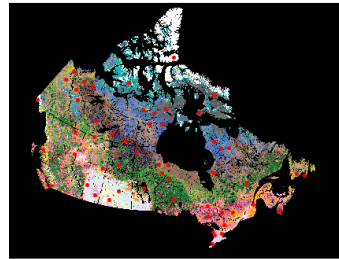


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Country
CANADA

1.

Area *total:* 3,851,063 sq mile

land: 3,559,546 sq mile

water: 291,516 sq mile

Coastline *total:* 151,470 miles

2.

2.a. Canada's population is: 31,902,268 (estimate @ July 2002)

2.b. Metro Toronto 4 Million 680 Thousand

Metro Montreal 3 Million 426 Thousand

Metro Vancouver 1 Million 987 Thousand

Population of the three largest cities = 31.7% of Canada's population.

(Ottawa – Hull, the fourth largest Canadian metro area has 1 Million 64 Thousand)

3.

3.a. English (59.3%), and French (23.2%) are the two official languages. The predominant language is English. Other languages account for the remaining 17.5%.

3.b. English is most widely used in business. Quebec bill 101 requires that French be the predominant language in all signs in the province of Quebec. Federal legislation requires all consumer products to be labeled in both French and English.

4.

In the last three years there have been very mild signs of instability. The province of Quebec has elected separatist governments since 1994. There was a referendum on separation in 1995, which the separatists lost by less than 1% of the vote. The federal government's "clarity" act – which outlines what is required for separation has somewhat, dimmed the prospects of the separatists in Quebec.

5.

5.a. Canada's currency is the Canadian dollar.

5.b. The change @ February 21, 2003 is the following: Canadian Dollar 1 = US\$ 0.65

5.c. The exchange rate has remained steady at around 65 cents US for the last two years (with fluctuations between 61 cents and 67 cents.): Canadian dollars per US dollar - 1.60 (January 2002), 1.55 (2001), 1.49 (2000), 1.49 (1999), 1.48 (1998), 1.38 (1997).

6.

6.a. There are six time zones. Pacific Time Zone, Mountain Time Zone, Central Time Zone, Eastern Time Zone, Atlantic Time Zone, Newfoundland Time Zone (half time zone).

6.b. It is Noon in Ottawa (Eastern Time Zone) when it is noon in Cambridge.

7.

The regulations for products sold in Canada are very similar to those of products sold in the United States. Under the US-Canada Free Trade Agreement of 1989, the testing facilities,

inspection agencies, and certification authorities of each country have the ability to accredit products for both countries without establishing additional agencies or facilities in each country.

The most notable unique requirements are the product labeling requirements:

- 1) All products must be labeled in both French and English
- 2) All product labels must have a product identity declaration – a generic name or functional description of the product.
- 3) All products labels must contain a net quantity declaration (volume, net weight or number of units contained per package). There are precision requirements for each value, and all values are expressed in the metric measurement system. Textiles and cloth products must also contain fiber contents by percentage and a CA number registered with the Canadian Competition Bureau.
- 4) In addition, the name and working mailing address of the business by or for whom the product was packaged must be included on the label. This labeling may be in either French or English.

All products sold in Canada must be sold by an individual or company with a registered business number. Business numbers may be applied for by the importing agency, for products brought into the country. Business numbers are issued by the Canadian Customs and Revenue Agency.

In addition, there are specific documentation regulations for importing and exporting of goods; these regulations vary depending on the value of the items and the nature (ie. food, medicine, and toxic/hazardous substances have additional labeling, documentation, and inspection regulations).

8.

The Canadian Air Transportation system is the only deregulated method of moving freight in Canada.

In June 2002, the Canadian and US governments announced the collaboration in FAST (Free and Secure Trade), a public-private partnership designed to improve security measures throughout the supply chain. This partnership expedites the inspection and transportation of pre-inspected goods across the US-Canadian border by pre-authorized carriers, destined for pre-authorized importers. The two countries are collaborating on a minimum set of standards for each level of the supply chain and coordination of shipment documentation. In addition, the two countries are working together to identify higher risk shipments prior to arriving in either country; each country has inspectors in the other's major ports to assist in the inspections. Canada has a similar voluntary partnership governing basic security regulations for carriers called "Partners in Protection".

For ships entering Canadian waters, ships must provide 96-hour notification of cargo and crew; this is an increase over the previous notification period. Canada is also working with her trading partners to establish stricter safety and security regulations.

All products and cargo carried by sea, air, rail or truck are subject to both inspection and screening.

9.

9.a. There are several saltwater ports which accommodate large cargo ships, including Halifax, Montreal, Vancouver and several ports along the Canadian border of the Great Lakes. The largest, Vancouver, handles 72.9million tonnes of cargo per year. The second largest port, Halifax, handles, 14.0million tonnes of cargo per year.

9.b. In order, the three largest Canadian cities are Toronto, Montreal and Vancouver respectively. Two of these three are situated in the direct vicinity of and grew around the major Canadian shipping ports. Access to all of the ports is available by truck and rail; additionally, limited boat transport within the country, via the Saint Lawrence River, the Great Lakes, and coastal shipping, is available.

10.

The following is from Canada Customs website. (Canada Customs Coding Form B3-3 appears to be the standard form that needs to be filled out when importing into Canada.

Duties and taxes must be paid in Canadian or U.S. currency by cash, certified cheque, money order, or travellers cheque. U.S. amounts will be adjusted with the applicable exchange rate.

Payments may be made in:

- (a) Cash (Canadian or U.S. currency);
- (b) Certified cheque or money order (payable to the Receiver General for Canada);
- (c) Travellers cheque;
- (d) Debit card at locations equipped with point of sale (POS) terminals;
- (e) Visa or MasterCard credit cards for amounts up to \$500; and
- (f) Uncertified cheque up to \$2,500 payable to the Receiver General for Canada for payment of duties and taxes if the following conditions are met:

- (1) The company's Business Number or a major credit card number appears on the cheque.

If a credit card number is provided, customs may charge the amount to the card if the cheque is not honored by the financial institution. If the company's BN is on the cheque, customs may collect payment by offsetting a refund pending for a GST, Source Deduction, or Corporate Tax claim, if the cheque is not honored.

(2) A client has not had more than one cheque returned due to non-sufficient funds (NSF). If a cheque has been returned NSF, the regional Accounts Receivable Unit has confirmed that the amount owing has been paid or that no liens are outstanding under Section 146 of the *Customs Act*.

(3) The payment is not for a penalty or made under the terms of release for seized goods; however, uncertified cheques will be accepted for the release of a seized conveyance.

(4) The cheque is not written by or payable to a third party.

U.S. uncertified cheques will be accepted if these conditions are met. If any of these conditions are **not** met, customs may accept uncertified cheques for up to \$500.

11.

Supermarkets or retail food stores average between 60,000 and 120,000 square feet of retail space, depending on the size and customers needs. These values are comparable to a typical supermarket in USA.

12.

Wal-Mart, K-Mart, and Safeway conduct nationwide operations in Canada. Additionally Canadian Tire, Zellers, The Bay, and Shopper's Drug Mart dominate the retail scene.

13.

The highway and rail infrastructure are extensive.

Railways

total: 22,438 miles, 1.435-m gauge (97 mile electrified)

note: Canada has two major transcontinental freight railway systems: Canadian National (privatized November 1995) and Canadian Pacific.

Highways

total: 560,362 miles

paved: 197,807 miles (including 10,295 miles of expressways)

Waterways

1,864 miles (including Saint Lawrence Seaway)

Pipelines

Crude and refined oil 14,641 miles; natural gas 46,586 miles

Ports and harbors

Becancour (Quebec), Churchill, Halifax, Hamilton, Montreal, New Westminster, Prince Rupert, Quebec, Saint John (New Brunswick), St. John's (Newfoundland), Sept Isles, Sydney, Trois-Rivieres, Thunder Bay, Toronto, Vancouver, Windsor

14.

Canada's three largest cities present traffic problems. The city of Vancouver, BC has little room for outward expansion since the Rocky Mountains border it to the North and East, the "inside" passage (an extension of the Straits of Juan de Fuca) to the west, and the US border to the South. As a result, space maximization is paramount.

Freeways are limited in Vancouver. Although the city has a relatively developed public transportation system, automobile travel is still the first choice of most commuters. As a result, Vancouver has some of the worst congestion in the country. Much of Montreal is located on the island of Montreal. Room for expansion is limited and the city has significant congestion problems. The City of Toronto, although not prevented from expanding continues to experience above average population growth. Edmonton, Calgary, and Winnipeg, the three largest prairie cities, do not have the same congestion problems as

Vancouver, Toronto, and Montreal. First, the prairies cities' populations have not expanded as rapidly as the larger centers. Secondly, the prairies provide no natural border to expanding the physical capacity of each of these cities. The area of metro Edmonton, a city with a population of less than 900,000, is 3,680 (yes three thousand six hundred and eighty) Square Miles compared with Toronto's metro area of 250 square miles. Therefore, although the prairies cities do experience some congestion, it is nowhere as severe as in the big cities.

15.

Canada's trading partners include the following:

US 74%, (Canada exports more to the US than the US to Canada), EU 9%, Japan 3% (2000).

"Canada has had a positive balance of trade when it comes to goods such as auto parts, electronics and aircraft components. Canada carries a large positive balance of trade with the United States, but a negative balance with Japan, the European Union and other OECD countries." (from: <http://canadianeconomy.gc.ca/english/economy/balance.html>).

16.

Security is an issue in logistics for several reasons. In addition to the concerns due to its proximity to the United States, the attacks on the US and Canada's role as a major US trading partner have impacted Canadian logistics security legislation. Canada has introduced several programs, including the Partners in Protection Program, originally designed to combat crime and drug importation, and the Customs Self Assessment, very similar to the US Customs Trade Partnership Against Terrorism (C-TPAT). The US and Canada have also joined in the Free and Secure Trade Agreement to ensure protection of all levels of the supply chain through inspection, self-assessment, and security screening.

Even prior to the increase threat of terrorism, logistics security was the predominant concern of Canadian freight forwarders and logistics regulators. Freight theft and trailer theft are still important concerns in Canada, where approximately 4-6 full trailers or trucks are stolen per week and approximately five hijackings have occurred in the past year. Concerns over freight theft were the initial impetus for Partners in Protection and have been a contributor to Canada's participation in the Container Security Initiative.

In addition, in order to remain an important international shipping partner, Canada needs to come into compliance with other regulations. The International Maritime Organization just increased security regulations for international cargo carriers.

17.

Canadian phone system is very modern and extremely reliable. The system includes 18.1 million main phone lines in use, and 4.2 million cellular phones. Many of the smaller/newer cities such as Edmonton have the most advanced fiber optic connections in the world.

Domestic satellite system has about 300 earth stations. International phone system includes 5 coaxial submarine cables; satellite earth stations - 5 Intelsat (4 Atlantic Ocean and 1 Pacific

Ocean) and 2 Intersputnik. According to representatives of the service provider Telus, it does not matter where in the country you live, the installation times are the same. However it makes a difference if you move into a new house or into an old house with an existing line. If you move into a new house, then it could take upwards of 2 days to 1 week to get phone

service, because they have to schedule an appointment to install phone lines. If you move into an OLD house, service is available in less than 24 hours.

In terms of mobile coverage; the major centers have complete coverage. The interior of British Columbia and much of the Northern areas in the provinces and territories have limited coverage. See Map:



18.

Canada has 14.44 million Internet users based on the 2001 census. This figure was obtained from the www.cia.gov the world fact book.

19.

The price of regular gasoline, is US\$1.92 per gallon.

20.

Trade Agreements (From the Contracts Canada Website). Canada has signed a number of international agreements to eliminate trade barriers, facilitate the cross-border movement of goods and services, and increase investment opportunities for Canadian business.

These include the **Agreement on Internal Trade (AIT)**, an agreement between the Federal Government and the Provinces; the **North American Free Trade Agreement (NAFTA)**, an agreement between Canada, the United States and Mexico; the **World Trade Organization Agreement on Government Procurement (WTO-AGP)**, an agreement between a number

of countries world wide; and the **Canada-Korea Telecommunications Equipment Agreement** (CKTEA).

Canada does not participate in any embargo of Cuba. It did however participate in the sanctioning of South Africa in the late 1980s and currently participates in restrictions to Iraqi exports of oil as mandated by the United Nations.

In terms of trade restrictions, Canada's primary difficulties lie within their inter-provincial boundaries. The agreement on internal trade has attempted to address some of this issue. However, international trade is something that Canada values highly, and as a result tries to limit its trade restrictions and import duties. Information about duties is available from the government of Canada customs and revenue website, however it a fee is charged to purchase the tariff schedule. Related searches on the Internet for tariff information about Canada has not provided any further information.

21.

All companies importing or exporting goods must apply for a Business Number from the Customs and Revenue Agency. Some imports and exports may require a permit, including military equipment, cultural items, and toxic/hazardous substances. In addition, Canadian law requires contracts detailing items which are changing ownership, value, and actual or symbolic exchange of goods.

Import Documentation: There are no general licenses required for importing goods into Canada; documentation or a standard business invoice is required with a description of the goods and statement of value in Canadian dollars for imports under twenty Canadian dollars. More expensive shipments require a Certificate-of-Origin for the importer, so they

can claim the proper tariff amounts, and a Canadian Custom's Invoice. In addition, there are provisions related to prohibited, controlled and restricted goods.

Export Documentation: Export permits are required for items on the Export Control List or for items being exported to countries on the Area Control List. These lists are used to control the amount of raw materials exported and prevent market depression within Canada.

22.

We could not find any evidence that bribery is more/less frequent than in the U.S.

23.

Unions in Canada are relatively weak compared with unions in Europe. Furthermore, the political climate has moved away from the issues generally supported by the unions. For example, in the 1988 federal election, the New Democratic Party of Canada garnered over 40 seats, the largest total in its history – this was due in part to the fairly strong anti-free-trade sentiment at the time. With Canadians becoming more accepting of NAFTA and the FTA, the New Democrat's influence has waned. They currently hold 13 seats in the house of commons – with their strength eroded, so has the influence of many of the national unions.

Unions are an important factor in the industry of governing. CUPE (Canadian Union of Public Employees) is Canada's largest union with 500,000 members. The Canadian Auto Workers (CAW) is also a significant player in the automobile industry in Southern Ontario.

Most unions are predominantly local. This stems from the fact that each province has its own set of labor laws, and as a result, the unions tend to battle the provinces when it comes to improving working conditions. For example, in Alberta, the Alberta Teachers Association and the Alberta Union of Provincial Employees (AUPE) are both

regional/provincial unions which focus on local issues (although they do have affiliations in national organizations such as the Canadian Teachers Federation).

The Canadian Union of Postal Workers is a large, national union that members of the government owned Canada Post belong to. There have been several strikes, most notably in the 1970's, and some in the 1980's and one in the 1990's that have brought the Canadian mail system to a halt. Many goods shipped through the mail and being imported into Canada were returned to sender. Although there are other unions which impact logistics in Canada, most tend to have the same impact as those in the United States – with the exception of the Canadian postal workers who tend to be a little stronger than their American counterparts.