Environmental Protection Act has now been enacted. However, industry sources do not expect this legislation to have a significant impact on the market for environmental products, since questions remain as to how the Act will be implemented and applied across provincial boundaries.

Considering the smaller size of many of the Canadian companies active in this sector, partnering with US firms for both domestic and international projects continues to be an important option for building export sales. Canadian firms, thanks in part to concentrated federal and provincial government support, are continuing to build their expertise in foreign markets. However, 2000 exports of Canadian environmental products and services are expected to total only US$954 million. About 70 percent of all exports are destined for the United States, with the balance going to Europe, Pacific Rim countries, South America, Mexico and others.

PART III. DATA TABLE

		1998	1999	2000
A.	TOTAL MARKET SIZE	4,620	4,735	5,683
B.	TOTAL LOCAL PRODUCTION	3,883	4,029	4,324
C.	TOTAL EXPORTS	599	684	726
D.	TOTAL IMPORTS	1,336	1,925	2,085
E.	IMPORTS FROM THE U.S.	935	1,348	1,460

(The above statistics are unofficial estimates and do not include environmental services.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 11

B. NAME OF SECTOR: MEDICAL EQUIPMENT

C. ITA INDUSTRY CODE: MED

PART II. NARRATIVE

Independent of their individual social status, all 31 million plus Canadians have access to essential medical care under their country's national public health insurance system. The Canadian system known as "Medicare" was created 40 years ago. Canadians have become accustomed to going to the physician or clinic of their choice, presenting a health insurance card, and obtaining services without having to pay. Under the Medicare system, hospital care and services provided by physicians and a number of allied health care professionals are paid for by the government. Canada's universal health care system is financed primarily through provincial and federal personal and corporate income taxes.

The management and delivery of publicly insured medical services in Canada is the responsibility of each provincial and territorial government. Provinces and territories therefore individually control the planning, management and financing of hospital care, physician and allied health care services, as well as some aspects of prescription care and public health. A network of some 950 publicly financed hospitals constitutes the largest group of purchasers of medical equipment and supplies in Canada, accounting for about 75 percent of market demand.

Cost containment has reached certain limits and the focus with health authorities is clearly shifting to long term, efficiency-related solutions. New funds and programs for public health care contributed to a healthy increase in demand for medical equipment in 1999. Canadian import figures for medical equipment grew at a double-digit rate from US$1.32 billion in 1998 to US$1.46 billion in 1999. However, American suppliers lost two percentage points, from 74 to 72, in their share of total Canadian imports in 1999. Sales of technologically advanced medical equipment in Canada should do well with public hospitals. Administrators view investment in new, automated and technologically advanced equipment as a way to increase efficiency and control costs. US suppliers should benefit from an increase in Canadian demand for medical equipment and supplies that should exceed the 5 percent mark in 2000.

Canada's Therapeutic Products Program (TPP) strictly regulates the safety and effectiveness of medical devices sold and used in the country. TPP classifies medical devices into four categories, depending on the level of potential risk to the patient. Class I represents devices that pose the least risk, such as a bandage. Class IV devices pose the highest risk, for example, a pacemaker. The last component to the TPP program enforced will be the ISO standard classification.

The increase in Canadians' spending on private health insurance, in part to compensate for de-insured services during the reform years, as well as out-of-pocket spending on health care products and services, has leveled with that of spending recorded in the public sector. In fact, more than 30 percent of total health expenditures in 1999 were within the private sector, unchanged from 1998 levels.

PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL MARKET SIZE	1,903	2,094	2,241
B.	TOTAL LOCAL PRODUCTION	910	1,008	1,079
C.	TOTAL EXPORTS	328	379	406
D.	TOTAL IMPORTS	1,321	1,465	1,568
E.	IMPORTS FROM THE U.S.	980	1,055	1,143

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 12

B. NAME OF SECTOR: OIL AND GAS FIELD MACHINERY

C. ITA INDUSTRY CODE: OGM

PART II. NARRATIVE

High commodity prices are having an impact on the outlook for oilfield activity in Canada. Canadian oilfields are relatively young and unexplored compared to those in the United States, and record drilling activity is expected to continue through 2001 to meet current oil and gas demand. Expanding pipeline capacity in Canada will provide additional gas exports to the United States to satisfy growing demand.

With industry confident in the wake of robust natural gas and oil prices, the size of the Canadian market for oil and gas field equipment in 2000 is expected to exceed US$4.5 billion. Canadian buyers will likely import an estimated US$2.5 billion in oil and gas field machinery, with imports from the United States exceeding US$2.1 billion.

The Petroleum Services Association of Canada (PSAC), in their recently released Forecast 2000, projects that 15,345 wells will be drilled this year. This forecast includes: 4,000 oil wells; 9,250 gas wells; 1,900 dry wells; and 195 service wells. PSAC President, Roger Soucy estimates these wells will generate US$5 billion for oilfield service and equipment companies.

Industry sources predict an annual growth rate of four percent through 2002. US products in this sector are recognized for their excellent quality, technological benefits, and reputable after-sale service. American manufacturers can improve their market share by offering state-of-the-art products and by employing reputable agents and distributors located near the market. Promising subsectors include drilling equipment and pipeline construction equipment.

PART III. DATA TABLE (in millions of U.S. dollars)

		1998	1999	2000
A.	TOTAL MARKET SIZE	3,678	4,334	4,508
B.	TOTAL LOCAL PRODUCTION	2,365	2,766	2,877
C.	TOTAL EXPORTS	722	829	862
D.	IMPORTS	2,035	2,397	2,493
E.	IMPORTS FROM THE U.S.	1,770	2,070	2,152

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 13

B. NAME OF SECTOR: FURNITURE

C. ITA INDUSTRY CODE: FUR

PART II. NARRATIVE

The furniture industry in Canada encompasses household, office, hotel, restaurant and institutional furniture; bedsprings and mattresses; and other furniture and fixtures. Growth in the furniture industry usually closely correlates with growth in the country's GAP. Furniture expenditures ordinarily mimic the movement in construction developments, both commercial and residential. When the Canadian economy finally rebounded in 1995, domestic production of furniture increased accordingly.

The Canadian furniture industry has historically run a surplus in furniture trade with the United States and the world. In 1999, 97.2 percent of all Canadian furniture exports were destined for the United States, and reciprocally, the United States enjoyed a 65 per cent share of Canada's import furniture market.

The success of American exporters in the Canadian market is largely due to the tariff-free trade of goods between Canada and the United States resulting from NAFTA, geographic proximity, common furniture design, and common distribution channels. Over the next few years, the Canadian furniture market is expected to grow at an average annual rate of 2.5 - 3 percent. Above-average growth is expected in the following niches: home and office furniture, ergonomically designed furniture, home entertainment furniture, and outdoor furniture.

PART III. DATA TABLE (in millions of US dollars)

	1998	1999	2000
TOTAL MARKET SIZE	3,703	3,964	4,161
TOTAL LOCAL PRODUCTION	5,210	5,743	6,030
TOTAL EXPORTS	2,952	3,285	3,449
TOTAL IMPORTS	1,444	1,506	1,580
IMPORTS FROM THE U.S.	995	973	1,021

(The above statistics were obtained from Industry Canada: 1999 figures are based on unofficial estimates; 2000 figures are projections.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR: 14

B. NAME OF SECTOR: PULP AND PAPER MACHINERY

C. ITA INDUSTRY CODE: PUL

PART II. NARRATIVE

The Canadian pulp and paper market is continuing its resurgence in 2000. Increased global demand has pushed up world pulp prices 20 percent since early 1999. Canadian pulp production has increased 15 percent in response to these better prices. Recent industry consolidation has also strengthened newsprint prices resulting in a five percent increase in production since 1999.

The Canadian pulp and paper machinery industry is projected to grow at a real rate of 11.2 percent, to US$535 million in 2000. Canadian buyers will import an estimated US$460 million in pulp and paper machinery in 2000. Imports from the US are expected to reach US$238 million.

Industry experts predict that although most pulp and paper mills in Canada are producing at capacity, they will continue operating on existing machinery and equipment. They maintain that the pulp and paper market is too volatile to plan major projects. Experts attribute the growth in the pulp and paper machinery industry to increased costs for repairs and replacement parts. Approximately 45 percent of all pulp and paper machinery imported into Canada is exported from the United States. The close proximity and tariff free status under NAFTA will continue to provide American companies with a competitive advantage in the growing Canadian market.

PART III. DATA TABLE (in millions of US dollars)

	1998	1999	2000
TOTAL MARKET SIZE	470	473	535
TOTAL LOCAL PRODUCTION	270	271	252
TOTAL EXPORTS	189	190	176
TOTAL IMPORTS	389	392	460
IMPORTS FROM THE U.S.	210	204	238

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR 15

B. NAME OF SECTOR: SPORTING GOODS AND RECREATIONAL EQUIPMENT

C. ITA INDUSTRY CODE: SPT

PART II. NARRATIVE

The Canadian market for sporting goods and recreational equipment is expected to grow by 4 percent from US$1.7 billion in 1999 to US$1.8 billion in 2000. The steady growth of recent years is expected to continue until at least 2003. Growing retail sales revenues illustrate the positive correlation between the purchase of sporting goods and the robust strength of the Canadian economy. The future looks bright for the sporting goods industry in Canada as the economy is showing no signs of slowing down.

Growth continues to be strong in the following sports and recreational activities: snowboarding, skiing, hiking, golf, exercise, fishing, and hockey. Demand has declined in the following sectors: sports footwear, sporting clothes, and team equipment for football, soccer and volleyball. Canadian domestic production of sporting goods equipment is relatively large. Domestic manufacturing has established niche segments and is strong in the following sectors: ice hockey equipment, curling equipment, sport whistles, swim goggles and selective outdoor products.

American products account for the majority of the imports (44.6 percent in 1999). US sporting goods companies enjoy market-wide brand-name recognition in Canada, unlike their Canadian counterparts, who lack strong brand recognition in the United States. Canadians have traditionally selected American sporting goods because of their reputation for quality over products from third-country competitors.

Products manufactured in various Asian countries comprise the second largest share of the import market, followed by European manufacturers. In 1999, China held 16 percent of Canadian imports in the sports equipment sector while Taiwan held 13 percent. A notable trend in this sector is the declining American, and increasing Asian, market share of Canadian imports. It is predicted that in 2001 the US market share of imports will continue to decrease, while Thailand and South Korea will increase their market shares from their respective 10 and 11 percent to approximately 13 and 14 percent. This is a direct reflection of the lower costs associated with manufacturing products in Third World countries.

PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL MARKET SIZE	1,694	1,722	1,848
B.	TOTAL LOCAL PRODUCTION	1,300	1,350	1,449
C.	TOTAL EXPORTS	420	475	509
D.	TOTAL IMPORTS	813	846	908
E.	IMPORTS FROM THE U.S.	387	377	399

(The above statistics are unofficial estimates.)

B. Best Prospects for Agricultural Products

US agricultural exports to Canada reached a record-high US$7.1 billion in 1999, registering an average annual growth rate of 4.1 percent since 1995. Consumer-oriented agricultural products accounted for 73 percent of total US food and agricultural product sales to Canada in 1999, with fresh and processed fruits and vegetables, snack foods, and red meat products as the category leaders. Canada is the second largest market (after Japan) for US agricultural exports, and American products accounted for almost two-thirds of total Canadian agricultural imports of US$10.8 billion during 1999.

Under the tariff elimination provisions of the North American Free Trade Agreement (NAFTA), the majority of US agricultural products have entered Canada duty-free since January 1, 1998. On December 4, 1998 the United States and Canada signed a Record of Understanding, an agreement to further open Canadian markets to US farm and ranch products. Some tangible benefits of the agreement are already accruing to the US agricultural industry.

Trade with Canada is facilitated by proximity, common culture, language, similar lifestyle pursuits, and the ease of travel among citizens for business or pleasure. Many American products have gained an increased competitive edge over goods from other countries as the result of the FTA/NAFTA. Canada's grocery product and foodservice trades have been quick to seize opportunities under FTA/NAFTA, which permit them to expand their geographical sourcing area to include the United States. Declining import duties under the trade agreements and an easing of Canadian packaging requirements for processed horticultural products for the foodservice market have resulted in significant gains in the Canadian market for US consumer-ready foods and foodservice foods.

Besides the market opportunities created by reduced tariffs, changing lifestyles in Canada are helping increase the demand for US agricultural products. A decline in real disposable incomes for Canadians throughout the 1990s has led to an increase in dual-income families which, in turn, has contributed to a reduction in the number of meals consumed at home. The result has been an increase in imports of US products to meet the demand for high quality, fresh and packaged foods that are ready-to-eat or can be conveniently prepared. In addition, an increasing number of American fast food franchisers operating retail outlets in Canada choose to partially supply them through proven US supply channels.

Immigration patterns have changed the face of Canadian cities, where 75 percent of Canada's population resides. Immigration in the 1990s was dominated by newcomers of Asian origin, who now account for about 10 percent of the population of Canada's two largest cities, Toronto and Vancouver. The combination of the influx of Asian, as well as other ethnic origin immigrants with contrasting dietary traditions, and the trend among consumers for a healthier diet has transformed the Canadian food supply. Compared to twenty years ago, Canadians are consuming less sugar, animal fats (including butter and lard), red meat, eggs, canned vegetables, skim milk powder, and alcoholic beverages and more rice, breakfast cereals, nuts, vegetable-based fats, chicken, fish, fresh vegetables, cheese, yogurt, coffee, and soft drinks.

Canada's wholesale, retail, and food service industries watch with acute interest developments in packaged and processed foods and food service trends in the United States. While there are differences in the consumption patterns of selected food items in the two countries, there is a growing demand in Canada for new value-added foods and food preparations that are market-proven in the United States.

On the basis of current market trends and market conditions, the following sectors are considered to be best prospects for US exports of food and agricultural exports to Canada:

1. Fresh Vegetables
2. Snack Foods
3. Red Meats
4. Organic Foods
5. Live Cattle
6. Fruit and Vegetable Juices

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR 1

B. NAME OF SECTOR: FRESH VEGETABLES

PART II. NARRATIVE

US exports of fresh vegetables to Canada reached US$766 million in 1999, making Canada the number one market for American exports of fresh vegetables. On a per capita basis, Canada has one of the highest consumption rates of fresh vegetables in the world. In Canadian retail grocery stores, more space is devoted to fresh produce than any other food sector. Increased meals away from home and greater awareness of healthy eating habits have resulted in increased year-round demand in the foodservice sector for US fresh vegetables. In addition, increasing numbers of immigrants to Canada have come from Asia, where traditional dietary habits include large amounts of fresh vegetables. Under the tariff phase-out provisions of the FTA/NAFTA, American fresh vegetable exports to Canada enter duty free. Due to climatic factors, the domestic growing season for fresh vegetables is short, enhancing Canadian year-round demand for imported fresh vegetables from the United States. The modern transportation and wholesale dealer network provides Canadian buyers with prompt delivery.

PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL CONSUMPTION	1,762	1,759	1,780
B.	TOTAL LOCAL PRODUCTION	1,180	1,198	1,219
C.	TOTAL EXPORTS	378	395	418
D.	TOTAL IMPORTS	960	956	979
E.	IMPORTS FROM THE U.S.	773	766	775

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR 2

B. NAME OF SECTOR: SNACK FOODS

PART II. NARRATIVE

The Canadian snack food industry is highly concentrated and includes both Canadian national and regional companies as well as multinational firms. It is estimated that the leading four enterprises supply over 80 percent of the total Canadian snack food production. In 1999, Canadian imports of snack foods (excluding nuts) from the United States reached a record US$585 million. According to a major industry survey, approximately 60 percent of Canadian snack food sales are potato chips, while about 20 percent comprise sales of corn-based products such as tortilla chips. Other snack items such as pretzels and extruded products make up the final percent.

PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL CONSUMPTION	2,099	2,166	2,225
B.	TOTAL LOCAL PRODUCTION	1,551	1,572	1,615
C.	TOTAL EXPORTS	20	22	25
D.	TOTAL IMPORTS	568	616	635
E.	IMPORTS FROM THE U.S.	539	585	612

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR 3

B. NAME OF SECTOR: RED MEATS

PART II. NARRATIVE

While the market for fresh, chilled, or frozen US red meat in Canada is premiere, American exports of processed beef and pork to Canada increased by nearly 70 percent during the 1995-1999 period as a result of increased Canadian demand and tariff phase-out provisions of the NAFTA. American prepared or preserved red meat exports to Canada in 1999 reached US$132 million, making the northern neighbor the number one export market for US prepared red meats. Combined with US sales of US$310 million of fresh, chilled or frozen product, total red meat exports to Canada in 1999 grew to US$442 million. Canada is thus the number three ranked export market for combined US red meat exports, which include prepared, preserved, fresh, chilled, and frozen product.

PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL CONSUMPTION	4,624	4,429	4,624
B.	TOTAL LOCAL PRODUCTION	5,732	5,922	6,256
C.	TOTAL EXPORTS	1,639	2,015	2,176
D.	TOTAL IMPORTS	531	522	544
E.	IMPORTS FROM THE U.S.	451	442	462

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR 4

B. NAME OF SECTOR: ORGANIC FOODS

PART II. NARRATIVE

According to the Canadian Organic Advisory Board, the organic industry in Canada is currently worth nearly US$700 million and growing at a rate of 20 percent per year. There are about 1,500 registered organic producers in Canada and hundreds more who are not registered. The majority of organic food production in Canada is grains, concentrated in western Canada, while oilseeds account for only about 10-20 percent of total organic production due to weed and disease problems and a shortage of organic crushing facilities. As a result, Canada relies heavily on US suppliers for imports of organic fresh produce and packaged organic foods. Once found only in health and specialty food stores, organic products are increasingly available in mainstream supermarkets in Canada.

PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL CONSUMPTION	530	640	800
B.	TOTAL LOCAL PRODUCTION	460	560	700
C.	TOTAL EXPORTS	195	240	300
D.	TOTAL IMPORTS	265	320	400
E.	IMPORTS FROM THE U.S.	175	210	265

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR 5

B. NAME OF SECTOR: LIVE CATTLE

PART II. NARRATIVE

As part of the US-Canada Record of Understanding, Canada simplified its import requirements for US feeder cattle under a program known as the Northwest Cattle Project. Canadian imports of American feeder cattle during the 1999/2000 season (October to March) reached 180,314 head, more than three and one-half times the prior season's level of 51,009 head. It marked the third year of the program, which is aimed at facilitating imports of feeder cattle into Canada by expanding animal health approvals from selected states. Alberta feedlots absorbed more than 87 percent of the total imported. The Canadian Cattlemen's Association has announced its support of year-round access to US feeder cattle and the Ontario cattle industry recently expressed an interest in expanding the program to include that province. A growing feedlot industry in western Canada and recent investments in large, modern cattle processing facilities in Alberta point to increased demand for American feeder cattle in Canada.

PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL CONSUMPTION	1,430	1,585	1,570
B.	TOTAL LOCAL PRODUCTION	1,500	1,575	1,500
C.	TOTAL EXPORTS	100	90	70
D.	TOTAL IMPORTS	30	100	140
E.	IMPORTS FROM THE U.S.	30	100	140

(The above statistics are unofficial estimates.)

PART I. BEST PROSPECT SECTOR FOR U.S. EXPORTS AND INVESTMENT

A. RANK OF SECTOR 6

B. NAME OF SECTOR: FRUIT AND VEGETABLE JUICES

PART II. NARRATIVE

Imports from the US in 1999 reached US$274 million, capturing two-thirds of the import market for fruit and vegetable juices. Canada is dependent on imports of fruit and vegetable juices (fresh or frozen) to meet total market demand. Strong US sales gains have been made in the mixed juice categories. Overall, orange juice is the market leader, with apple and grape sharing about 23 percent of total juice sales. Best prospects include the retail market segment, custom retail packaging for Canadian distributors, and new products and blends in new packaging. On a value basis, imports from the United States are forecast to account for one-third of the total Canadian fruit and vegetable juice market in 2000.

PART III. DATA TABLE (in millions of US dollars)

		1998	1999	2000
A.	TOTAL MARKET SIZE	555	600	640
B.	TOTAL LOCAL PRODUCTION	275	300	320
C.	TOTAL EXPORTS	100	100	110
D.	TOTAL IMPORTS	380	400	430
E.	IMPORTS FROM THE U.S.	259	274	295

(The above statistics are unofficial estimates.)

CHAPTER VI. TRADE REGULATIONS AND STANDARDS

A. Trade Barriers

1. General Trade Barriers

As a result of the US-Canada Free Trade Agreement (FTA) that went into effect in January 1989, virtually all Canadian tariffs on US products have been eliminated. The North American Free Trade Agreement (NAFTA), which went into effect in January 1994, removes some remaining barriers and expands specific provisions of the FTA. However, certain non-tariff barriers at both the federal and provincial levels continue to impede access of US goods and services to Canada or retard potential export growth.

The issues identified below constitute a partial list of areas that will be addressed in FY 2000 at post in concert with the USDOC, USTR, State Department and other Washington agencies.

(a) Standards

The FTA provided that testing facilities, inspection agencies and certification bodies of each country have access to the accreditation systems of the other country without obligation to establish facilities in the other country. While provincial practices do not fall under the FTA discipline, US government agencies at post and in Washington will closely monitor provincial requirements and press for fair treatment of American organizations.

(b) Government Procurement

The NAFTA provides even greater access to the Canadian Government procurement market through expansion of coverage to Canada's remaining federal departments, some government-owned enterprises (Crown corporations) and selected services and construction contracts. Coverage of government-owned enterprises and services and construction under the NAFTA represents the first time that such procurement will be subject to international rules of open and competitive bidding.

(c) Provincial Liquor Boards

Canadian provincial government liquor boards have exclusive control over Canada's alcoholic beverage retail pricing, listing, and distribution and sales in most provinces. The FTA requires Canadian provinces to accord national treatment to US wines and spirits in their listing policies and, with certain well-defined exceptions, their distribution practices. The United States has questioned several provinces' implementation of these obligations.

(d) Services

Services exports constitute the fastest growing component of the US-Canada bilateral trade relationship. The NAFTA covers all service sectors unless specifically excluded, and applies guiding principles to services trade. A party can protest an existing law, measure, or practice that does not conform to the agreement's principles by formally lodging an exception or reservation for the measure. All federal government reservations were listed during negotiations and cannot be amended. States and provinces subsequently listed their non-conforming measures. This "barrier inventory" exercise provides an opportunity to press for further liberalization in services. NAFTA parties also committed to the removal of citizenship requirements affecting the licensing and practice of professionals.

(e) "Cultural Industries"

Canada's historical concern that its own cultural identity may be overwhelmed by neighboring and powerful US cultural influences has resulted in restrictions on foreign investment in Canadian cultural industries. At Canada's insistence, cultural industries were exempted from the provisions of the FTA. However, the United States also obtained the right to take actions that have "equivalent commercial effect" against measures which would have been inconsistent with the FTA, except for the cultural exemption. Both of these features were retained in the NAFTA. In June 1999, the federal government announced that effective immediately, authority for review and approval of all prospective foreign investments in Canadian culture, heritage or national identity would pass from the Minister of Industry to the Minister for Canadian Heritage.

2. Investment Barriers

Under the Investment Canada Act (ICA) and related regulations, Canada maintains laws and policies that restrict new or expanded foreign investment in the energy, publishing, telecommunications, transportation, film, music, broadcasting, and cable television sectors. As a result of negotiations on the NAFTA, the ICA has been amended. Please refer to the "Investment Climate" in Chapter VII.

B. Export Controls

Canada controls exports under authorization of the Export and Import Permits Act (EIPA). The EIPA establishes two export lists: the Export Control List (ECL), which lists specific products that are subject to export restrictions to specified countries, and the Area Control List (ACL), which lists those countries to which all exports are subject to restrictions. The ECL contains a list of products designated as being of strategic military or industrial value, as well as other products included for purposes of conservation (such as endangered species) or trade agreement monitoring (such as steel products). The ECL specifies that, unless otherwise indicated, export permits do not have to be obtained when the goods and technology listed are being exported to the United States. The exceptions to the general exemption for US-bound shipments are atomic energy materials, various endangered species, and certain forestry products.

Under a bilateral arrangement with the United States, export permits are not required for most ECL items when shipping goods to a final destination in the United States. If the ECL goods are only transiting the US for export to other destinations, an export permit is required. However, all goods in Groups 3 (Nuclear Non-Proliferation) and 4 (Nuclear-Related Dual-Use), as well as some goods in Groups 2 (Munitions), 5 (Miscellaneous), 7 (Chemical and Biological Weapons Non-Proliferation), and 8 (Chemicals for Production of Illicit Drugs) require an individual export permit when the final destination is the United States.

Military export permits are normally denied to countries or destinations representing a strategic threat to Canada or its allies. For example, countries involved in hostilities or under UN sanction would normally be unable to obtain military export permits, as would countries whose governments have a persistent record of serious human rights violations.

Canada and the United States are negotiating a harmonization and strengthening of export controls on military goods. To this end, Canada has introduced legislation to establish a registration and permit system, as well as controls on re-transfers for individuals and companies seeking access to tools and technology controlled through the US Munitions List (USML). Canada will also promulgate new regulations to ensure that the list of items controlled under the ECL is consistent with that of the USML.

For further information, including which items require permits for export to the US, contact the Export Controls Division at the Department of Foreign Affairs and International Trade at Tel: (613) 996-2387, Fax: (613) 996-9933, or Internet:
www.dfait- maeci.gc.ca\~eicb.epd_home.htm

C. Import Documentation

A properly completed Canada Customs Invoice or its equivalent is required for all commercial shipments exported to Canada. In addition, shipments of US-produced goods must be accompanied by a completed NAFTA Certificate of Origin in order to obtain tariff-free treatment under the provisions of the North American Free Trade Agreement. For further information, please contact the Canada Customs and Revenue Agency representative at the Canadian Embassy in Washington. Tel: (202) 682-1740 or Fax: (202) 682-7689.

D. Temporary Entry

American citizens and other visitors to Canada may bring certain personal goods into Canada duty and tax-free provided that all such items are declared to Canada Customs and Revenue upon arrival and are not subject to restriction. The temporary entry of certain types of business material (e.g., brochures, commercial samples, and audio-visual projection equipment) may either be subject to the full or reduced rate of duty and tax. If the goods are eligible for free entry, a refundable security deposit -- in the form of cash or bond -- may be required. For further information, please contact the Canada Customs and Revenue Agency representative at the Canadian Embassy in Washington. Tel: (202) 682-1740 or Fax: (202) 682-7689.

E. Labeling and Marking Requirements

Canada requires bilingual labeling (English and French) for most products. Bilingual designation of the generic name on most prepackaged consumer products is required by the federal Consumer Packaging and Labeling Act. Under this Act, the following information must appear on the package/label of a consumer good sold in Canada:

Product Identity Declaration: describes a product’s common or generic name, or its function. The declaration must be in both English and French.

Net Quantity Declaration: should be expressed in metric units of volume when the product is a liquid or a gas, or is viscous; or in metric units of weight when the product is solid or by numerical count. Net quantity may be expressed in other established trade terms.

Dealer’s Name and Principal Place of Business: where the prepackaged product was manufactured or produced for resale. In general, a name and address sufficient for postal delivery is acceptable. This information can be in either English or French.

The agency responsible for inspection of imports, Canada Customs and Revenue Agency, also requires an indication of the country of origin, such as "Made in the USA," on several classes of imported goods. Goods not properly marked cannot be released from Canada Customs until suitably marked.

The Province of Quebec requires that all products sold in that province be labeled in French and that the use of French be given equal prominence with other languages on any packages or containers. The Charter of the French Language requires the use of French on product labeling, warranty certificates, directions for use, public signs and written advertising.

Finally, industry is charged with ensuring that any claims about a product being "environmentally-friendly" are accurate and in compliance with relevant legislation. In general, environmental claims that are ambiguous, misleading or irrelevant, or that cannot be substantiated, should not be used. In all cases, environmental claims should indicate whether they are related to the product itself or to the product’s packaging materials. The Canadian government has issued a set of guiding principles governing the use of environmental labeling and advertising which may be obtained by contacting Industry Canada.

F. Regulated Imports

Under the NAFTA, the vast majority of US products shipped to Canada enter the market free from any tariffs or import restrictions. However, under the provisions of the Canadian Customs tariff regulations, certain commodities, such as reprints of Canadian copyrighted work, cannot be imported. Other items are regulated under the Export and Import Permits Act and require a permit for importation into Canada. The Act lists various agricultural products (poultry, eggs, and dairy products), a number of textile and clothing items, and certain steel products. Inquiries regarding the issuance of import permits and quota allocations should be directed to the Department of Foreign Affairs, Export and Import Controls Bureau. Tel: 613-996-3711 (textiles and clothing); Tel: 613-995-8358 (steel products); Tel: 613-995-2744 (agricultural products).

G. Standards

Though similar, Canada's product standards are not identical to those in the United States. The Canadian government, like the US government, is concerned with protecting its citizens from faulty or unsafe products. However, in delineating the precise technical specifications required to ensure safety, both countries often use slightly different standards.

Under the aegis of the Standards Council of Canada (SCC), several private standards-writing organizations administer technical codes and standards for areas ranging from electrical and plumbing products to health-care technology. These organizations include:

The Canadian Standards Association (CSA)
Underwriters Laboratories of Canada (UL)
The Canadian General Standards Board
The Canadian Gas Association

The Canadian federal government also has numerous commodity standards to safeguard public welfare. The standards organizations try to avoid duplication of responsibility, but there is some overlap.

US manufacturers and exporters should determine what standards are applicable to their products. If certification is required, it generally must be obtained before the goods are imported into Canada. The process can be time-consuming and, therefore, certification should be one of the first steps taken to establish an export market in Canada.

The basic NAFTA rule is simple: standards must not create unnecessary barriers to trade. To reduce such barriers, the NAFTA applies basic principles to bilateral trade:

testing facilities and certification bodies are treated in a nondiscriminatory manner;

federal standards-related measures will be harmonized to the greatest extent possible;

greater openness will be provided in the regulatory process.

Standards organizations in the United States and Canada continue to work cooperatively in the development of joint standards and have made progress in several areas. For example, the Air Conditioning and Refrigeration Institute and the CSA have harmonized performance standards for air conditioners and heat pumps, packaged water chillers, and water-source heat pumps.

Underwriter's Laboratory (UL) and the Canadian Standards Association (CSA) have established common electrical safety standards for air conditioners, heat pumps, and refrigerant motor-compressors.

Since 1992, several US testing and certification organizations, most notably UL and the American Plywood Association, have received accreditation in Canada. The CSA has also officially been recognized by the US Occupational Safety and Health Administration (OSHA) as a nationally recognized testing laboratory. SCC and OSHA accreditation means American manufacturers can gain product approval for both the United States and Canada from one source, thereby eliminating the time and expense of pursuing separate certification for each market. Numerous other US testing and certification organizations have since received accreditation from the SCC. A complete list of these organizations may be obtained by contacting the Standards Council of Canada. (See Chapter XI for contact information.)

H. Free Trade Zones and Bonded Warehouses

With the exception of one special trade zone at the Sydport Industrial Park in Cape Breton, Nova Scotia, Canada has no free ports or free trade zones. At present, there are no federal or provincial laws specifically governing the establishment and operation of such zones.

Goods may be cleared at Customs offices on the border or may be forwarded to a bonded warehouse for storage pending customs examination and clearance. Goods may be sent to a bonded warehouse without the payment of duty, but must be cleared either for export or Canadian consumption within two years. Extended periods are allowed for certain goods.

Goods taken from bonded warehouses for consumption are dutiable at rates of the Customs Tariff in effect at the time, and the value for duty purposes is the value at the time of entry for warehousing. Goods exported from bonded warehouses to third countries are subject to Canadian export regulations. Minor operations such as repackaging and sorting can be carried out in bonded warehouses with the permission of Canada Customs and Revenue Agency, but assembly or other industrial activity is prohibited.

I. Membership in Free Trade Arrangements

The Free Trade Agreement (FTA), implemented in 1989, created vast opportunities for US exporters and investors in Canada. As a result of the FTA, trade barriers have come down, investment rules have been liberalized, and bilateral cooperation on a wide range of issues has been expanded. The FTA has since been enhanced further through the implementation of the NAFTA which took effect on January 1, 1994. This historic Agreement brings Mexico into the North American free trade area and expands the scope of the FTA in some key areas. For example, the NAFTA contains provisions relating to intellectual property, land transportation and the environment, which were not provided for in the FTA. Many of the improvements to the FTA, now reflected in the NAFTA, are the direct result of experience gained by the United States and Canada in implementing that bilateral accord.

Like the United States, Canada is a member of the World Trade Organization (WTO) and was a founding member of its predecessor, the General Agreement on Tariffs and Trade (GATT). Canada has also been an active member of both the Asia-Pacific Economic Cooperation (APEC) forum and the Free Trade Area of the Americas (FTAA) negotiation process.

Canada and Israel implemented a bilateral FTA at the start of 1997 that is similar to the US-Israel FTA, but does not deal with government procurement. Canada and Chile implemented a bilateral FTA in mid-1997. This FTA was explicitly designed to facilitate Chile's eventual accession to NAFTA, and includes parallel agreements on environmental protection and labor standards. It immediately eliminates Chile's 11 percent duty on most industrial and resource-based exports from Canada, and commits the two countries to eliminate the use of trade remedy laws against each other's firms within six years.

CHAPTER VII. INVESTMENT CLIMATE

A. Openness to Foreign Investment

1. General Attitude

With few exceptions, Canada offers foreign investors full national treatment within the context of a developed open market economy operating with democratic principles and institutions. Canada is, however, one of the few OECD countries that still has a formal investment review process, and foreign investment is prohibited or restricted in several sectors of the economy.

Canada's economic development is, to a certain extent, reliant on foreign investment inflows. In terms of revenue, four foreign-owned firms rank among the top ten corporations in Canada and the government estimates that foreign investors control about one-quarter of total Canadian non-financial corporate assets. The stock of global foreign direct investment in Canada in 1999 was US$162 billion, or 25 percent of Canadian GDP. When the stock of portfolio investment is added (stocks, bonds and treasury bills), total foreign investment in Canada in 1999 amounted to 77% of Canadian GDP.

Since January 1994, investment relations between the US and Canada have been governed by the NAFTA. The NAFTA builds on the investment relationship created by the 1989 US-Canada Free Trade Agreement (FTA). In the FTA, the United States and Canada agreed on important foreign investment principles, including right of establishment and national treatment. The FTA recognized that a hospitable and secure investment climate was indispensable if the two countries were to achieve the full benefits of reducing barriers to trade in goods and services.

The FTA established a mutually beneficial framework of investment principles sensitive to the national interests of both countries, with the objective of assuring that investment flowed freely between the two countries and that investors were treated in a fair and equitable manner. The FTA provided higher review thresholds for US investment in Canada than for other foreign investors, but it did not exempt all US investment from review nor did it override specific foreign investment prohibitions, notably in the cultural area. The NAFTA incorporates the gains made in the FTA, expands the coverage of the Investment Chapter to several new areas, and broadens the definition of investors with rights under the agreement. It also creates the right to binding investor-state dispute settlement arbitration in specific situations.

2. Legal Framework

Since 1985, foreign investment policy in Canada has been guided by the Investment Canada Act (ICA), which replaced the more restrictive Foreign Investment Review Act. The ICA liberalized policy on foreign investment by recognizing that investment is central to economic growth and is the key to technological advancement. At the same time, it provided for a review of large acquisitions in Canada by non-Canadians and imposed a requirement that these investments be of "net benefit" to Canada. For the vast majority of small acquisitions, as well as the establishment of new businesses, foreign investors need only notify the Canadian government of their investment.

While the ICA provides the basic legal framework for foreign investment in Canada, investment in specific sectors may be covered by special legislation. For example, foreign investment in the financial sector is administered by the federal Department of Finance, and the Broadcast Act governs foreign investment in radio and television broadcasting. Under provisions of Canada's Telecommunications Act, foreign ownership of transmission facilities is limited to 20 percent direct ownership and 33 percent through a holding company, for an effective limit of 46.7 percent total foreign ownership.

Canada's federal system of government subjects investment to provincial as well as national jurisdiction. Provincial restrictions on foreign investment differ by province, but are largely confined to the purchase of land and to certain types of provincially regulated financial services. In addition, provincial government policies in the areas of labor relations and environmental protection can have an important impact on foreign investors.

3. Investment Canada Act

The Investment Canada Act is intended to regulate foreign investment in Canada. Investment Canada, the federal regulatory agency under the purview of Industry Canada, only reviews two types of proposed acquisitions when it is deemed that the review is in the public interest. The first type is the direct or indirect acquisition by a foreigner of an existing Canadian enterprise of substantial size. The second type is the acquisition of an existing Canadian enterprise or the establishment of a new Canadian enterprise by a foreigner engaging in business relating to Canada's cultural heritage or national identity (as described later in this chapter). As of June 1999, Industry Canada forwards the review of any proposed foreign investment in Canada's cultural heritage or national identity to the federal Department of Canadian Heritage.

Investment Canada must be notified of any investment by a non-Canadian to establish a new Canadian business, regardless of size, or to acquire direct control of any existing business which has assets of at least C$5 million or is in a business that is identified by regulation as being "culturally sensitive." A notification to Investment Canada is also required when a foreigner plans to acquire indirect control of any existing Canadian business with assets of more than C$50 million. The C$5 million threshold is increased to C$192 million in the case where the acquiring non-Canadian entity is a member of the World Trade Organization (WTO), and there is no review process applicable to an indirect acquisition of a Canadian business by any member of the WTO.

In practice, Industry Canada has allowed most transactions to proceed, in some instances upon compliance by the applicant with certain undertakings. The ICA also sets strict time limits within which Investment Canada must respond, in an effort to ensure that the legislation does not unduly delay any investment in Canada.

Some of the provinces restrict the purchase by foreigners of certain types of real estate. Ontario imposes higher land transfer taxes on non-resident purchases of land other than industrial, commercial or residential land (zoned, assessed or used as such). Apart from this, there are no provincial restrictions on non-Canadians investing in real estate in Canada.

4. Special Treatment for US Investment

US foreign investment in Canada is subject to the Investment Canada Act, but the NAFTA further defines the investment relationship between the two countries and adopts the principle of national treatment. The basic obligation assumed by the two countries in Chapter Eleven of the NAFTA is to ensure that future regulation of Canadian investors in the United States, and of US investors in Canada, results in treatment no different than that extended to domestic investors within each country -- "national treatment." Both governments are completely free to regulate the ongoing operation of business enterprises in their respective jurisdictions under, for example, antitrust law, provided they do not discriminate. This principle is founded on the basis of existing practice and is detailed in the framework below.

Canada retains the right to review the acquisition of firms in Canada by US investors, but agrees to phase in higher threshold levels for US investors. The current review threshold (adjusted for inflation) for direct acquisitions is C$192 million. Indirect acquisitions by WTO member investors do not require review, but are nonetheless subject to notification.

Existing laws, policies and practices were "grandfathered" in, except where specific changes were required. The practical effect of this was to freeze the various exceptions to national treatment provided in Canadian and US law, such as restrictions on foreign ownership in the communications and transportation industries. Additionally, both governments remain free to tax foreign-owned companies on a different basis than domestic firms, provided this does not result in arbitrary or unjustifiable discrimination, and to exempt the sale of crown (government-owned) corporations from any national treatment obligations. Finally, the two governments retain some flexibility in the application of national treatment obligations. They need not extend identical treatment, as long as the treatment is "equivalent."

The NAFTA also deals more specifically with the financial services sector. Chapter Fourteen on financial services eliminates discriminatory asset and capital restrictions on US bank subsidiaries in Canada. It also exempts US firms and investors from the federal "10/25" rule so that they will be treated the same as Canadian firms. The "10/25" rule prevents any single non-NAFTA, non-resident from acquiring more than ten percent of the shares, and all such non-residents in the aggregate from acquiring more than 25 percent of the shares of a federally regulated, Canadian-controlled financial institution.

Both the ten percent and the 25 percent limitations were eliminated for US investors in federally-chartered, non-bank financial institutions. Several provinces, however, including Ontario and Quebec, have similar "10/25" rules for provincially-chartered trust and insurance companies which were not waived under the FTA. The ten percent limitation on any individual shareholder -- whether Canadian or foreign -- will continue to apply to investments in Canadian banks. The federal government is proposing to raise the 10 percent ceiling to 20 percent through legislation introduced June 13, 2000.

Bilateral services trade is largely free of restrictions and the NAFTA ensures that restrictions will not be applied in the future. However, existing restrictions were not affected by the NAFTA. The services agreement is primarily a code of principles, which establishes national treatment, right of establishment, right of commercial presence, and transparency for a number of service sectors specifically enumerated in annexes to the NAFTA. The NAFTA also commits both parties to expand the list of covered service sectors.

The NAFTA grants US firms that operate from the United States national treatment for most Canadian federal procurement opportunities. However, inter-provincial trade barriers exist which often exclude US firms established in one Canadian province from bidding on another province's procurement opportunities. As a first step in the ongoing and difficult process of reducing trade barriers within Canada, the federal, provincial and territorial governments negotiated an Internal Trade Agreement that came into effect on July 1, 1995. The Agreement provides a framework for dealing with trade in ten specific sectors and establishes a formal process for resolving trade disputes.

Besides the areas described above, the NAFTA includes provisions that: enhance the ability of US investors to enforce their rights through international arbitration; prohibit a broader range of performance requirements, including forced technology transfer; and expand coverage of the investment chapter to include portfolio and intangible investments as well as direct investment.

5. Investments in "Cultural Industries"

Canada defines "cultural industries" to include:

the publication, distribution or sale of books, magazines, periodicals or newspapers, other than the sole activity of printing or typesetting;

the production, distribution, sale or exhibition of film or video recordings, or audio or video music recordings;

the publication, distribution or sale of music in print or machine-readable form;

any radio, television and cable television broadcasting undertakings and any satellite programming and broadcast network services.

The Investment Canada Act requires that foreign investments in the book publishing and distribution sector be compatible with national cultural policies and be of net benefit to Canada. Takeovers of Canadian-owned and controlled distribution businesses are not allowed. The establishment of new film distribution companies in Canada will only be allowed for importation and distribution of proprietary products. (The importer would have to own world rights or be a major investor). Indirect and direct takeovers of foreign distribution businesses operating in Canada are allowed only if the investor undertakes to reinvest a portion of its Canadian earnings.

The Broadcasting Act sets out the broadcasting policy for Canada, the objectives of which include enriching and strengthening the cultural, political, social and economic fabric of Canada. The Canadian Radio-Television and Telecommunications Commission (CRTC), is charged with implementing the broadcasting policy. Under current CRTC policy, in cases where a Canadian service is licensed in a format competitive with that of an authorized non-Canadian service, the Commission can drop the non-Canadian service if a new Canadian applicant requests it to do so. Licenses will not be granted or renewed to firms that do not have at least 80 percent Canadian control, represented both by shareholding and by representation on the Board of Directors.

All investments in newspapers and periodicals require Canadian government review. Authority for reviewing prospective foreign investments resides with the Minister for Canadian Heritage. In 1997, the United States successfully challenged Canada's protectionist magazine regime in the World Trade Organization. Under terms of an agreement signed in June 1999, Canada committed to significantly lower its barriers to foreign magazines. Canada agreed to permit 51 percent foreign equity in a magazine enterprise, up from the previous 25 percent, and to increase this level to 100 percent by June 2000.

During the first eighteen months after this agreement, US magazines exported to Canada are permitted to carry 12 percent of total ad space with advertising aimed primarily at the Canadian market. Within three years, this limit will grow to 18 percent. Canada also committed to provide non-discriminatory tax treatment under Section 19 of the Income Tax Act. Previously, Section 19 prohibited advertisers from receiving the standard business deduction if they advertised in foreign-owned publications. Under the agreement, Canada eliminated the nationality requirement in June 2000. In addition, Canadian advertisers may now place ads in any magazine regardless of the nationality of the publisher or place of production. Canadian advertisers, merchants and service providers may now claim a tax deduction for one-half of their advertising costs if they place ads in foreign magazines with zero to 79 percent Canadian editorial content. They may deduct full advertising costs if the magazine contains 80 percent or more original (specifically for the Canadian market) editorial content.

6. Investments in the Financial Sector

The banking industry in Canada is governed by the federal Bank Act. The Bank Act and other financial services laws are mandated for review every five years. Amendments to the Bank Act in 1992, 1997 and 1999 have facilitated foreign bank operations in Canada. In June 1999

Parliament passed legislation permitting foreign banks to open branches in Canada, as an alternative to operating as subsidiaries, which had been previously approved. The bill, which fulfilled Canada's commitments in the 1997 WTO Financial Services Agreement, became law in June 1999. The federal government also agreed to amend the new law to make its deposit restrictions and tax regulations less onerous for foreign banks that convert a subsidiary to a branch office. These amendments, expected to be completed by the end of 2000, will be retroactive to June 17, 1999.

Two types of foreign bank branches are permitted under the new legislation: full-service and lending. Full-service branches are authorized to take non-retail deposits of not less than C$150,000 (approx. US$102,000), while lending branches are not allowed to take any deposits and can borrow only from other financial institutions. The purpose of lending branches is to provide new sources of funds to businesses and credit card users. Full-service branches and foreign bank subsidiaries are not allowed to own lending branches.

As of January 2000, there were approximately 8,200 bank branches and 15,500 automated banking machines throughout Canada. Over 99 percent of these were operated by domestic Schedule I (widely-held, publicly traded) and Schedule II (closely held) banks. There are 11 domestic banks and 42 foreign banks operating in Canada. However, Canadian banking is dominated by six Schedule I chartered banks, which together hold about 90 percent of all the assets in Canada's banking sector. (See Chapter XI.) NAFTA-country Schedule I and II bank subsidiaries can set up inter-provincial branches in Canada. As of June 30, 1999, non-NAFTA schedule II banks no longer have to secure approval from the Minister of Finance to open more than one branch. While foreign banks are legally able to enter retail banking through Canadian subsidiaries, Canada is considered a saturated market, and most foreign banks focus on commercial banking or credit card operations. The financial services chapter of the NAFTA, which entered into force on January 1, 1994, establishes a comprehensive set of rules to govern trade and investment in financial services among the three signatory countries.

7. Investments In Other Sectors

Commercial Aviation: Foreigners are limited to 25 percent ownership of Canadian air carriers.

Energy and Mining: Foreigners cannot be majority owners of uranium mines.

Telecommunications: Under provisions of Canada's new Telecommunications Act, foreign ownership of Type I carriers (owners/operators of transmission facilities) is limited to 20 percent. Ownership and control rules are more flexible for holding companies that wish to invest in Canadian carriers. Under these rules, two-thirds of the holding company's equity must be owned and controlled by Canadians.

Fishing: Foreigners can own only 49 percent of companies that hold Canadian commercial fishing licenses.

Electric Power Generation and Distribution: Regulatory reform in electricity continues in Canada, motivated by the expectation that increased competition will lower costs of electricity supply.   The provincially owned firms are also interested in gain greater access to the US power market. Since power markets fall under the competency of the Canadian provinces, they are at the forefront of the reform effort. The reforms will also help to integrate the US and Canadian electricity markets more closely.

Health Services: Hospitals in Canada are integral parts of a public health system administered by the provinces. Private hospitals would not be eligible to receive payments from provincial health insurance funds, and therefore would not be financially viable in most cases.

Real Estate: Primary responsibility for property law rests with the provinces. Prince Edward Island, Saskatchewan and Nova Scotia all limit real estate sales to out-of-province parties. There is no constitutional protection for property rights in Canada. Consequently, property can be expropriated by government authorities, but appropriate compensation must be paid.

Privatization: Each specific privatization (at the federal or provincial levels of government) is considered on a case-by-case basis, and there is no overall limitations policy with regard to foreign ownership. As an example, the federal Department of Transport did not impose any limitations in the privatization of Canadian National (CN) railway, whose majority shareholders are now US citizens.

8. Investment Incentives

Both federal and provincial governments in Canada offer a wide array of investment incentives, while municipalities are legally prohibited from offering tax incentives. None of the federal incentives, however, are specifically aimed at promoting or discouraging foreign investment in Canada. Rather, the incentives are designed to accomplish broader policy goals, such as investment in research and development, or promotion of regional economies. They are available to any qualified investor, Canadian or foreign, who agrees to use the funds for the stated purpose. Provincial incentives tend to be more investor-specific and are conditioned on applying the funds to an investment in the granting province. Provincial incentives may also be restricted to firms established in the province or that agree to establish a facility in the province.

Incentives for investment in cultural industries, at both the federal and provincial level, are generally available only to Canadian-controlled firms. Incentives may take the form of grants, loans, loan guarantees, venture capital, or tax credits. Incentive programs in Canada generally are not oriented toward the promotion of exports. Provincial incentive programs for film production in Canada are available to foreign filmmakers.

B. Protection of Property Rights

Private property rights are fully protected by Canada’s legal system. Foreigners have full and fair access to Canada’s legal system. Property rights are limited only by the rights of governments to establish monopolies and to expropriate for public purposes. Investors from NAFTA countries have mechanisms available to them for dispute resolution regarding property expropriation by the Government of Canada.

C. Performance Requirements/Incentives

Canada does not explicitly negotiate performance requirements with foreign investors. For investments subject to review, however, the investor's intentions regarding employment, resource processing, domestic content, exports, and technology development or transfer can be examined by the Canadian Government. A special duty remission scheme exists for the automotive sector that makes certain benefits contingent on trade performance. The FTA prohibits the United States or Canada from imposing export or domestic content performance requirements. Government officials at both the federal and provincial levels expect investors who receive investment incentives to use them for the agreed purpose, but no enforcement mechanism exists.

D. Regulatory System: Laws and Procedures

Canada's regulatory system is similar to that of the United States in terms of its transparency and broad array of institutions involved. Proposed regulatory laws are subject to parliamentary debate and public hearings and regulations are issued in draft form for public comment prior to implementation. While federal and/or provincial licenses or permits may be needed to engage in economic activities, this kind of regulation is generally for statistical or tax compliance reasons. Canada's antitrust legislation is enforced by the Bureau of Competition Policy and the Competition Tribunal, a quasi-judicial body.

E. Labor

The Federal government and provincial/territorial governments share jurisdiction for labor regulation. For example, employees in the railroad, airline and banking sectors are covered under the federally administered "Canada Labor Code," while labor regulations for workers in most other sectors would be handled on a provincial basis. It is advisable to contact a federal or provincial labor office for minimum wage and other benefit requirements in a specific province.

Over the past several years job growth has been faster in Canada than in the United States, and in May 2000 Canadian unemployment hit its lowest level in 24 years. Nevertheless, labor at all skill levels is generally available in Canada, although there are worker shortages in certain sectors, such as information technology and nursing.

Due in part to the low value of the Canadian dollar relative to the US dollar, Canadian wage and benefit levels for most job categories are generally lower than in the United States. In 1999, the proportion of union membership among those in paid employment in Canada was 30.7%, which reflects an 18.2% membership rate in the private sector and a 71% membership rate in the public sector. The union participation rate is about twice that seen in the United States.

F. Expropriation and Compensation

Canadian federal and provincial laws recognize both the right of the government to expropriate private property for a public purpose, and the obligation to pay compensation. The federal government has not nationalized any foreign firm since the nationalization of Axis property during World War II. Both the federal and provincial governments have also assumed control of private firms -- usually financially distressed ones -- after reaching agreement with the former owners.

G. Dispute Settlement

Canada is a member of the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. The Canadian government has made a decision in principle to become a member of the International Center for the Settlement of Investment Disputes (ICSID). However, since the legal enforcement mechanism for ICSID would be the provincial court system, the federal government must also obtain agreement from the provinces that they will enforce ICSID decisions. It is unlikely that this will happen in the foreseeable future.

Canada accepts binding arbitration of investment disputes to which it is a party only when it has specifically agreed to do so through a bilateral or multilateral agreement, such as a Foreign Investment Protection Agreement. The resolution of investment disputes between the United States and Canada is guided by the provisions of Chapter 11 of the NAFTA. The NAFTA encourages parties to settle disputes through consultation or negotiation It also establishes special arbitration procedures for investment disputes separate from the NAFTA's general dispute settlement provisions. Under the NAFTA, a narrow range of disputes (those dealing with government monopolies and expropriation) between an investor from a NAFTA country and a NAFTA government may be settled, at the investor's option, by binding international arbitration. An investor who seeks binding arbitration in a dispute with a NAFTA party gives up his right to seek redress through the court system of the NAFTA party.

H. Political Violence

Although rare, political violence does occur in Canada. The United States Consulate General in Toronto was vandalized in 1999 by Serbian demonstrators protesting the air war in Kosovo. In addition, there have been some violent incidents related to trade and environmental disputes.

I. Bilateral Investment Agreements and Tax Treaties

While the terms of the FTA and the NAFTA guide investment relations between the United States and Canada, Canada has also negotiated international investment agreements with non-NAFTA parties. These agreements, known as Foreign Investment Protection Agreements (FIPAs), are bilateral treaties that promote and protect foreign investment through a system of legally binding rights and obligations based on the same principles found in the NAFTA. Within Canada's overall foreign investment strategy, FIPAs complement the NAFTA. Since 1989, Canada has negotiated 24 FIPAs with countries in Central Europe, Latin America, Africa and Asia. Canada is currently negotiating some 33 other investment agreements with other countries, notably China and India.

Canada has 68 international tax treaties in force, with another ten signed but not in force as of July 2000. In addition, 30 treaties are currently under negotiation. Please refer to the following Internet web site for more information: www.fin.gc.ca

J. Capital Outflow Policy

The Canadian dollar is fully convertible. The Canadian Government provides some incentives for Canadian investment in developing countries through Canadian International Development Agency (CIDA) programs. Canada's official export credit agency, the Export Development Corporation (EDC), provides OPIC-like insurance coverage for Canadian foreign investment.

CHAPTER VIII. TRADE AND PROJECT FINANCING

A. Canadian Banking System

The financial services chapter of the NAFTA, which entered into force on January 1, 1994, establishes a comprehensive set of rules to govern trade and investment in financial services among the three signatory countries (the United States, Canada and Mexico). US banks now enjoy a right of establishment and a guarantee of national treatment in Canada. NAFTA also established a Financial Services Committee to supervise implementation of the chapter and deal with any banking issues that arise between the two countries. If differences of interpretation cannot be resolved by the Committee, the NAFTA parties can take the issue to a dispute settlement mechanism.

B. Foreign Exchange Controls Affecting Trading

The Canadian dollar is fully convertible. Canada has no restrictions on the movement of funds into or out of the country. Banks, corporations and individuals are able to deal in foreign funds or arrange payments in any currency they choose.

C. General Financing Availability

The financial markets in Canada are stable, mature, and accessible to everyone. There are two primary methods of financing a business: equity financing and debt financing. Most businesses obtain their financing using these two sources of funds. Canadian banks have become sensitive to the growing financial needs of franchised operations. Various loan and repayment plans for franchise operations are now offered by Canadian chartered banks. Depending on the need of the franchise or business in question, bank services can also include payroll and cash management services.

D. Export Financing

There are no US Government programs available for financing American exports to Canada. Neither the Export-Import Bank of the United States (Ex-Im Bank) nor the Overseas Private Investment Corporation (OPIC) maintains programs for the Canadian market. However, the political, economic and commercial systems in Canada are so stable and similar to those in the United States that the lack of government financing should pose virtually no problem to the overwhelming majority of US firms seeking to export to Canada. Private financing should be available from an American firm's own bank in the United States, or from a Canadian bank with branch operations in the United States, under terms similar to those a company would generally find in the US financial markets.

Historically, venture capital has not been readily available in Canada, particularly for non-Canadian firms. In the technology sector, however, there recently has been a dramatic increase in the availability of venture capital available to start-up companies. Nonetheless, US firms seeking sources of funding are more likely to find success with those efforts in the United States. In general, American exporters will find the financing of exports to Canada in many ways similar to financing of shipments to another state in the United States.

Credit information on Canadian firms is readily available from a number of private credit reference companies. To obtain information on these companies, contact any of the Commercial Service offices in Canada, which are listed in Chapter XI.

E. Terms of Payment

Although terms vary from one industry to another and among trading channels, US manufacturers exporting to Canada generally give a discount of one or two percent of the invoice if paid within ten days. American firms exporting to department stores tend to offer between eight and ten percent discount for settlement within ten days. Normal precautions in dealing with a first-time customer should be exercised, and safeguards instituted wherever possible, at least until a satisfactory relationship has been established. The many bank branch offices in Canada and the United States should help maintain maximum flexibility for methods of payment, and facilitate the settlement of accounts.

The disposition of charges on export collections or letters of credit through normal banking channels should be resolved between the exporter and the buyer at the time of sale. Canadian buyers will often accept these charges, but an unexpected bill may cause irritation and, if there has been no prior consent to the charge, the foreign buyer has the right to refuse to pay. When this happens, banks are entitled to deduct the collection charges from the remittance under the terms of the "Uniform Rules for the Collection of Commercial Paper" developed by the International Chamber of Commerce.

F. Financing Insurance

US firms exporting to Canada will not find any strong need for government-operated or backed export insurance against exigencies that may typically be found in many third-country markets. Ex-Im Bank is not active in financing US exports to Canada, nor are OPIC programs available in Canada. With proper application of sound business principles, however, American firms should be able rely on commercial banks as they do in the US domestic market and to avoid most of the problems that require extensive export financing insurance.

G. Project Financing

Canada does not qualify for project financing from any of the multilateral development banks, such as the World Bank or the Inter-American Bank for Reconstruction and Development.

However, commercial banks in Canada and large US banks with a Canadian presence typically fill this need by putting together financing packages for large-scale capital projects. A listing of major Canadian banks and US banks with a significant presence in Canada is found in Chapter XI.

CHAPTER IX. BUSINESS TRAVEL

A. Business Customs

Business customs in Canada closely mirror those of the United States. This is not to say, however, that doing business in Canada is exactly the same as doing business in the United States. US business travelers to Canada should be sensitive to cultural and language differences and allow adequate time for the development of personal contacts in business dealings.

B. Travel Advisory and Visas

Citizens or legal permanent residents of the United States do not require entry visas and can usually cross the border between the United States and Canada with minimal difficulty or delay. To expedite border crossings, native-born US citizens should carry either a passport, or a birth certificate and photo ID, such as a driver's license. Naturalized American citizens should carry a naturalization certificate as well as a photo ID. Legal permanent residents of the United States are advised to carry their alien registration card.

The North American Free Trade Agreement facilitates the movement of US and Canadian business travelers across each country's borders through streamlined procedures. These procedures assure that qualified persons will be permitted entry into Canada on a temporary basis. Individuals wishing to enter Canada under any of the four categories (business visitors, NAFTA professionals, traders & investors, or intra-company transferees) must be US or Mexican citizens. Business travelers and dependents must also satisfy any other admission requirements of the Canadian Immigration Act. For more information on temporary entry of American businesspersons to Canada, see: http://www.cic.gc.ca/english/visit/nafta00e.html, or contact the Canadian Embassy in Washington: Tel: (202) 682-1740 or Fax: (202) 682-7689.

American citizens and other visitors to Canada may bring certain personal goods into Canada duty and tax-free provided that all such items are declared to Canada Customs and Revenue upon arrival and are not subject to restriction. The temporary entry of certain types of business materials (e.g., brochures, commercial samples, and audio-visual projection equipment) may either be subject to the full or reduced rate of duty and tax. If the goods are eligible for free entry, a refundable security deposit -- in the form of cash or bond -- may be required. For further information, please contact the Canada Customs and Revenue representative at the Canadian Embassy in Washington.

C. Canadian Holidays Through December 2001

Monday, September 4, 2000	Labour Day

Monday, October 9, 2000	Thanksgiving Day
Saturday, November 11, 2000	Remembrance Day*
Monday, December 25, 2000	Christmas Day
Tuesday, December 26, 2000	Boxing Day
Monday, January 1, 2001	New Year's Day
Friday, April 13, 2001	Good Friday
Monday, April 16, 2001	Easter Monday
Monday, May 21, 2001	Victoria Day
Sunday, June 24, 2001	St. Jean Baptiste Day (Quebec only)
Sunday, July 1, 2001	Canada Day*
Monday, August 6, 2001	Civic Holiday
Monday, September 3, 2001	Labour Day
Monday, October 8, 2001	Thanksgiving Day
Sunday, November 11, 2001	Remembrance Day*
Tuesday, December 25, 2001	Christmas Day
Wednesday, December 26, 2001	Boxing Day

* In Canada, when a holiday falls on a Saturday or Sunday, it is observed the following Monday.

D. Transportation Infrastructure

Except in remote areas of the north, Canada possesses an advanced transportation system comparable to that of the United States. An extensive air network links all major, and many minor, traffic points with adequate connections to the United States and the rest of the world. Travel between the United States and Canada has been enhanced with the implementation of the Open Skies Agreement between the two countries. As of June 2000, Air Canada had roughly 80% of the domestic market and no major national competition. This situation results in domestic air fares that, on a per-mile basis, are generally higher than fares in the United States.

A good highway system, with less emphasis on interstate roads, exists within 200 miles of the US border and supports extensive truck, bus and automobile traffic. Canada also has an extensive railway system connecting the country from the Atlantic to the Pacific. The Canadian National Railway deals exclusively with cargo, while VIA Rail provides passenger service. In addition, all large cities have a public transit system. The operation of public transport is frequently subsidized by provincial and local governments, making most fares reasonable.

In spite of extensive public transport arrangements, Canada is as much an "automobile society" as is the United States. Gasoline is sold in liters in Canada, and Canadian safety standards for cars are similar to those in the United States. Left-hand-drive vehicles are standard and traffic moves on the right side of the road. International highway symbols are used in Canada, and distances and speed limits are given in kilometers. Seat belts and infant/child seat restraints are mandatory in all Canadian provinces. Fines are imposed for non-use of seat belts and child restraints.

E. Language

American visitors to Canada should pay particular attention to the fact that the country is officially bilingual, with English and French as the national languages. English is the language spoken in the geographical majority of the country and is also the generally accepted language of business. French is spoken primarily in Quebec and is the official language of that province. The province of New Brunswick is bilingual, with the largest French-speaking population outside of Quebec. A recognition that French is the primary language spoken by a large number of Canadians will be greatly beneficial in helping build relationships with Canadian business partners in Quebec and in other French-speaking areas of the country.

F. Telecommunications

Telecommunications networks are highly sophisticated in Canada and comparable with those of the United States. Canada is integrated with the US direct-dial long-distance telephone system. (Dial one, the area code and the number, just like making a long-distance call in the United States). All forms of communication and transmission are possible, including voice, text, data, and video.

G. Health and Food

Canada has no special health risks. Standards of community health and sanitation are comparable to those in the United States. Competent doctors, dentists, and specialists of all types are available, and medical training is equivalent to that in the United States.

Most food and other consumables available in the United States can be found in Canada. Canadian prices for food and general consumer goods are often higher than US prices, but this may be offset by a favorable US-Canadian dollar exchange rate.

CHAPTER X. ECONOMIC AND TRADE STATISTICS

Appendix A. Canadian Domestic Economy

	1998	1999	2000
Real GDP, in US$ billions (based on 1992 US$)	567.8	592.4	631.4
GDP Growth Rate (%)	3.3	4.5	4.1
Real GDP Per Capita (US$ thousands)	18.6	19.1	20.0
Govt. Spending (as a percent of GDP)	19.6	19.0	18.5
Inflation (%)	0.9	1.7	2.4
Unemployment (%)	8.3	7.6	6.6
Foreign Exchange Reserves	23.4	28.6	29.6 *
Average Exchange Rate (C$1 = US cents)	67.43	67.30	68.90
Federal Debt to GDP Ratio (%)	64.4	61.1	57.8
US Economic/Military Assistance	N/A	N/A	N/A

* As at May 31, 2000.

Sources: Statistics Canada; FY2000-2001 Federal Budget; Consensus Forecasts; Conference Board of Canada

Appendix B. Canadian Trade Statistics

(Balance of Payments Basis, in Billions of US$)

	1998	1999	2000
Exchange Rate: (C$1 = US cents)	67.43	67.30	68.90
Canadian Exports (goods & services)	250.4	277.5	311.3
Canadian Imports (goods & services)	242.2	258.8	281.6

Canadian Exports to the US (goods & services)	200.4	228.3	267.7
US Imports into Canada (goods & services)	179.5	190.8	208.4
US Share of Canadian Exports of Goods & Services (%)	80.0	82.2	86.0
US Share of Canadian Imports of Goods & Services (%)	74.1	73.7	74.0
Total Trade with the World (goods, services, transfers and investment income)	559.9	607.2	646.3
Total Trade with the US (goods, services, transfers and investment income)	379.9	419.1	465.4

Sources: Statistics Canada and Private Sector Forecasts for 2000 Projections

Canadian Merchandise Trade Balance With Three Leading Trading Partners in 1999
(balance of payments basis, billions of US$)

United States:	+ 32.1
Japan:	- 0.9
United Kingdom:	- 1.6

Principal Canadian Exports to the United States in 1999
(balance of payments basis, billions of US$)

Automotive Products	61.8
Machinery and Equipment	41.4
Industrial Goods	29.0
Forestry Products	21.5
Energy Products	18.8
Agricultural and Fishing	10.1

Principal Canadian Imports from the United States in 1999
(balance of payments basis, billions of US$)

Machinery and Equipment	45.3
Automotive Products	42.2
Industrial Goods	30.9

Consumer Goods	13.5
Agricultural/Fishing Products	7.0
Energy & Forestry Products	2.0

Source: Statistics Canada

CHAPTER XI. U.S. AND CANADIAN CONTACTS

A. US Embassy and Consulates in Canada

Commercial Service Canada's Home Page address on the Internet is:
www.usatrade.gov/canada

US Embassy - Ottawa
Commercial Service (MS 35)
United States Embassy
PO Box 866, Station "B"
Ottawa, Ontario
K1P 5T1
Tel: (613) 688-5217
Fax: (613) 238-5999
Contact: Dolores F. Harrod, Minister Counselor for Commercial Affairs
E-mail: Ottawa.office.box@mail.doc.gov

US Consulate General - Calgary
Commercial Service
615 Macleod Trail SE, Suite 1000
Calgary, Alberta
T2G 4T8
Tel: (403) 265-2116
Fax: (403) 266-4743
Contact: Michael Speck, Principal Commercial Officer
E-mail: Calgary.office.box@mail.doc.gov

US Consulate General - Halifax
Commercial Service
2000 Barrington Street, Suite 910
Halifax, Nova Scotia
B3J 3K1
Tel: (902) 429-2482, ext. 2000
Fax: (902) 429-7690
Contact: Richard Vinson, Commercial Specialist (FSN)
E-mail: Halifax.office.box@mail.doc.gov

US Consulate General - Montreal
Commercial Service
455 Rene Levesque Boulevard West, 19th Floor
Montreal, Quebec
H2Z 1Z2
Tel: (514) 398-0673
Fax: (514) 398-0711
Contact: Donald Businger, Principal Commercial Officer
E-mail: Montreal.office.box@mail.doc.gov

US Consulate General - Quebec City
2 Place Terrasse Dufferin, C.P. 939
Quebec City, Quebec
G1R 4T9
Tel: (418) 692-2087
Fax: (418) 692-4640
Contact: Commercial Assistant
E-mail: Quebec.office.box@mail.doc.gov

US Consulate General - Toronto
480 University Avenue, Suite 602
Toronto, Ontario
M5G 1V2
Tel: (416) 595-5406, ext. 221
Fax: (416) 595-5419
Contact: Patrick Santillo, Principal Commercial Officer
E-mail: Toronto.office.box@mail.doc.gov

US Consulate General - Vancouver
Commercial Service
1095 W. Pender Street, 21st Floor
Vancouver, British Columbia
V6E 2M6
Tel: (604) 685-3382
Fax: (604) 687-6095
Contact: John Avard, Principal Commercial Officer
E-mail: Vancouver.office.box@mail.doc.gov

B. US-Canadian Bilateral Business Councils and Chambers of Commerce

Canada-US Relations Committee of the
US-Canadian Chambers of Commerce
1615 H Street NW
Washington, DC 20062
Tel: (202) 463-5460
Fax: (202) 463-5947
E-mail: sakelly@uschamber.com

Internet website: www.uschamber.com

Canadian-American Business Council
1629 K Street NW, Suite 1100
Washington, DC 20006
Tel: (202) 785-6717
Fax: (202) 331-4212
E-mail: canambusco@aol.com
Internet website: www.canambusco.org

C. Canadian Trade and Industry Associations

Aerospace Industries Association of Canada
60 Queen Street, Suite 1200
Ottawa, Ontario
K1P 5Y7
Tel: (613) 232-4297
Fax: (613) 232-1142
Internet website: www.aiac.ca

Alliance of Manufacturers and Exporters Canada
5995 Avebury Road, Suite 900
Mississauga, Ontario
L5R 3P9
Tel: (905) 568-8300
Fax: (905) 568-8330
Internet website: www.the-alliance.org

Automotive Industries Association of Canada
1272 Wellington Street
Ottawa, Ontario
K1Y 3A7
Tel: (613) 728-5821
Fax: (613) 728-6021
Internet website: www.aftmkt.com

CATA Alliance (Canadian Advanced Technology Association)
388 Albert Street
Ottawa, Ontario
K1P 5H9
Tel: (613) 236-6550
Fax: (613) 236-8189
Internet website: www.cata.ca

Canadian Chamber of Commerce

350 Sparks Street, Suite 501
Ottawa, Ontario
K1R 7S8
Tel: (613) 238-4000
Fax: (613) 238-7643
Internet website: www.chamber.ca

Canadian Importers Association, Inc.
700-210 Dundas Street West
Toronto, Ontario
M5G 2E8
Tel: (416) 595-5333
Fax: (416) 595-8226
Internet website: www.importers.ca

Conference Board of Canada
255 Smyth Road
Ottawa, Ontario
K1H 8M7
Tel: (613) 526-3280
Fax: (613) 526-4857
Internet website: www.conferenceboard.ca

Information Technology Association of Canada (ITAC)
2800 Skymark Avenue, Suite 402
Mississauga, Ontario
L4W 5A6
Tel: (905) 602-8345
Fax: (905) 602-8346
Internet website: www.itac.ca

Ottawa Board of Trade
130 Albert Street, Suite 910
Ottawa, Ontario
K1P 5G4
Tel: (613) 236-3631
Fax: (613) 236-7498
Internet website: www.board-of-trade.org

Ottawa Economic Development Corporation (OED)
Box 50, 350 Albert Street, Suite 1720
Ottawa, Ontario
K1R 1A4
Tel: (613) 236-3500
Fax: (613) 236- 9469
Internet website: www.ottawaregion.com

D. Federal Canadian Government Contacts in Canada

Department of Agriculture and Agri-food Canada
Sir John Carling Building
930 Carling Avenue
Ottawa, Ontario
K1A 0C5
Tel: (613) 759-1000
Fax: (613) 759-6726
Internet website: www.agr.ca

Department of Foreign Affairs and International Trade
Lester B. Pearson Building
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
Tel: (613) 944-6788
Fax: (613) 944-4500
Internet website: www.dfait-maeci.gc.ca

Industry Canada
235 Queen Street
Ottawa, Ontario
K1A 0H5
Tel: (613) 954-2788
Fax: (613) 954-1894
Internet website: info.ic.gc.ca/pub/ic-data

Industry Canada (for federal labeling requirements)
Consumer Packaging and Labeling Section
Merchandise Standards Division
Consumer Products Branch
Place du Portage, 16th Floor
50 Victoria Street
Hull, Quebec
K1A 0C9
Tel: 1-800-348-5358
Fax: (819) 997-0324

Office de la Langue Francaise
(Office of the French Language – for Quebec labeling requirements)
Public Relations Services
125 Sherbrooke Street East
Montreal, Quebec
H2X 1X4

Tel: (514) 873-6565
Fax: (514) 873-3488
Internet Website: www.olf.gouv.qc.ca

Public Works and Government Services Canada
Place du Portage, Phase III
11 Laurier Street
Hull, Quebec
K1A 0S5
Tel: (819) 997-6363
Fax: (819) 953-1908
Internet website: www.pwgsc.gc.ca

Canada Customs and Revenue Agency
Connaught Building
Ottawa, Ontario
K1A 0L8
Tel - Taxation inquiries: (613) 957-1382
Tel - Customs inquiries: (613) 991-0566
Internet website: www.ccra-adrc.gc.ca

Standards Council of Canada
270 Albert Street
Suite 200
Ottawa, Ontario
K1P 6N7
Telephone: (613) 238-3222
Fax: (613) 569-7808
Internet website: www.scc.ca

E. Canadian Commercial Banks

Following is the contact information for the "Big Six" Canadian Schedule I Banks.

Bank of Montreal
First Bank Tower
1 First Canadian Place
100 King St. West
Toronto, Ontario
M5X 1A1
Tel: (416) 867-5000
Website: www.bmo.com

Canadian Imperial
Bank of Commerce (CIBC)
Commerce Court
Toronto, Ontario

M5L 1G9
Tel: (416) 980-2211
Website: www.cibc.com

Toronto Dominion Bank
P. O. Box 1
Toronto Dominion Center
55 King Street
Toronto, Ontario
M5K 1A2
Tel: (416) 982-8222
Website: www.tdbank.ca

Bank of Nova Scotia
Scotia Plaza
44 King Street West
Toronto, Ontario
M5H 1H1
Tel: (416) 866-6161
Website: www.scotiabank.ca

Royal Bank of Canada
200 Bay Street
Royal Bank Plaza
Toronto, Ontario
M5J 2J5
Tel: (416) 974-5151
Website: www.royalbank.com

National Bank of Canada
50 O'Connor Street
Suite 1224
Ottawa, Ontario
K1P6L2
Tel: (613) 238-8385
Website: www.nbc.ca

F. US Commercial Banks in Canada

Bank of America Canada
200 Front Street West, Suite 2700
Toronto, Ontario
M5V 3L2
Tel: (416) 349-4100
Fax: (416) 349-4285
Internet website: www@bankamerica.com

The Chase Manhattan Bank of Canada
First Canadian Place
Suite 6900 - 100 King Street West
Box 106
Toronto, Ontario
M5X 1A4
Tel: (416) 216-4100
Fax: (416) 216-4164
Internet website: www.chase.com

Morgan Bank of Canada
PO Box 80
Suite 1800, Royal Bank Plaza
South Tower
Toronto, Ontario
M5J 2J2
Tel: (416) 981-9200
Fax: (416) 981-9278
Internet website: www.jpmorgan.com

Mellon Bank Canada
PO Box 320, Royal Trust Tower, Suite 3200
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K2
Tel: (416) 860-0777
Fax: (416) 860-2409
Website: www.mellon.com

HSBC Bank
1981 McGill College
Montreal, Quebec
H3A 3A9
Tel: (514) 288-5551
Fax: (514) 286-4577
Website: www.hsbc.com

Bank of America Canada (Head Office)
1250 René-Lévesque West, Suite 4335
Montreal, Quebec
H3B 4W8
Tel: (514) 938-1600
Fax: (514) 938-1601
Internet website: www@bankamerica.com

Citibank Canada (Corporate Financial Office)
630 René-Lévesque West, Suite 2450
Montreal, Quebec
H3B 1S6
Tel: (514) 393-7500
Fax: (514) 393-7545
Internet website: www.citibank.ca

G. US Government Contacts in the United States

Trade Information Center
Tel: (800) 872-8723 or (202) 482-0543
Website: www.usatrade.gov

US Department of Commerce
International Trade Administration
Office of International Operations - Western Hemisphere
Room 1202
14th and Constitution Avenue, NW
Washington, DC 20230
Tel: (202) 482-2736
Fax: (202) 219-9207
Contact: Dorothy Lutter, Regional Director
Website: www.ita.doc.gov

US Department of Commerce
International Trade Administration
Office of NAFTA and Inter-American Affairs
Room H-3022
14th and Constitution Avenue, NW
Washington, DC 20230
Tel: (202) 482-2314
Fax: (202) 482-5865
Contact: Juliet Bender, Acting Director

US Department of Agriculture
Foreign Agricultural Service
1400 Independence Avenue, SW
Washington, DC 20250
Tel: (202) 720-1727
Fax: (202) 720-7729
Contact: Trade Assistance and Promotion Officer
Website: www.fas.usda.gov

US Department of State
Bureau of Canadian Affairs

2201 C Street, NW
Washington, DC 20520
Tel: (202) 647-7951
Fax: (202) 647-0967
Website: www.state.gov

H. Canadian Government Contacts in the United States

Embassy of Canada
501 Pennsylvania Avenue, NW
Washington, DC 20001
Tel: (202) 682-1740
Fax: (202) 682-7689

Canadian Consulate General - Buffalo
One Marine Midland Center, Suite 3000
Buffalo, NY 14203-2884
Tel: (716) 858-9500
Fax: (716) 852-4340

Canadian Consulate General - Detroit
600 Renaissance Center, Suite 1100
Detroit, MI 48243-1798
Tel: (313) 567-2340
Fax: (313) 567-2125

Canadian Consulate General - Los Angeles
550 South Hope, 9th Floor
Los Angeles, CA 90071-2627
Tel: (213) 346-2700
Fax: (213) 346-7154

Canadian Consulate General - New York
1251 Avenue of the Americas
New York City, NY 10020-1175
Tel: (212) 596-1700
Fax: (212) 596-1791

Canadian Consulate General - Seattle
412 Plaza 600
Sixth and Stewart Streets
Seattle, WA 98101-1286
Tel: (206) 443-1777
Fax: (206) 443-1782

I. Listing of Selected Newspapers and Other Publications in Canada

The Toronto Star
One Yonge Street
Toronto, Ontario M3B 2X7
Tel: (416) 869-4300; Fax: (416) 869-4328
Website: www.thestar.com
Circulation: 463, 000 daily; 786,000 Saturdays

The Globe and Mail
444 Front Street W.
Toronto, Ontario M5V 2S9
Tel: (416) 585-5151; Fax: (416) 585-5085
Website: www.globeandmail.com
Circulation: 330, 000 daily

Le Journal de Montreal
Groupe Québécor Inc.
4545, rue Frontenac
Montreal, Quebec H2H 2R7
Tel: (514) 521-4545; Fax: (514) 525-5542
Website: www.ledevoir.com
Circulation: 277,000 daily; 336,000 Saturdays

The Toronto Sun
Sun Media Corporation
333 King Street East
Toronto, Ontario M5A 3X5
Tel: (416) 947-2211; Fax: (416) 361-1205
Website: www.canoe.ca
Circulation: 247,000 daily; 430,000 Sundays

The Province
Pacific Press Ltd.
#1, 200 Granville Street
Vancouver, B.C. V6C 3N3
Tel: (604) 605-2030; Fax: (604) 605-2720
Website: www.vancouverprovince.com/newsite/news-c.html
Circulation: 216,000 daily

La Presse
7, rue St-Jacques
Montreal, Quebec H2Y1k9
Tel: (514) 285-7070; Fax: (514) 285-6808
Website: n/a
Circulation: 190,000 daily; 331,000 Saturdays

The Ottawa Citizen
Southam Inc.
1101 Baxter Road
PO Box 5020
Ottawa, Ontario K2C 3M4
Tel: (613) 829-9100; Fax: (613) 726-1198
Website: www.ottawacitizen.com
Circulation: 152,000 daily; 210,000 Saturdays

The Chronicle-Herald and The Mail-Star
1650 Argyle Street
PO Box 610
Halifax, Nova Scotia B3J 2T2
Tel: (902) 426-1187; Fax: (902) 426-1158
Website: www.herald.ns.ca
Circulation: 96,000 daily morning; 45,817 evening daily

The Edmonton Sun
250, 4990 - 92 Avenue
Edmonton, AB T6B 3A1
Tel: (780) 468-0281; Fax: (780) 468-0139
Website: www.canoe.ca/edmontonsun
Circulation: 85,000 daily; 113,000 Sundays
The Calgary Sun
2615 - 12 Street NE
Calgary, AB T2E 7W9
Tel: (403) 250-4122; Fax: (403) 250-4180
Website: www.canoe.ca/calgarysun
Circulation: 72,000 daily; 98,000 Sundays

Advertising and Business Publications:

Canadian Advertising Rates & Data
777 Bay Street
Toronto, Ontario M5W 1A7
Tel: (416) 596- 5000; Fax: (416) 596-5158
Website: www.cardmedia.com

Marketing Magazine
777 Bay Street
Toronto, Ontario M5W 1A7
Tel: (416) 596-7000; Fax: (416) 593-3170
Website: www.marketingmag.ca

Shows and Exhibitions
777 Bay Street, 5th floor

Toronto, Ontario M5W 1A7
Tel: (416) 596-5000; Fax: (416) 596-5158
Website: www.jcst.com/public/shows

CHAPTER XII. MARKET RESEARCH

Market research is available from a wide variety of sources in Canada, including federal and provincial governments, advertising agencies, accounting firms, government relations consultants and market research companies. In Canada, the primary source of federal government statistics is Statistics Canada, which is roughly comparable to the US Bureau of the Census. Statistics Canada collects a wide variety of detailed statistical data on national income accounts, balance of payments, industrial production, imports and exports, demographics, inflation rates, and wages.

As a starting point for collecting detailed market research on specific industry subsectors and emerging business developments in Canada, American companies should contact the nearest US Department of Commerce Export Assistance Center (EAC). To locate the EAC closest to you, please call (800) 872-8723, or check the website of the US Commercial Service (www.usatrade.gov). American companies interested in research on the Canadian market can also contact the Commercial Service office at the US Embassy in Ottawa, Canada at: (613) 688-5217.

A complete listing of all US Department of Commerce market research reports on Canada is available on the National Trade Data Bank website (www.stat-usa.gov).

A. US Commercial Service Market Reports

During FY 2001, CS Canada will prepare a minimum of 15 Industry Sector Analysis (ISA) reports. These reports cover a variety of topics in sectors that have been identified as good export opportunities for American companies. The topics and completion dates for each ISA are listed below.

Title: Flooring
ITA Industry Sector: BLD - Building Products
Submission Date: November 2000
Analyst / Post: Rita Patlan / Toronto

Title: Gas Detection and Monitoring Systems
ITA Industry Sector: OGS - Oil, Gas, Mineral Production / Exploration
Submission Date: January 2001
Analyst / Post: Sharon Atkins / Calgary

Title: Commercial Cooking Apparatus
ITA Industry Sector: HTL - Hotel and Restaurant Equipment
Submission Date: February 2001
Analyst / Post: Connie Irrera / Montreal

Title: Customer Relationship Management Software
ITA Industry Sector: CSF - Computer Software
Submission Date: March 2001
Analyst / Post: Viktoria Palfi / Toronto

Title: Water Treatment / Analysis Equipment
ITA Industry Sector: POL - Pollution Control Equipment
Submission Date: March 2001
Analyst / Post: Richard Vinson / Halifax

Title: Dairy Farm Machinery
ITA Industry Sector: AGM - Agricultural Machinery & Equipment
Submission Date: March 2001
Analyst / Post: Crystal Roberts / Calgary

Title: Passive Components
ITA Industry Sector: ELC - Electronic Components
Submission Date: April 2001
Analyst / Post: Larry Tonon / Montreal

Title: Transformers
ITA Industry Sector: ELP - Electrical Power Systems
Submission Date: April 2001
Analyst / Post: Peter Dykeman / Toronto

Title: Apparel Accessories
ITA Industry Sector: APP - Apparel
Submission Date: May 2001
Analyst / Post: Michele Parent / Montreal

Title: Fiber Optic Cable / Transmission Equipment
ITA Industry Sector: TEL - Telecommunications Equipment
Submission Date: May 2001
Analyst / Post: Stephanie Linton / Ottawa

Title: Greeting Cards
ITA Industry Sector: GFT - Giftware
Submission Date: June 2001
Analyst / Post: Lucy Lakta / Ottawa

Title: Telemedicine / Telehealth
ITA Industry Sector: HCS - Health Care Services
Submission Date: July 2001
Analyst / Post: Pierre Richer / Montreal

Title: Paper Processing Equipment
ITA Industry Sector: PUL - Pulp & Paper Machinery
Submission Date: August 2001
Analyst / Post: Cheryl Schell / Vancouver

Title: Internet-based Distance Education
ITA Industry Sector: EDS - Education & Training Services
Submission Date: August 2001
Analyst / Post: Annie Crombie / Ottawa

Title: Railway Locomotive Parts
ITA Industry Sector: RRE - Railroad Equipment
Submission Date: September 2001
Analyst / Post: Madellon Lopes / Toronto

B. USDA/Foreign Agricultural Service Commodity Reports and Market Briefs

To obtain a copy of Marketing in Canada: A Guide for US Food and Agricultural Products Exporters, visit the Foreign Agricultural Service's homepage. The Office of Agricultural Affairs has also published a number of recent reports to assist American exporters in the Canadian market, which are available on the FAS website (www.fas.usda.gov).

Report Number	Report Subject
CA9141	Food Product Export Opportunities in Western Canada, 12/29/99
CA9142	Western Canada Retail Study, 1/5/00
CA0001	Eastern Canada Retail Study, 1/5/00
CA0004	Bakery Products I: Sweets, 1/20/00
CA0006	Bakery Products II: Bread, Rolls, etc., 1/24/00
CA0007	Product Opportunities in Eastern Canada, 1/31/00
CA0022	New England Culinary Institute, 2/29/00
CA0030	WUSATA Recruits Grocery Showcase West, 3/21/00
CA0032	Agent/Distributor Directory - Eastern Canada, 3/21/00
CA0040	Promotional Opportunities Report, 4/3/00
CA0047	HRI Foodservice Sector Report - Eastern Canada, 4/17/00
CA0050	Agent/Broker Directory - Western Canada, 4/19/00

In addition to the above, all USDA/FAS Commodity Reports scheduled for submission can be obtained via the Internet at: www.fas.usda.gov

CHAPTER XIII. TRADE EVENT SCHEDULE

Please note that trade event schedules are subject to change. Interested companies should consult the contact listed for each event, or the Commercial Section of the US Embassy in Ottawa at Tel: (613) 688-5217 for the latest information.

A. Commercial Events

1.	Event:	Equifair 2000
	Event Type:	USA Pavilion
	Sector:	SPT, VET, APP
	Date:	September 6-10, 2000
	Location:	Calgary, Alberta
	Contact:	Sharon Atkins
	Tel:	(403) 265-2116
	USG Involvement:	Post Recruited
2.	Event:	Enviro Dealmaker - Canadian Waste Management Conference
	Event Type:	Dealmaker
	Sector:	POL
	Date:	September 25-28, 2000
	Location:	Halifax, Nova Scotia
	Contact:	Richard Vinson
	Tel:	(902) 429-2482 ext. 2006
	USG Involvement:	Post Recruited
3.	Event:	Valuebuilder - Softworld 2000
	Event Type:	Dealmaker
	Sector:	CSF, CPT, TEL
	Date:	October 15-18, 2000
	Location:	Halifax, Nova Scotia
	Contact:	Richard Vinson
	Tel:	(902) 429-2482 ext. 2006
	USG Involvement:	Post Recruited
4.	Event:	Medtrade 2000
	Event Type:	Canadian Visitors Business Facilitation Program
	Sector:	MED, HSC
	Date:	October 3-5, 2000
	Location:	Orlando, Florida
	Contact:	Pierre Richer
	Tel:	(514) 908-3661
	USG Involvement:	Post Recruited
5.	Event:	Aerospace DealMaker 2000
	Event Type:	DealMaker
	Sector:	AIR, AHS, APG
	Date:	October 16-17, 2000
	Location:	Montreal, Quebec
	Contact:	Michele Parent
	Tel:	(514) 398-9695 ext. 2274
	USG Involvement:	Post Recruited

6.	Event:	Agri Trade International Exposition
	Event Type:	Virtual Trade Show, Catalogue Presentation and Gold Key Service
	Sector:	AGM
	Date:	November 8-11, 2000
	Location:	Red Deer, Alberta
	Contact:	Crystal Roberts
	Tel:	(403) 265-2116
	USG Involvement:	Post Recruited
7.	Event:	Showcase USA
	Event Type:	Catalog Exhibition
	Sector:	GIE (Horizontal)
	Date:	November 14, 2000
	Location:	Halifax, Nova Scotia
	Contact:	Richard Vinson
	Tel:	(902) 429-2482 ext. 2006
	USG Involvement:	Post Recruited, with assistance from Council of American States in Canada (CASC)
8.	Event:	Kitchen & Bath Exhibition
	Event Type:	Trade Mission
	Sector:	BLD
	Date:	November 29 - December 1, 2000
	Location:	Toronto, Ontario
	Contact:	Rita Patlan
	Tel:	(416) 595-5412 ext. 223
	USG Involvement:	Post Recruited
9.	Event:	Information Technology DealMaker
	Event Type:	Trade Mission
	Sector:	CPT, CSF, TEL
	Date:	February 8-9, 2001
	Location:	Toronto, Ontario
	Contact:	Viktoria Palfi
	Tel:	(416) 595-5412 ext. 223
	USG Involvement:	Post Recruited
10.	Event:	Rep Can 2001 - Vancouver
	Event Type:	Solo Fair Overseas Recruited
	Sector:	GIE (Horizontal)
	Date:	March 15-16, 2001
	Location:	Vancouver, British Columbia
	Contact:	Cheryl Schell
	Tel:	(604) 685-4311 ext. 279
	USG Involvement:	Post Recruited

11.	Event:	Energy Trade Mission & Seminar
	Event Type:	Seminar Mission
	Sector:	ELP, REQ
	Date:	March 19-20, 2001
	Location:	Toronto, Ontario
	Contact:	Peter Dykeman
	Tel:	(416) 595-5412 ext. 226
	USG Involvement:	Post Recruited
12.	Event:	Americana 2001
	Event Type:	Certified Trade Show
	Sector:	POL, REQ, WRE
	Date:	April 14-16, 2001
	Location:	Montreal, Quebec
	Contact:	Pierre Richer
	Tel:	(514) 398-9695 ext. 2261
	USG Involvement:	Post Recruited
13.	Event:	DealMaker - Auto Parts & Accessories
	Event Type:	Trade Mission
	Sector:	APS
	Date:	April 19-20, 2001
	Location:	Hamilton, Ontario
	Contact:	Madellon Lopes
	Tel:	(416) 595-5412 ext. 227
	USG Involvement:	Post Recruited
14.	Event:	Rep Can - Toronto
	Event Type:	Solo Fair Overseas Recruited
	Sector:	GIE (Horizontal)
	Date:	June 12-13, 2001
	Location:	Toronto, Ontario
	Contact:	Madellon Lopes
	Tel:	(416) 595-5412 ext. 227
	USG Involvement:	Post Recruited
15.	Event:	Inter Can Show
	Event Type:	Matchmaker
	Sector:	OGM
	Date:	June 12-14, 2001
	Location:	Calgary, Alberta
	Contact:	Sharon Atkins
	Tel:	(403) 265-2116
	USG Involvement:	Post Recruited

16. Event: Western Canada Farm Progress Show
Event Type: Trade Fair Overseas Recruited
Sector: AGM
Date: June 20-23, 2001
Location: Calgary, Alberta
Contact: Crystal Roberts
Tel: (403) 265-2116
USG Involvement: Post Recruited

17. Event: Fort McMurray Oil Sands Trade Show
Event Type: Trade Fair Overseas Recruited
Sector: OGM, MIN
Date: August 29 - September 1, 2001
Location: Fort McMurray, Alberta
Contact: Sharon Atkins
Tel: (403) 265-2116
USG Involvement: Post Recruited

18. Event: Equifair 2001
Event Type: USA Pavilion
Sector: SPT, VET, APP
Date: September 5-9, 2001
Location: Calgary, Alberta
Contact: Sharon Atkins
Tel: (403) 265-2116
USG Involvement: Post Recruited

19. Event: Rep Can - Montreal
Event Type: Solo Fair Overseas Recruited
Sector: GIE (Horizontal)
Date: September 20-21, 2001
Location: Montreal, Quebec
Contact: Connie Irrera
Tel: (514) 398-9695 ext. 2262
USG Involvement: Post Recruited

B. Agricultural Events

1. Event: Canadian Produce Marketing Convention & Trade Show
Dates: Annual Trade-Only Show
2001 - January 31-February 3
2002 - January 30-February 2
Locations: 2001 - Vancouver, British Columbia
2002 - Niagara Falls, Ontario

	Sponsor:	Canadian Produce Marketing Association
	Contact:	Tel: (613) 226-4187 Fax: (613) 226-2984 Website: www.cpma.ca
2.	Event:	Grocery Innovations Canada (Central Canada grocery show)
	Date:	Annual Trade-Only Show October 22-24, 2000
	Location:	Toronto, Ontario
	Sponsor:	Canadian Council of Grocery Distributors Canadian Federation of Independent Grocers Canadian Food Brokers Association Food & Consumer Products Manufacturers of Canada
	Contact:	Tel: (416) 492-2325 Fax: (416) 492-2347 Website: www.groceryinnovations.com
3.	Event:	SIAL Montreal
	Date:	Biannual Trade-Only Show March 4-6, 2001
	Location:	Montreal, Quebec
	Sponsor:	The Exposium Group (SIAL Paris organizers) Quebec Retailers Association Quebec Agri-Food Export Club
	Contact:	IMEX Management Inc. Tel: (704) 365-0041 Fax: (704) 365-8426 Email: francoisg@imexmgt.com
4.	Event:	Grocery Showcase West (Western Canada grocery show)
	Date:	Annual Trade-Only Show March 4-5, 2001
	Location:	Vancouver, British Columbia
	Sponsor:	Canadian Federation of Independent Grocers
	Contact:	Tel: (416) 492-2325 Fax: (416) 492-2347
5.	Event:	Canadian Fine Food Show (Specialty Foods Show)
	Date:	Annual Trade-Only Show April 29-May 1, 2001
	Location:	Toronto, Ontario
	Sponsor:	Canadian Association of Specialty Foods Association
	Contact:	Meteor Show Productions Inc. Tel: (416) 229-2060 Fax: (416) 223-2826

6.	Event:	Canadian Food & Beverage Show (Food Service Show)
	Date:	Annual Trade-Only Show February 18-20, 2001
	Location:	Toronto, Ontario
	Sponsor:	Canadian Restaurant & Food Service Association
	Contact:	Tel: (416) 923-8416 Fax: (416) 923-1450 Web Site: www.fbshow.ca
7.	Event:	Hostex ‘99
	Date:	Annual Trade-Only Show October 15-17, 2000
	Location:	Toronto Ontario
	Sponsor:	Canadian Restaurant & Food Service Association
	Contact:	Tel: (416) 923-8416 Fax: (416) 923-1450 Web Site: www.hostexshow.com