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1. CBSA publishes CN615 on 'Implementation of the Reporting of Exported Goods Regulations'

This customs notice updates on the export reporting requirements that were implemented on May 16, 05. For details, go to: <http://www.cbsa-asfc.gc.ca/E/pub/cm/cn615/README.html>

2. CBSA updates directory on its offices and services

This is an updated directory that includes information on types of services and hours of operation etc. and is now available at: <http://www.cbsa-asfc.gc.ca/contact/listing/indexpages/index-e.html>

3. DFAIT updates handbook on Import / Export Commodity Codes

The 2005 updates to the Handbook of Export and Import Commodity Codes are available at the following website: <http://www.dfait-maeci.gc.ca/trade/eicb/general/bluebook/since2005-en.asp>

4. CN to introduce further appointment changes at Brampton (BIT) - June 6, 05

For drivers arriving at the terminal as of Monday 6 June 2005, appointments will have to be made through the CN eBusiness site. If you do not have an eBusiness user ID (it is via the eBusiness site that you trace containers) and you will be making gate appointments after 6 June, you should register as soon as possible. Registration is at www.cn.ca/register.

After you have a CN eBusiness user ID, you must request access to the new Gate Appointment system. Sign on to the eBusiness site, and under 'Administration' select 'Request Other Tools'. Click on 'Gate Appointment Request' and press 'Submit'. You will have access when you receive the options 'Gate Appointment Request' and 'Gate Appointment Inquiry' on your eBusiness menu. When you select 'Gate Appointment Request' and select the drop down menu under 'Terminal' you should see 'Brampton'.

As the whole process will take time, it is recommended to do the registration soon.

5. Container Security top Supply Chain concerns, says study

The Journal of Commerce reported last week, that ocean cargo container security ranks as the No. 1 concern among executives responsible for supply chain operations at the largest global import and export companies, according to a new study.

Executives interviewed for the report also believe that new technology solutions, such as Radio Frequency Identification (RFID)-enabled 'smart boxes,' could enhance container security as well as improve container visibility throughout the supply chain, ... which could also address their other major concerns about supply chain efficiency.

The study also found that executives were mostly concerned about reducing inventories, lead-time variances, stock-outs and preventing the loss of containers....

The study pointed out that container shipments account for 90 percent of world trade, are growing at a 5 percent compound annual rate, and an average of about 14 containers come into U.S. ports every minute.

The study asked subjects to rank and quantify the potential operational and security benefits of receiving more accurate and timely data, such as could be provided by smart boxes equipped with RFID devices within an information network. The study found a total average benefit of \$1,150 per container journey, with most of that coming from the savings of tightening supply lines.

6. New UK explosives regulations

The UK's new Manufacture and Storage of Explosives Regulations 2005 have recently come into force. The text of the regulations, together with an Approved Code of Practice, can be accessed on the health & safety executive website at:

<http://www.hse.gov.uk/explosives/draftacop.htm>

7. Managing rising export risks

By Stephen S. Poloz, Chief Economist - EDC

Exporting has long been the key to Canada's success. But along with success comes risk, and there is more than one way to manage it.

There are many risks associated with exporting, but the most common is that of not being paid by the foreign buyer. Most foreign buyers would rather not pay cash in advance of the export shipment, instead delaying payment for 30 or 60 days, or even longer. That means the exporter is taking a credit risk, and those risks rise and fall with the cycles in the economy.

During 2004, virtually every company and country received a ratings upgrade. Interest rate spreads narrowed dramatically as risks fell to the lowest level seen since the mid-1990s. The best times are behind us, though – the world economy is slowing from its too-hot 5% pace in 2004 to around 4% growth in 2005-06. Companies will no longer be able to hide their faults behind rapid growth, and credit risks will begin to rise. Bond spreads have already begun to increase.

Exporters can manage these exporting risks by purchasing insurance. Some private insurers cover such risks, and EDC does as well, with the difference that EDC covers some high-risk markets and small transactions that private insurers do not. Paying a small premium to insure against risk of non-payment allows the exporter – and their banker – to sleep better at night.

During 2004, EDC facilitated \$55 billion in international transactions for nearly 7,000 companies. Some 90% of those were small- or medium-sized, most with export sales of less than \$1 million annually. About \$11.6 billion in transactions were in higher-risk developing markets. And, EDC helped to facilitate \$1.8 billion in foreign investment by Canadian companies.

Another key difference between EDC and its counterparts in the private sector (banks and insurance companies) is that EDC's transactions must produce an economic benefit to Canada. Central to the benefit calculation is the export of goods and services produced in Canada, of course, but in these days of globalized companies it is important to recognize that Canada's exports often contain foreign inputs, too. Other Canadian benefits include the generation of employment, R&D spending, helping Canada to break into new export markets, or helping small companies that otherwise might not be able to grow beyond their domestic marketplace.

Taking account of all the complexity of Canada's international trade and foreign investment, the varying degrees of imported content, and the future benefits that accrue when the transaction involves an investment, EDC calculates that its transactions helped contribute \$34.7 billion to Canada's GDP in 2004. Approximately 438,000 jobs were supported by that activity.

The bottom line? Canada's exporters had a good year in 2004, as global risks receded significantly. The next two years will be more typical – exporting risks will be higher than in 2004, but not excessive, and exports will grow at a more moderate pace.

For more details of how CIFFA member firms can assist their export clientele, visit:

http://www.edc.ca/alliances/ciffa/index_e.htm

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