

## Statement on the Effects of the Iceland Volcano Eruption on Canadian Trade

**April 20, 2010.** The eruption of the Eyjafjallajökull volcano in Iceland has caused some problems for Canadian importers and exporters that ship goods via air freight, using northern European airspace. Since Britain first closed their air space on Thursday of last week, Norway, the Netherlands, Austria, Belgium, Bulgaria, the Czech Republic, Denmark, Finland, France, Germany, Latvia, Luxembourg, Poland, Slovakia, Sweden and Switzerland have also been shut to commercial traffic. While some countries have recently allowed flights to resume, fears are that another eruption could again result in closures.

“Canadian importers and exporters are currently dealing with the delays without too much difficulty, but if the situation continues over a period of weeks or even months, Canadian companies will have to look to drastically revising their supply chain operations and look for alternate modes of transportation to move goods,” said Joy Nott, president, I.E.Canada- Canadian Association of Importers and Exporters. In fact, freight forwarders and airlines have been already been investigating alternatives, such as setting up freight hubs in southern Europe and increasing truck transportation into northern Europe from these hubs.

While many businesses can be flexible in the transportation plans, not all have that option. “Many products, such as sensitive electronics or perishable food products, are time sensitive and must move by air, which means that some importers will have to look for new sources of supply that are closer to home, or face the real possibility of plant slow downs and even plant shut downs,” said Nott.

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