



By Brent Frederick, Associate Editor



CAIE President
Bob Armstrong in his
Toronto office

Photo by Brent Frederick

When **Bob Armstrong** says he is in the import/export business, what he really means is that the import/export challenges of hundreds of Canadian companies are his business.

Mr. Armstrong is president of the Canadian Association of Importers and Exporters Inc. (CAIE), a non-profit organization that has been working for Canada's trade community since 1932. It is a key source of information on Canadian customs and trade policy, and it provides Canadian importers and exporters with vital information on pending trade regulations and tariffs, representation to government, and solutions for members' concerns.

Known as the Canadian Importers Association for its first 68 years, the organization – at the request of its members – added the 'exporters' moniker in June 2000.

"Changing our name to reflect 'export' was very important," Mr. Armstrong said. "It was very strategic in that all of our members imported, but 60 per cent also exported. So we decided to also focus on foreign customs issues, market access issues, and logistics issues, as well as issues that centred around security and the international supply chain."

Mr. Armstrong assumed the CAIE presidency in April 1997, and in those six-plus years the association has doubled its membership to 750. The association's staff has increased to 14 from seven during that period. Among them is a new vice-president of international trade and government relations, **John Bescec**. "That was a very good strategic move," Mr. Armstrong said. "It gave us a trade expert who had both import and export experience."

Mr. Armstrong says that one of the strengths of the association is its expertise in various industry sectors. Its national committees comprise the Canadian Association of Footwear Importers, the Canadian Meat Importers/Exporters Committee, the Customs and Legislation Committee, the Electronics Import Committee, the Foreign Customs and Market Access Committee, the International Cheese Council of Canada, the Processed Foods Import/Export Council, and the Textiles and Apparel Committee.

The CAIE also operates the Association of International Automobile Manufacturers of Canada (AIAMC), with Mr. Armstrong serving as its president.

In January, the CAIE entered into a strategic alliance with the Canadian Council of the Americas and the Brazil-

Canada Chamber of Commerce. Mr. Armstrong also assumed leadership of those two organizations. "That gave us the Western Hemisphere, so to speak, from a two-way trade perspective," he said.

The CAIE also has alliances with other associations, including the American Association of Exporters and Importers. "We work very closely with them, especially on border issues," Mr. Armstrong said. "We have an alliance with the Border Trade Alliance (of which Mr. Armstrong is a director), which addresses issues impacting the movement of goods across the U.S./Mexico and the Canada/U.S. borders."

"We have an alliance with the Canadian Society of Customs Brokers. And we work closely with a lot of the food associations – the Canadian Council of Grocery Distributors (CCGD), the Consumer Products Manufacturers Association (CPMA), and the Canadian Spice Association."

The agri-food industry makes up a significant part of CAIE membership, and Mr. Armstrong serves on the steering committee of the Canadian Food Safety Coalition. "We ensure that Canada's food is safe, and what we import is safe as well," he said.

Among its new projects, the CAIE is working on a Web-based solution for Canadian importers and foreign suppliers of food products. "Let's say I'm going to import a can of mushrooms from China," Mr. Armstrong said. "This will provide all the information I need to know to get it into Canada – information on allergies, how it should be packaged, and how it should be produced and shipped under HACCP (Hazard Analysis Critical Control Points). We want to make sure the movement of food products from around the world into Canada – to the plate – is safe."

In conjunction with this project, the CAIE will conduct a series of seminars on subjects such as food safety, food recalls, how to handle imported food, and allergies, in partnership with other groups such as the CPMA and CCGD.

It is also working closely with the Canadian Food Inspection Agency (CFIA) to develop an importer self-assessment program, as well as various good importing practices programs to help develop CFIA import policy.

"On the food side, we're pretty proud of the work we have done in conjunction with members and government," Mr. Armstrong said. "We've taken the lead with the CFIA on that."

The voice of CANADIAN importers and exporters

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"We are also proud of our work on the customs side. Customs issues at the border have been with our association since 1932. We do 30 events across Canada every year that are related to customs issues. It was our association that helped develop the Customs Blueprint and eventually the Customs Action Plan, all of which were launched at our association events by various ministers.

"The majority of work our association does relates to customs issues," Mr. Armstrong continued. "We spend an awful lot of time trying to make the border transparent. Our goal is free and open trade. This is what we strive for.

"What I am proud of on the customs side is that Canada today has the most modern and efficient customs system in the world. Our association played a vital role and our members should be proud of the input that they had and still have today. You hear about border congestion. Well that border congestion is not coming into Canada."

Mr. Armstrong said he is also proud of the fact that the association has become more proactive in recent years. "We are now going to government with solutions, saying to them, 'Here's how you can do a better job more cost effectively for us and still meet your objectives.'"

On the automotive side, the association operates the AIAMC, which represents before federal, provincial and territorial governments the interests of members that manufacture, import, distribute and service light duty vehicles and whose head offices are located outside Canada and the U.S. Six years ago, AIAMC members had 18 per cent of the Canadian market for sales of cars, light trucks and SUVs, Mr. Armstrong said. Today it has over 40 per cent.

"We have five of our staff working on automotive issues related to safety, the environment and commercial issues," Mr. Armstrong said. "Our members build probably the most advanced-technology vehicles, the most fuel-efficient, low-emission vehicles. We do a lot of work with Transport Canada, Environment Canada and Industry Canada on a lot of issues."

Security is another key issue in which the CAIE is heavily involved. "What the U.S. has demanded of other countries is working," Mr. Armstrong said. "I think it's very important that the security of containerships and the security of the cargo they're containing coming to the U.S. and Canada is far greater than it was a year ago.

"One of our challenges in the years down the road, however, is that we know our ports in Canada are going to incur a lot of new costs for security. So are truckers, the railways, airlines, customs brokers and freight forwarders. Everybody involved in the international supply chain has had to undergo new security measures and new security costs, and so do the importer and exporter. But who knows what the hidden cost of security is going to be?"

Somebody is going to have to eventually pay for this.

"That's our fear – that the costs of imports will go even higher, which means that prices will eventually increase. It could also mean fewer players in the business. We won't be able to avoid passing cost onto the consumer. The fall-out is going to come."

Not only will ports need more money for security, but also to modernize their facilities in order to keep pace with their U.S. counterparts, Mr. Armstrong stressed.

"Government really has to give our ports the legislative authority to borrow more money," he said. "The ports, plain and simple, should have the ability to borrow money to do the expansion that's necessary to allow them to keep the business they have and grow. Given the way the U.S. is going – with what you would call a bit of U.S. protectionism now, if their ports continue to modernize, then our ports should, too. It makes a lot of sense for ships to land here and offload 3,000 containers, with half of them going to the U.S. Our railways get the business. Our truckers get the business. Our ports get the business. Everybody's winning.

"Transport Canada and (the Department of) Finance have to look at this and give the ports the ability to borrow money to finance their future."

In order to do so, Mr. Armstrong suggested that perhaps it is time for some changes at Transport Canada. "Is Transport Canada too big for one person? Maybe they're trying to please – or not please – too many interests at once. Given the size of our country as a trader, maybe it's time to look at Transport Canada in terms of maybe there should be more than one minister, and certainly more than one deputy minister. Maybe there should be a deputy minister for each mode.

"I think we get short-changed sometimes. Transport doesn't appear to be winning with Finance."

As for the future of the CAIE, following an in-depth survey of its membership, the association recently embarked on a new three-year strategic plan, one of the goals of which is to increase membership to more than 1,000, a good number for lobbying purposes, Mr. Armstrong explained.

"That could mean, perhaps, either a strategic merger of another association into ours, or just straight growth – that some of our chapters of volunteers in Montreal, Ottawa, Winnipeg, Calgary and Vancouver become members," Mr. Armstrong said.

"The most interesting part of our new growth is that it's coming from outside of Ontario, which is very good and very meaningful. Take a province such as Alberta, which is growing all the time. Quebec is a big trading province. These are two provinces that I feel will grow more and will be the strength of our growth."