



CANADA - UNITED KINGDOM Chamber of Commerce Over 90 YEARS OF NETWORKING

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Feb - March 2012

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Event Review

Since our last newsletter the Chamber has hosted three events including a lunch with Gavin Hewitt, BBC Europe Editor (see right); a reception with reps from three British National Ice Hockey teams and a half-day media workshop (photos below).
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Mike Moodie,
Head of
Wealth
Management
UK, RBC
joins the
Board Pg 8



BBC's Gavin Hewitt at the Chamber

Pgs 10-11



Over 90 Years of History at the Chamber Pg 9



Montréal moves up in rankings of financial markets

Montréal has moved up the rankings in the latest world ranking of global financial markets, published September 2011. Québec's largest city moved from 26th to 20th

place, behind Toronto (10th) and Vancouver (17th) but ahead of Paris (24th)... the city is increasingly being recognized as a prestigious centre of international finance... Pg 20

Fox Williams: UK Takeover Code changes may impact Canadian bidders

Volatile market conditions, languishing share prices and favourable C\$:£ exchange rates have made many companies on the London

markets increasingly attractive takeover targets for cash-rich Canadian trade and financial buyers... Pg 27

Newsletter sponsors



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Nexen Inc
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Research In Motion
Royal Bank of Canada
Scotiabank
Shell International Ltd
Stikeman Elliott
TD Securities

Welcome to new members:

- 1 Pegasus Corporation
- 2 Navigant Consulting
- 3 Boyes Turner
- 4 Blaney McMurtry

Annual dates for your diary:

- | | |
|---------|---|
| 4 May | AGM & lunch |
| 25 May | Annual Golf Day |
| 28 June | Annual Canada Day evening dinner |
| 15 June | 3rd Chief Economists panel debate & lunch |
| 7 Dec | Xmas lunch |



IN **2012**,
THE GOVERNMENT
OF **QUÉBEC**
CELEBRATES
50 YEARS
OF PRESENCE
IN THE **UK**



Québec

President's Remarks



As this is the first Newsletter of another year for the Chamber a belated Happy New Year to you all, existing and new members of the Chamber.

During the last two months of 2011 we were delighted to host distinguished guests **Lord Stephen Green** (UK Minister of State for Trade & Investment – photo below right), **H.E. Gordon**

Campbell (Canadian High Commissioner to the UK and former Premier of British Columbia), **Mr Mark Carney** (Governor of the Bank of Canada and Chair of the Financial Stability Board), **Mr Gavin Hewitt**, BBC Europe Editor, who was our guest at our Xmas lunch, as well as **Mr Neil Black** and three UK national ice hockey team representatives.

As we start this networking year a personal welcome to the Chamber Board to **Mr Mike Moodie**, RBC's Head of Wealth Management in the UK.

We are very much looking forward to networking with you all during 2012 as the international spotlight falls on London with the Olympics

-Michael Lagopoulos

and Diamond Jubilee. We will be delivering more high profile events for our members as well as organising an interesting and informative array of breakfast briefings, seminars, workshops and networking evenings.

The Board, Secretariat and I wish all our members happy networking for 2012.



Director's Comments



I'd like to thank all our newsletter contributors and sponsors this edition, especially: **the Government of Quebec, Fox Williams, Dadco, and BMO Capital Markets, RBC, TD Securities, and the Governments of British Columbia, Ontario, and Manitoba.**

From November - January we

have hosted a series of successful events including lunches with **Mr Mark Carney, Governor of the Bank of Canada**, and a lunch with **Mr Gavin Hewitt, BBC Europe Editor**. We are very grateful to all the event sponsors during this period especially **Kinnear Financial Ltd, Gryphon Investment Counsel and the Government of Alberta**.

In 2012 we have already hosted a successful Media Training Half-day Workshop delivered by Ms Jo Pearson, former news anchor of Australian television. The event programme for the next six months is already looking like a very busy one for our members.

We have set up in 2012 a new

-Nigel Bacon

Energy Committee with Board Director **Mr Jeffrey Sundquist** as its Chair. The Committee will focus on the Energy story as it relates to both Canada and the UK, and we expect to schedule sector specific events during the year.

Wishing you all the best for your networking in 2012.



The Canada-UK Chamber of Commerce is a member of the Council for Foreign Chambers in the UK which includes over 35 bilateral chambers.

Secretariat News

The latest **Members Directory** 2012 has been posted out to members who have settled their subscriptions. The 2012 **Corporate Lists** of Canadian companies in the UK, and British companies in Canada will also be available by the end of January. These are available only to members, at a competitive rate. Please contact Julia or Sheereen in the Secretariat if you haven't yet received your Directory copy or

you would like to purchase either or both corporate lists.

Our publication deadline for copy for the March - April edition of the newsletter is Tuesday 28 February.

We have recently launched our new website and will be adding features to it over the coming months.

Wishing you all happy networking in 2012.

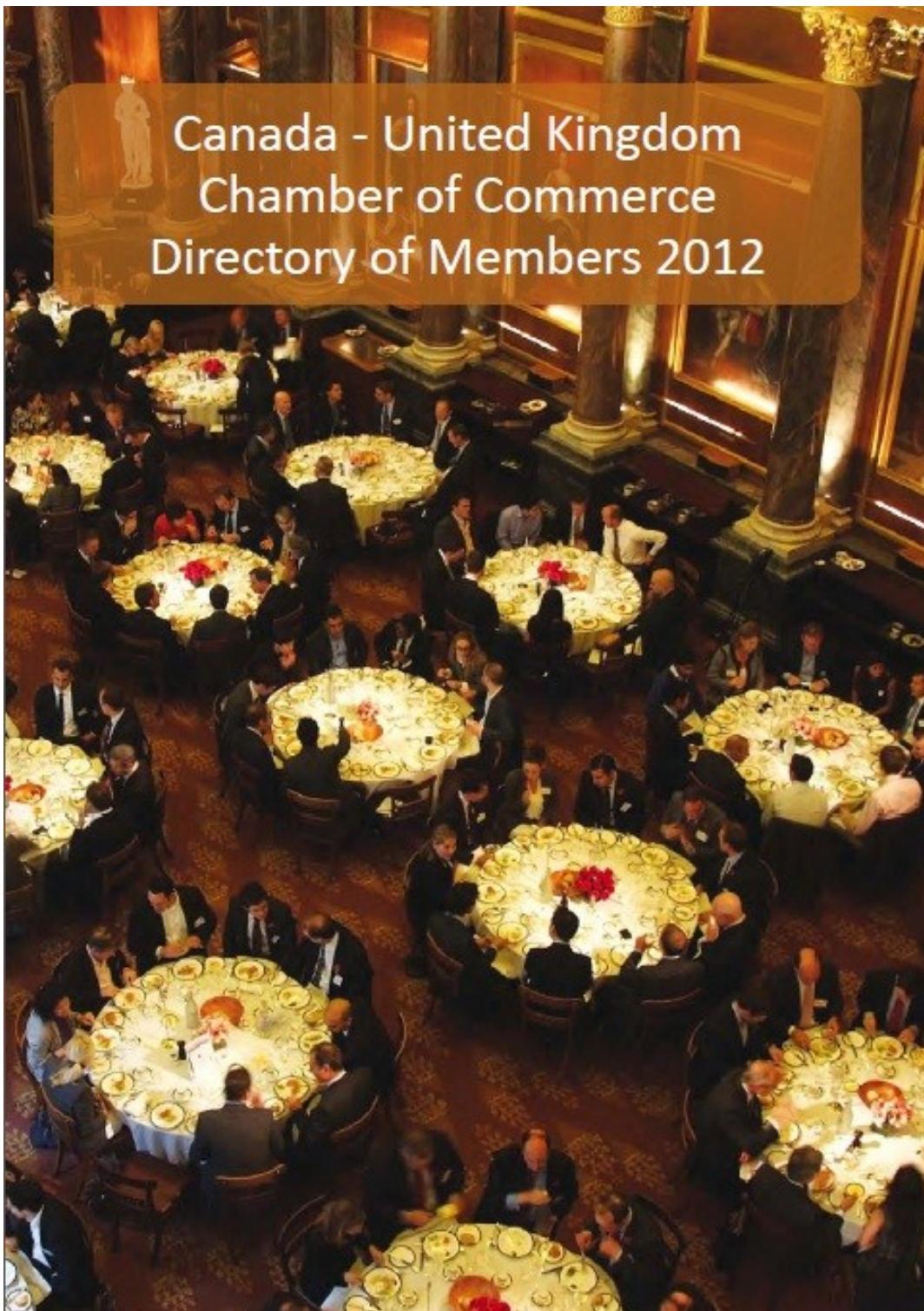
-Sheereen Price & Julia Stevens



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The 2012 Directory is now available to members



Canada - United Kingdom
Chamber of Commerce
Directory of Members 2012

Contact the Chamber for further details on our publications:

info@canada-uk.org T: +44 (0)20 7258 6578

The 2012 lists of companies are now available to members at competitive rates



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Chamber Half Day IT Managers Forum

Reviewing common issues impacting small & medium-sized businesses

'At the forum we will review issues, share ideas and receive input from industry sources to help maximise the effectiveness of the latest technologies within the business environment.'



excitech

With Guest Speakers

David Cordier & Alex Dewar

David Nolan

Chris Harvey

Excitech Ltd

Glenny LLP

IMSCAD Ltd

An Introduction to 'Communico Docs'

IT Infrastructure Refresh Case Study at Glenny LLP

Understanding Citrix & the business benefits it can bring

Open Forum on Data Back-Up & Disaster Recovery

Wednesday 22 February 2012

Canadian High Commission, Large salon room, Macdonald House
41 Grosvenor Street, London W1K 4AA

Members & their guests: FREE

Registration & lunch: 12.15 - 13.00

Presentations & Q&A: 13.15 - 17.00

Non Members: £25 inc VAT

Break: 14.45 - 15.15

Chamber Networking Evening

Maximising profits in tough times

Reducing costs, increasing sales



STEVE MILLS
MARKETING, SALES & BUSINESS GROWTH
THE COST REDUCTION COMPANY
'Savings Through Innovation'

With Guest Speakers

Steve Mills
Nigel Ward

Steve Mills Marketing
The Cost Reduction Company

Tuesday 7 February 2012

Canadian High Commission, Large salon room, Macdonald House
41 Grosvenor Street, London W1K 4AA

Members & their guests: FREE

Registration: 18.00 - 18.30

Presentations & Q&A: 18.30 - 19.30

Non Members: £20 inc VAT

Networking: 19.30 - 20.30

Contact the Chamber for further details on these & forthcoming events:

events@canada-uk.org T: +44 (0)20 7258 6578

New Chamber Board Director

Mr Michael Moodie Head of Wealth Management RBC Wealth Management UK

Based in London, Michael is responsible for the overall strategic direction, operating performance, and client servicing of the Wealth Management – UK business. RBC Wealth Management's UK business employs over 170 staff committed to servicing the domestic and international wealth management needs of ultra and high net worth private clients as well as select institutional clients through an integrated full-service offering of banking, investment, tax, trust and fiduciary solutions. Michael has worked for the RBC group of companies for over 26 years with the past 14 years spent focusing on the international needs of high net worth private clients through postings based in Canada, Barbados, The Bahamas, USA, and now recently the UK. Prior to his appointment as Head, Wealth Management – UK in October 2010, Michael was based in Miami and served as the Head, Americas Region, for International Wealth Management where he oversaw the international wealth management businesses located across the USA, Caribbean and Latin America.

Michael is an executive member of RBC Wealth Management's Global Trust and Wealth Management UK's operating committee, and chairs the Global Distribution committee which oversees the relationship management and business development initiatives both inside the UK and internationally. A native of Canada, Michael obtained a Bachelor of Commerce degree from the University of Ottawa. Michael lives in London with his wife, Kimberley, and their three children.

www.rbc.com



Chamber Networking Evening

With Guest Speaker



For All The World To See

**Pat Ferguson President & CEO
Operation Eyesight Universal**

'Partner for development to minimise risk and maximise opportunity'

Event sponsors: First Energy Capital Corp, King & Spaulding, Maxwell Drummond International

Wednesday 7 March 2012

**Canadian High Commission, Large salon room, Macdonald House
41 Grosvenor Street, London W1K 4AA**

**Members & their guests: FREE
Registration: 18.00 - 18.40**

Presentations & Q&A: 18.40 - 19.30

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Networking: 19.30 - 20.30**

Contact the Chamber for further details on this & forthcoming events:

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2011 : A Busy Anniversary Year for the Chamber



2011 was the Chamber's 90th Anniversary Year and we held over 25 events for our members. We hosted two Premiers – Quebec Premier Jean Charest and Saskatchewan Premier Brad Wall – the Governor of the Bank of Canada Mark Carney; new High Commissioner and former BC Premier H.E. Gordon Campbell as well as his predecessor H.E. James Wright; UK Minister of State for Trade & Investment Lord Stephen Green; Ontario's Finance Minister Dwight Duncan and Alberta's Minister of Intergovernmental Affairs Iris Evans.

In advance of the Olympics in London in 2012 we hosted Canadian Olympic President Marcel Aubut and Olympic

Gold Medallist Mark Tewksbury. Other highlights included seminars and workshops on winning business with LinkedIn and Facebook; briefings on the new Bribery Act in the UK; briefings on employment and immigration with UK Border Agency as well as lawyers from Ontario. In 2012 we expect to be equally busy. See our website for event details.



EVENT REPORT: Chamber Xmas lunch with Gavin Hewitt, BBC Europe Editor



Over 100 Chamber members and their guests attended the Chamber's Xmas lunch with **Mr Gavin Hewitt, BBC Europe Editor**, at Painters' Hall in London.

The lunch was hosted by Chamber Vice President William Swords (*photo above left with Mr Hewitt*).

The Vote of Thanks was delivered by Ms Ann MacMillan, CBC London's Bureau Chief.

The Chamber is extremely grateful to members who donated prizes to the Maple Leaf Trust raffle:

- ◊ **TD Securities** (represented by Mr Malcolm Lang and Ms Fitrika Ariani),
- ◊ **Canada Shop** (represented by Liz and Mike Mills)
- ◊ **Canary Wharf Ice Skating** (represented by Mr Brian Jokat) and

◊ **The Savoy**

A pair of **Air Canada** tickets was donated by the chamber as the main prize and was won by Mr Peter Ellis.

We are extremely grateful to Mr Hewitt for finding time to address our members especially during a busy time for him personally with the Eurozone Crisis taking up much of his professional time.

EVENT REPORT: Chamber Xmas lunch cont.



EVENT REPORT: Networking night with Giants, Panthers, & Clans



75 Chamber members and their guests attended a Chamber networking reception at Macdonald House with guest speaker **Mr Neil Black**, CEO, Aladdin Management (main photo above) and representatives and players from 3 of the 10 National Ice Hockey Teams in the UK's top professional league -The Nottingham Panthers, The Braehead Clan and Belfast Giants on 23 November 2011.

Members and guests were given an overview of the state of the game in

the UK, and had a chance to ask questions of the panel which included: **Mr Drew Bannister** (Player / Coach Braehead Clan –7 years in the NHL); **Mr Todd Kelman** (General Manager Belfast Giants); **Mr Gary Moran** (General Manager Nottingham Panthers) and **Ms Kirsty Longmuir** (General Manager Braehead Clan).

The Chamber would like to thank **Mr Neil Black**, as well as **Mr Brian Parrott** (Canadian High Commission) for their help in organizing this event.



Royal Overseas League: Member To Member Offer

50% discount on joining fee for Chamber members

ROSL was founded in 1910 by Sir Evelyn Wrench to foster international understanding and friendship. Today there are over 18,000 members worldwide. ROSL offers many benefits of membership, including splendid clubhouses in London and Edinburgh, international networking opportunities and reasonable prices due to its not-for-profit status. The ROSL headquarters are located in the heart of London's West End, a stone's throw from Buckingham Palace, the Ritz, premium shopping areas and theatres. Over-Seas House offers 80 four-star quality air conditioned bedrooms, many of which have views of Green Park on one side and Westminster on the other. Situated at the end of a cul-de-sac and adjoining Green Park, ROSL members can enjoy the private garden which offers al fresco dining during the summer months as well as a Buttery for light meals and snacks and a Restaurant for more formal dining at excellent standards. There are also seven private conference and dining rooms.



ROSL Edinburgh is situated on 100 Princes Street and enjoys stunning, uninhibited views of Edinburgh Castle. The clubhouse provides a total of 20 well-appointed rooms and suites and welcomes all ROSL members and guests. If you are a keen traveller, ROSL members can benefit from reciprocal arrangements with over 80 clubs around the world, more than 10 of which are in Canada. ROSL members may enjoy short term access in these reciprocal clubs when travelling outside the countries in which they live or work.



For all members of the Canada-UK Chamber of Commerce, ROSL is offering a **50% discount on the joining fee**; simply quote 'Canada-UK Chamber of Commerce' on the membership application form.

Contact: **The Membership Department**, Over-Seas House, Park Place, St. James's Street, London, SW1A 1LR
T: +44 (0)20 7408 0214 Ext 214/216 membership@rosl.org.uk www.rosl.org.uk

LUXURY IS NOT A SIMPLE CASE OF MORE IS MORE

In 1906, when The Fairmont San Francisco was completed, it defined a new standard of luxury in America. A year later, after surviving the Great Earthquake and citywide fires, it reopened, even more resplendent. It defined true luxury as a quality made not only of bricks and mortar, but also of experiences, ever-changing throughout the eras but always unique to each guest. This concept is one that we embrace at Fairmont properties worldwide. And though each hotel or resort is distinct, there is a fundamental truth that always applies: Luxury is not a simple case of more is more.

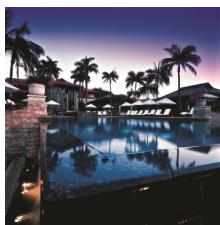
So, how is your experience elevated at a contemporary hotel or resort? We at Fairmont focus on several keys that we think help distinguish us. The commanding presence of our properties is one. Location, architecture and our prominent position within our communities define a sense of place and capture the very best of local culture.

Another difference is the quality of our service – or, more precisely the qualities of our service. These go well beyond the expected prompt and courteous to include inspired, genuine and individualized. For instance, through our new Lifestyle cuisine Plus initiative, if you are diabetic or have a heart condition, we can produce a delicious and healthy meal from a custom menu at any Fairmont property around the world.

That leads me to a third: our guests' freedom to define luxury for themselves. Our guests are looking for a chance to pursue their individual passions. These arrive in infinitive variation, yet empowering them is not simply a matter of laying out a bounteous spread, of more being more. It has to do with active facilitation.

So, yes, there are still many different luxuries on offer at Fairmont. But we believe you'll appreciate them most when you can enjoy them in your own happy place. And that place is different for every one of our guests. It may be on top of a mountain, surrounded by family or, well, you tell us.

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HOTELS & RESORTS

Canadian Housing & Trade Points to Moderation in Economic Growth

'The key drivers of economic growth in the fourth quarter were consumer spending and housing activity, not a desirable outcome for an economy facing risks with high household indebtedness and an overheated housing market.'

TD Bank Financial Group

Canadian housing and trade data released in January pointed to a moderation in economic growth to 2% annualized in Q4 2011, following a 3.5% gain in the prior quarter.

Signs of continued economic growth are encouraging, but there appears to be a growing vulnerability. The key drivers of economic growth in the fourth quarter were consumer spending and housing activity, not a desirable outcome for an economy facing risks with high household indebtedness and an overheated housing market. Recent evidence that consumers continued to ramp up spending at a decent clip in the fourth quarter was accompanied by a deterioration in economic fundamentals.

In fact, there has been basically no job growth over the last six months and household balance sheets have been negatively impacted by recent equity losses. Rather, the pick-up in household spending was fuelled by a sharp acceleration in household credit, largely driven by mortgage credit. As a result, household indebtedness likely continued to climb sharply in the fourth quarter. If indebtedness continues to grow at its current pace, the household debt-to-income ratio will reach 160% by 2013 – the level hit when U.S. households got into trouble.

Meanwhile, strength in new home construction has been

driven by multi-unit starts (condos) particularly in major urban centres like Toronto and Vancouver. At 200,200 annualized units in December, Canadian housing starts are running hotter than what would be considered consistent with the underlying pace of household formation. As a result, there is now a large overhang of completed and unoccupied multi-units.

In light of the lofty number of condos under construction, the imbalance is only likely to worsen over the next few years. In view of these imbalances, a more desirable outcome would be to have economic growth driven by exports and business investment. But, that shift is unlikely to occur in 2012.

November's trade report showed that net trade may act as a modest drag on growth in the final quarter of 2011. What's more, given an expected slowing in global growth and a continued lofty loonie, Canadian trade is unlikely to improve in the year ahead.

On a positive note, the Bank of Canada Business Outlook Survey – released this week – indicated that businesses have good intentions to boost investment in machinery and equipment. However, imports of machinery and equipment are pointing to a second quarterly decline for business investment in Q4.

Perhaps businesses are taking a wait and see approach given the amount of risks surrounding the economic outlook. What's a central bank to do? In the next scheduled rate announcement, the Bank of Canada is likely to reiterate concerns over the ability of the current pace of growth in Canada to be sustained heading into 2012, particularly as risks to the global economic outlook associated with European sovereign debt remain elevated.

In addition, given that the Federal Reserve is expected to keep rates at their effective lower bound through the year and that the ECB has recently embarked on rate cuts, any increase in interest rates could push the Canadian dollar higher and threaten the already fragile export recovery.

On the flipside, the Bank of Canada is also unlikely to cut rates with domestic demand accelerating and with inflation at the Bank of Canada's 2.0% target. Rather, the Bank of Canada is likely stay the course through 2012.

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Air Canada voted Best North American Airline 2011

Air Canada wins award for 'Best North American Airline', as voted for by readers of the UK Business Traveller Magazine.

The UK Business Traveller Awards have been recognized as the UK market's benchmark for excellence over the past 25 years.

Air Canada was also named 'Best International Airline in North America' in the 2011 World Airline Awards in independent research firm Skytrax's worldwide survey of over 18 million travellers.

www.aircanada.com/en/offers/air/best_airline/best_airline.html



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A Century of footprints

TD UK's 100th Year Anniversary is a significant milestone for us. It marks our rich history and our global recognition as a client-focused bank. As we are poised to enter our second century in the UK with growing business and staff, TD Securities would like to thank our clients and business partners for their long standing support. We look forward to building on our success and to further investing in all of our valued relationships.



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Canadian Trade: Swinging Back To Surplus



'Canada's merchandise trade account has been quite volatile over the past few months, swinging back and forth between deficit and surplus.'

BMO Capital Markets

13 Jan

Canada's merchandise trade balance unexpectedly swung back into surplus in November to the tune of \$1.07bn from a revised \$0.49bn deficit in October (was \$0.89bn previously).

Exports surged 3.2%, erasing the prior month's decline, with energy (crude oil exports rose to a record \$6.4bn, though natural gas hit a near-12 year low), autos and industrial goods & materials leading the way. Imports fell a modest 0.8%, with four of nine sectors declining. Autos and industrial goods & materials saw the biggest drop. Note that the autos trade deficit narrowed to \$0.4bn, the smallest shortfall since 2008, as US auto sales are finally recovering.

Export volumes were solid as well, climbing 1.9%, though not enough to erase the prior month's 2.5% pullback. Meantime, import volumes fell 0.9%, retracing more than half of October's increase.

While November saw an improvement in the real trade balance, it wasn't enough to

fully offset the huge deterioration in the prior month. Unless we get a decent report in December it still looks as though trade will subtract somewhat from Q4 growth.

The Bottom Line: Canada's merchandise trade account has been quite volatile over the past few months, swinging back and forth between deficit and surplus.

Big shifts in Canada's balance with the US account for a good portion of the swing, and the improvement seen in two of the past three months is consistent with the better economic data we've seen from our neighbour to the south.

The surplus is certainly welcome news, but its staying power is largely dependent on whether the U.S. economy continues to pick up steam.

For more go to:

<http://www.bmonesbitburns.com/economics/econofacts/20120113a/econofacts.pdf>

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	Nov	Oct	Sep	(year-to-date)	
				2011	2010
Total Trade Balance	1.1	-0.5	1.1	-1.5	-10.9
United States	4.6	3.5	4.1	43.5	32.4
Japan	0.1	0.0	0.4	2.1	-0.4
European Union	0.2	-0.4	0.0	-3.8	-4.0
Automotive	-0.4	-0.9	-1.1	-11.6	-10.9
Energy	5.4	4.9	5.1	53.3	44.8
<hr/>					
(C\$ billions)		Nov	Oct	Sep	
				(y/y)	(ytd/ytd)
Exports		3.2	-2.0	4.3	15.1 13.0
United States		1.9	0.4	4.6	16.0 11.0
Automotive		4.9	4.3	6.5	18.5 2.6
Energy		6.4	-0.1	12.4	32.2 23.5
Volumes		1.9	-2.5	1.0	5.8 4.9
Imports		-0.8	2.2	-0.2	11.6 10.2
United States		-2.0	3.0	-1.2	12.6 7.8
Automotive		-4.4	1.0	-5.0	7.6 3.3
Volumes		-0.9	1.7	-1.5	6.4 7.0

Canada: Fiscal discipline augurs modest growth ahead

The Bank of Canada reaffirmed its 2% inflation target for the next five years in November 2011 and made a very subtle acknowledgement that in the current environment, policymakers need to be flexible.

It also expects modest growth ahead that will dampen the chances it will cut rates. RBC's forecast is for Canada's economy to grow 2.5% in 2012, which is stronger than the Bank's 1.9%, based on our assumption that the US economy will get a lift from additional fiscal stimulus via the extension of the payroll tax holiday. As a result, the Bank's next move is likely to be an interest rate increase although such is unlikely until the latter part of 2012 and only if the global turbulence has eased.

Canada's fiscal deficit ballooned as governments tried to fend off a deeper recession thereby causing an increase in the debt-to-GDP ratio; however, financial markets remained unconcerned in large part because of Canada's record of fiscal discipline. Importantly, unlike many others, Canada's government has the full faith of the investment community and has set up a credible deficit-elimination program. The fact that the timing of the return to surplus was extended one year in the recent Fiscal Update did

not cause ripples in financial markets.

In 2011, businesses also kicked in with spending on machinery and equipment and non-residential real estate accounting for two-thirds of the annual growth rate. In 2012 and 2013, business investment will continue to be a contributor to the expansion alongside consumer spending on goods and services. The biggest change to the composition of growth will come from net exports, which are forecasted to swing to be a support for the economy after two years of weighing on growth.

Rapid increases in consumer debt during the early days of the recovery resulted in Canada's household debt-to-income ratio rising above the US ratio raising eyebrows of investors, governments, and the Bank of Canada. Since hitting a peak pace in March 2010, household credit growth has consistently eased and at 6% in August ran below its long-term average pace. Debt accumulation, however, has not slowed enough to cause a turnaround in the debt-to-income ratio.

At the same time, the debt-to-asset ratio is set to rise, as the gains in real estate values were more than offset by falling financial assets in the third quarter of 2011. The debt situation has made the economy more vulnerable to a sharper

downturn should there be any unexpected shock. In the near term, however - against a backdrop of low interest rates and a stable labour market - households will be able to finance their heavier debt loads.

It has been a volatile year for Canada's economy with the second quarter's unexpected contraction followed by a sharp rebound in the third quarter. One off events such as the natural disasters in Japan that reduced auto industry activity temporarily derailed Canada's strong growth story. While this sparked some talk of a double-dip recession, the release of the third-quarter data proved otherwise. The risks to the global economy are many; however, with commodity prices staying historically high, US demand recovering, and the Bank of Canada working to insulate the economy from the events in Europe by keeping policy accommodative, real GDP growth is forecasted at a 2.5% clip in 2012 and 2.6% in 2013.

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(Photo: High Commissioner Campbell at a Chamber breakfast briefing at RBC's new premises in London)



'The biggest change to the composition of growth will come from net exports, which are forecasted to swing to be a support for the economy after two years of weighing on growth.'

RBC



Eurozone - the Good, the Bad or the Ugly

'European governments and the ECB had the power to end this situation long ago, but neither wanted to flinch first. A sequence of half-measures resulted in a saw-tooth pattern for bond yields in the distressed nations.'

Scotia Capital

Output is already shrinking - the only question is how severe the contraction is and how long it lasts. Perversely, the good news is that things have got so bad, there is a strong chance that something good comes of it. We are reaching a crescendo. The rating agencies have pointed a gun to the heads of the authorities.

The authorities are running out of second chances. European governments and the ECB had the power to end this situation long ago, but neither wanted to flinch first. A sequence of half-measures resulted in a saw-tooth pattern for bond yields in the distressed nations. Leading up to key summits or decisions, panic pushed bond yields sharply higher. New measures were announced which tended to induce 24-48 hours of relief before panic resumed and the process repeated itself.

Make or Break Time

There are now two choices; the authorities pull out all the stops and help to turn the page on a deeply unpleasant episode, or hold back and watch the eurozone tear itself apart. There are three scenarios:

Best case scenario

Governments agree on steps towards greater fiscal union, supervision, automatic sanctions and perhaps eventually E-bonds. This is sufficient to placate the ECB

that it is not giving anyone a free ride. The central bank commits to buying government bonds of distressed nations in big size. If it commits to the same scale of QE as the Bank of England, purchases could easily exceed EUR1trn - sufficient to absorb the issuance from Italy and Spain over the coming year - pushing bond yields down to much more sustainable levels.

The Italian bond market has demonstrated at the start of December that restoring confidence can have a massive effect on yields - down by around 150bp in less than a week. If decisive action by the ECB and European governments can restore market confidence, it could become self-reinforcing - boosting business and consumer sentiment and restarting the recovery. It is too late to avoid a mild recession in the eurozone. Nonetheless, action now could prevent a deeper and longer contraction and put the eurozone economy back on the path to recovery.

Best worst-case scenario

Significant contagion from the periphery to the core as European leaders fail to restore confidence. This would involve a sharp tightening in monetary conditions in bigger nations as equity markets plunge, a significant bear flattening in

the yield curve occurs and BOR-OIS spreads explode. Our models suggest that this would look like the aftermath of the Lehman brothers collapse. That would mean PMI surveys in the mid-30s and GDP shrinking by 2% q/q for at least 6 months.

A key difference with that episode is that it ended relatively swiftly, helped by fiscal and interest rate easing - neither of which are available now.

Worst case scenario

When we run scenarios for the EUR exchange rate, equities and bond yields according to a messy eurozone breakup, it points to PMI readings in the 20s and GDP contracting by around 4% q/q. This should be avoided at all costs, the authorities know this and we think they will do everything possible to do so.

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EU Public Procurement - a major overhaul of the rules

The tendering of public sector contracts is subject to detailed rules set out in the Public Contracts Regulations 2006. These Regulations in turn are based on Directive 2004/18/EC, the Public Sector Directive. On 20 December 2011, the European Commission published a proposal to overhaul the Public Sector Directive. The proposed revision of the Public Sector Directive are outlined below:

Amendments to the procedures

The existing open and restricted tendering procedures are retained. However, the proposal provides greater scope for use of the negotiated procedure, to be called "competitive procedure with negotiation" and the competitive dialogue procedure. For example, these procedures may be used where the technical specifications on a supplies or services contract cannot be established with sufficient precision. There will also be a new innovation partnership procedure based on the competitive dialogue procedure

Technical specifications, selection criteria and award criteria

Contracting authorities will

have the option of considering award criteria before considering selection criteria. The quality of staff assigned to performing the contract may be used as an award criterion and technical specifications and award criteria may refer to the production process of the goods or services to be purchased. There is also greater provision for pre-tender dialogue.

Abolition of the distinction between Part A and Part B services

In the existing Directive, certain contracts for Part B services, such as legal services, do not have to be tendered in accordance with the full requirements of the regime. This is because they were not considered to have cross border interest. This distinction will be abolished and contracts for these services will be subject to the full procedural rules.

New lighter regime for contracting authorities below central government level

There will be a new, simpler regime for contracting authorities below the central government level, such as regional and local contracting authorities. They will be able to replace the publication of individual contract notices by the publication of a general notice for their planned procurement for the coming year.

New lighter regime for social services

There will be a new, simpler regime for the procurement of social, health and education services and such contracts will be subject to a higher threshold of €500,000.

Amendments to existing contracts

In light of case law, the proposed Directive clarifies that substantial amendments to existing contracts during their term, such as extension of the contract scope, are to be considered as a new award and will require the contract to be retendered.

Increased access for SMEs

A range of measures will be introduced to improve SME access to public contracts. For example, bidders will be able to self-declare that they fulfil the pre-conditions for tendering, such as no conviction for corruption. Only the winning bidder will then be obliged to supply the documentary evidence to prove the facts that he declared in his self-declaration.



'On 20 December 2011, the European Commission published a proposal to overhaul the Public Sector Directive... A range of measures will be introduced to improve SME access to public contracts.'

Fasken Martineau

Cont. on Pg 24

	Supplies	Services	Works
Central government including NHS Trusts	£113,057 €130,000	£113,057 €130,000	£4,348,350 €5,000,000
Other public sector contracting authorities	£173,934 €200,000	£173,934 €200,000	£4,348,350 €5,000,000



Centrallia 2012 -global business forum hosted in Manitoba

Centrallia 2012 is a global business forum being hosted in **Winnipeg, Manitoba, Canada** from **October 10-12, 2012**.

This event will be of interest to UK companies looking for trade and investment, and partnership opportunities in Canada.

Over 600 companies are expected to attend from more than 40 different markets, and the UK has been identified as a priority market.

Described by some as "speed dating" for businesses, Centrallia attracts hundreds of high-level business decision-makers from across Canada, North America, and the world. Participants are matched for one-on-one meetings during a 2½ day forum on international trade, investment and business development. Each company receives up to 14 30-minute meetings with partners of choice. Participants have access to pre-forum industry tours, networking events, and

a conference component with world-class keynote speaker and international best-selling author Malcolm Gladwell (author: The Tipping Point, Blink, and Outliers: The Story of Success). There is also a tradeshow component featuring trade experts and service providers from around the world.

Centrallia 2012 is organized by ANIM, Manitoba's Bilingual Trade Agency. Collaborating partners include: The Winnipeg Chamber of Commerce, Canadian Manufacturers and Exporters, and Manitoba Trade and Investment.

October 10-12, 2012

Winnipeg, Manitoba, Canada

Website: centrallia.com

Cost for the full 2½ day program is \$900 CAD for registrations prior to May 31, 2012. Cost includes one-on-one meetings, tradeshow, seven meals, conference speakers, networking events, and optional industry tours. An Exhibitor package may be purchased for \$2,995 CAD (for 2 participants).

Opportunity for UK businesses:

-Centrallia 2012 is the largest and most important international business event in Manitoba, widely supported by the national and provincial governments, all major industry associations, and the business community at large.

-with instability and debt crisis in the Eurozone, Canada (Manitoba in particular) offers a very stable economic environment with one of the strongest banking sectors in the world.

-forthcoming Canada-EU Free Trade agreement.

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Montréal International Financial Centre in London

Last November, a Montréal-London seminar under the auspices of the Montréal International Financial Centre (IFC-Montréal) whose goal is to develop the second larger Canadian city as an international financial centre, was held in London. Among the speakers, **Mr. John Carr, Managing Director of Aon Professional Services in Montreal**, shared with the audience his experience on Montreal's facilities as well as the cost saving and quality of the labour force.

Montréal has moved up the rankings in the latest world ranking of global financial markets, published September 2011. Québec's largest city moved from 26th to 20th place, behind Toronto (10th) and Vancouver (17th) but ahead of Paris (24th).

Since 1986, the growth in the

number of IFCs confirms that the city is increasingly being recognized as a prestigious centre of international finance. The IFC-Montréal program allows corporations performing Qualified International Financial Transactions (QIFTs) to benefit from a refundable tax credit (representing 30% of an eligible employee's salary, up to a maximum of \$20,000) as long as those corporations employ at least six employees.

Building on its strengths, derivative trading, management of pension funds, project financing, venture capital and financial software development, Montreal stands out. Furthermore, less affected by the 2008 crisis due to relative strength of its banking system, Canada will not have to tighten its financial regulations like the US and European authorities

are doing presently. However, beyond talent and costs, there are added advantages to investing in Montréal, the largest city in the province of Québec. The proximity and accessibility to markets, its bilingualism (French and English) and the unique gateway between the economies of Europe and the US, adds to the highly qualified workforce already in place.

Celebrating its 25th anniversary in 2011, the IFC-Montréal is a unique non-profit organization managing progressive tax measure exclusive to the metropolis. The mission of the organization is to attract foreign direct investments from the Financial Services Industry, to increase the volume and to develop expertise in the field of international finance.

www.cfimontreal.com

Calgary –The Global Business Centre offering business solutions

The Global Business Centre in Calgary, Canada offers business solutions for local and international organizations

A dynamic and rapidly emerging global business centre in Calgary, Canada, celebrates its newest resource for incubating foreign business and boosting international trade development opportunities for local companies.

The Global Business Centre (GBC), an innovative initiative by Calgary Economic Development, officially opened its doors in downtown Calgary at 120 8 Avenue S.E. (Stephen Avenue) on June 29, 2010. From the beginning, the idea was to create a “landing pad” for international business in Calgary, where companies could locate for the first few months while searching for a permanent home. It also serves as a “launch pad”, where Calgary Economic Development can assist Calgary- and Southern Alberta-based companies with introductions to the marketplace, assistance with site selection and support for their local launch. The Global Business Centre also offers programming in support of developing export market opportunities for Southern Alberta companies.

The end of 2011 marks the Global Business Centre’s first full year of operations and it is timely to summarize our successes to date and advise about the exciting developments 2012 will bring.

It is a pleasure to report that in 2011 over 4,200 people passed through our doors. There were a total of 183 events held at the Global Business Centre, with over 110 involving participation of private sector clients.

The Global Business Centre has hosted successful export development seminars focused on countries and sectors; a speaker series featuring renowned business professionals; workshops about customs and tariffs; freight forwarding and logistics; numerous international networking receptions; and economic briefings.

In 2011, seven companies utilized the Global Business Centre’s temporary office space, including: the Bank of China; Inter-American Development Bank; Consulate of France; and CNG Natural Gas Conversion systems. For 2012, there are already eight new companies at the contract signing stage for the temporary office space. Companies locating themselves at this central location find themselves within 10 city blocks from 124 of Canada’s 500 head offices, the second largest concentration of headquarters in Canada after Toronto. These companies have the unique advantage of tapping into networking opportunities and various other services

Calgary Economic Development provides for a wide range of sectors.

For the Global Business Centre, 2012 promises to be a

very exciting year as we continue our highly successful market and industry specific events, offer services for incoming international delegations and help launch foreign trade missions. Additionally, as of February 2012, the Global Business Centre will be adding a suite of trade development training programs and consulting / referral services to its suite of tools providing a much needed hands on service for small companies and entrepreneurs.

The success of the Global Business Centre both now and looking forward is reliant on the support we receive from our stakeholders and partners. With limited resources, a strong focus has been placed on partnering with the community and delivering joint programs to support our mandate. Partners thus far include, but are not limited to: Western Economic Diversification; the Government of Alberta; Export Development Canada; foreign consulates; and other associations.

We are looking forward to the next 12 months with ambitious plans of adding export-related programming and developing fruitful partnerships with local and international clients.

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CALGARY
ECONOMIC
DEVELOPMENT

‘For the Global Business Centre, 2012 promises to be a very exciting year as we continue our highly successful market and industry specific events, offer services for incoming international delegations and help launch foreign trade missions.’

Calgary Economic Development

Member Business Update 1

CGI Group Inc generated revenue of \$4.32bn for the fiscal year ended September 30, 2011 . It signed new contracts

HSBC Bank plc was named most valuable banking brand in 2012 by The Brand Finance Banking 500 report.

Vinson & Elkins is advising petrochemical and plastics company Westlake Chemical on its \$1bn unsolicited bid to acquire all the outstanding shares of chemicals maker Georgia Gulf. The prospective deal would create one of North America’s largest makers

of chlorovinyls and other aromatics used in building products.

The **Rolls-Royce** Phantom priced from US\$1.2m sold out within two months of being announced. The special edition Rolls-Royce Year of the Dragon Phantom car was built to commemorate the Chinese New Year.



'Ontario, Canada is helping Apex Fund Services (Canada) Ltd expand and create 50 jobs, building on Toronto's reputation as a North American hub for financial services.'

Ontario International Marketing Centre

Ontario –North American Hub for Financial Services

Ontario, Canada is helping **Apex Fund Services (Canada) Ltd** expand and create 50 jobs, building on Toronto's reputation as a North American hub for financial services.

The province is partnering with Apex Fund Services Ltd, a financial services provider, to expand its Canadian subsidiary and offer specialized fund services to Canadian fund managers such as: international best practices real-time middle office administrative services, and operation risk reporting services.

'Apex is proud to help put Canada firmly on the map as one of the world's fast growing financial centres,' said Peter Hughes, Group Managing Director, Apex fund Services Ltd.

'As a global company, Apex sees Canada to be a key location for the expansion of its personalized services for

fund managers – domestically and internationally,' said Alex Chapman, Managing Director, Apex Fund Services (Canada) Ltd. 'With the current commitment to the Canadian fund industry, this is a tremendous opportunity for Apex to lead the financial services sector and support new fund strategies.'

Ontario is an established global leader in financial services with an exceptional talent pool, a cost-efficient business environment and the high-performance ICT services needed to provide secure, seamless, nationwide and international services. More than 150 languages are spoken in Ontario – and that creates a significant business advantage for companies needing to communicate clearly with networks and customers around the world. The World Economic Forum has ranked Canada's banking system as the soundest in the world for four years in a row,

and Ontario is home to Canada's primary financial services hub.

The U.K.-based Global Financial Centres Index (GFCI) ranks Toronto among the world's top ten international financial centres, and the city is rated as the fastest growing G7 Financial Centre by Forbes.

Read more at:

<http://www.sse.gov.on.ca/medt/investinontario/en/Pages/default.aspx>

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Summer Internship Opportunity for Chamber Corporate Members 2012

Rotman

Joseph L. Rotman School of Management
University of Toronto



The University of Toronto's Rotman School of Management in partnership with the Canada-UK Chamber of Commerce is delighted to once again offer Chamber members the opportunity to hire an experienced and professional Rotman MBA student in the summer of 2012. The Internship Programs offers UK employers the opportunity to hire summer interns from Canada's top management school at a very competitive salary. Rotman MBA students have completed internships in London at various organizations including RBC, the Canadian High Commission and CGI -feedback has been consistently positive from both employers and interns. One of last summer's interns has recently been hired on RBC's Global Leadership Program.

Hiring a Rotman Intern is a cost-effective way for an employer to obtain a highly qualified and motivated summer employee to assist with current projects or stand-alone projects. Employers will also be providing interns with valuable international work experience in one of the world's business capitals. Rotman students typically have 4 years' professional work experience and an impressive core set of business skills. Project work can range from business development and project management to marketing and financial analysis. Rotman ensures students are eligible to work in the UK , assists with job postings, pre-screening candidates, interviews, reference checks, accommodation and travel arrangements.

Internships typically last **10 weeks** and take place anytime from the beginning of **May to end of August 2012**. The cost to an employer is a cost effective £350 per week, which is paid directly to the intern. The Rotman School also provides a generous subsidy to each intern to cover travel costs.

The final suggested date for submitting Summer Intern job postings is 14 Feb 2012.

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Rolls-Royce

Milk as a sports drink: a review of the evidence

'There has been growing acceptance of the use of low-fat milk as an exercise beverage, especially during recovery from resistance training and endurance sports.'

Brock University

There has been growing acceptance of the use of low-fat milk as an exercise beverage, especially during recovery from resistance training and endurance sports.

Low-fat milk contains carbohydrates in similar quantities to sports drinks, high quality proteins, electrolytes in greater quantities than sports drinks, and in some countries fortified with vitamin D; all of which could potentially benefit individuals after exercise.

Based on the most up to date research, low-fat milk appears to be an effective post-resistance exercise beverage that results in beneficial changes in protein metabolism. More specifically, low-fat milk consumption acutely increases muscle protein synthesis, leading to an improved net muscle protein balance.

Furthermore, when post-

exercise low-fat milk consumption is combined with resistance training (12 weeks minimum), greater increases in muscle hypertrophy and lean mass have been observed in men and women.

Although research with milk is limited, there is some evidence to suggest that milk may be an effective post-exercise beverage for endurance activities, possibly enhancing endurance related adaptations. Low-fat milk has also been shown to be as effective, if not more effective, than commercially available sports drinks as a rehydration beverage.

Low-fat milk represents a more nutritionally complete beverage choice for individuals who partake in strength and endurance activities, compared to traditional sports drinks. Low-fat milk appears to be a safe and effective post-exercise

beverage for most individuals, except for those who are lactose intolerant or those who have an allergy to milk products.

Further research is warranted to better evaluate the possible applications and efficacy of low-fat milk in the field of sports nutrition and health related adaptations to exercise.

This presentation was supported by funding from the UK Dairy Council.

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EU Public Procurement overhaul cont.

From Pg 19

Further, yearly turnover requirements may not generally exceed three times the estimated contract value and contracting authorities will be encouraged to split contracts into lots allowing for the participation of more bidders.

Strategic use of public procurement

The proposed Directive includes a number of measures which will enable procurement to be used to improve innovation, the environment, employment, public health and social conditions.

Governance

Each Member State will appoint a body to monitor the implementation of and compliance with the public procurement rules.

When will the new rules enter into force?

The Commission's proposals will now be considered by the European Council and the European Parliament. The Commission anticipates that they will be adopted by the end of 2012. If this deadline is achieved, the new rules must be implemented in the UK and other EU Member States at the latest by 30 June 2014.

Other developments in public procurement law

Proposed revision of the Utilities Directive

Directive 2004/17/EC, the Utilities Directive, governs procurement in the water, energy, transport and postal sectors. As part of the same legislative package, the European Commission has published a proposed revision to the Utilities Directive. The revision introduces many of the same changes proposed in relation to the Public Sector Directive.

Proposed new Concessions Directive

Service concessions are not currently regulated by any directive. The European Commission has proposed a new Directive to regulate service concession contracts. It will apply only to concession contracts with a value of over €5 million.

Thresholds

The new legislative proposals do not affect the thresholds, which will continue to be revised every two years. The latest revision took effect on 01 January 2012:

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Foreign Anti-Corruption Laws in Canada

As a member of the Organization for Economic Co-operation and Development ('OECD'), Canada signed the *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions* (the 'OECD Convention') on December 17, 1997.

To satisfy its obligations under the OECD convention, the Government of Canada implemented the *Corruption of Foreign Public Officials Act* ('CFPOA'), which came into force on February 14, 1999.

On March 18, 2011, the OECD Working Group on Bribery (the "Working Group") completed a report on Canada's enforcement of the OECD Convention. In its report, the Working Group Report raised several concerns regarding the CFPOA's jurisdictional limitations and Canada's past difficulties in enforcing the legislation; each of these issues is briefly addressed below.

Jurisdiction Issues

The Canadian legal system applies a territory-based principle when determining whether it will extend criminal jurisdiction to offences that

take place outside of Canada. The leading case on this principle is *R. v. Libman*.

In *R. v. Libman*, the Supreme Court of Canada stated that, for an offence to be subject to the jurisdiction of Canada, there had to be a 'real and substantial link' between the offence and this country. Jurisdiction under the CFPOA is therefore much narrower than in most other OECD Convention parties, which also provide nationality-based jurisdiction over foreign bribery offences.

In 2009, the Minister of Justice introduced Bill C-31, which would have amended the CFPOA to also apply nationality-based jurisdiction in foreign bribery offences. Unfortunately, it died on the order paper with the prorogation of Parliament in December 2009. Whether it will be reintroduced in the future is unknown.

Enforcement Issues

At the time of the Working Group's report, there had only been one successful prosecution under the CFPOA since the law was enacted in 1999. However, this changed on June 24, 2011, when Calgary-based Niko Resources Ltd ('Niko') pled

guilty to bribery under the CFPOA.

In the Niko case, the company's Bangladesh subsidiary had given a C\$190,984 vehicle to the Bangladesh Energy Minister and paid for several trips to the US and Canada. The fine and victim surcharge that Niko was required to pay totaled C\$9,499,000; the terms of its probation order also subjected Niko to court supervision and regular independent audits to verify its compliance with the CFPOA.

Conclusion

It would appear that recent enforcement efforts by Canada are finally beginning to yield results. However, the CFPOA's lack of nationality-based jurisdiction may still restrict Canada's ability to enforce this legislation in the future.

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'...the OECD Working Group on Bribery i its report... raised several concerns regarding... jurisdictional limitations and Canada's past difficulties in enforcing the legislation...'

Blaney McMurtry

NEW MEMBER PROFILE

Blaney McMurtry LLP

Founded in 1954, Blaney McMurtry LLP is a 130-lawyer full service law firm based in Toronto, Canada. The firm represents clients in a wide range of legal matters including: international business, corporate law, real estate, labour & employment, commercial litigation, corporate immigration, estates law, and family law.

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'Companies should review their current short term business visitor arrangements to ensure that they and their overseas employees and directors are compliant [with UK tax rules]...'

Blick Rothenberg

Short term business visitors in the UK

HMRC have introduced a new penalty regime for companies and individuals that fail to register for tax, or declare taxable income, after a 2011 Tribunal case held that exemptions from UK tax were not available where a UK-based company suffered the costs of an overseas employee.

Companies should review their current short term business visitor arrangements to ensure that they and their overseas employees and directors are compliant. A robust process should be built for identifying, tracking and managing business visitors to the UK.

In addition it could be advantageous to obtain a Short Term Business Visitor agreement with HMRC to relax

certain PAYE obligations. Generally, income is taxable in the UK if an individual is physically present there when performing the activities that he/she is paid for. However, if certain conditions are met, in accordance with international tax treaty agreements, no UK tax will be due.

If employee costs are borne in the UK, the current view is that treaty conditions are unlikely to be met and UK tax will be due. Conversely, if an employee is seconded to the UK and works for the benefit of the overseas employer, the overseas business meets all remuneration and the individual does not exceed 183 days in the UK, then treaty relief should be available and no UK tax is due.

An employer will usually be required to operate UK wage withholding (PAYE) if UK tax is due. Being aware that the treaty conditions only apply to income tax, they should also review if employee and employer UK social security tax (National Insurance) is due.

We can help you to manage your global workforce and support your international employees and directors.

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Verbal Threats in the Workplace leading to Termination

On August 18, 2011, the first Bill 168 Ontario arbitration decision was made in the matter of *Kingston (City) v. Canadian Union of Public Employees, Local 109 (Hudson Grievance)*, providing an insight into how Bill 168 amendments function in the workplace and how they may be used to terminate an employee.

Background

Throughout Donna Hudson's employment with the City of Kingston, Ms. Hudson received multiple warnings for various reasons, including shouting at her supervisor, as well as angrily confronting and swearing at co-workers. In September of 2009, the employer conducted Bill 168 training for its employees in preparation for the Bill 168 amendments. Ms. Hudson attended training session and was informed of the concepts of harassment, verbal and physical violence in the workplace.

Despite the foregoing, Ms. Hudson made a verbal threat to her Union representative, John

Hale, at the workplace, whereby Mr. Hale requested that Ms. Hudson not talk about a friend of his who was dead, to which Ms. Hudson responded, 'Yes, and you will be too.'

In response, the employer conducted a workplace investigation into the matter, and determined that given Ms. Hudson's record of issues at the workplace, the appropriate disciplinary response was termination. Ms. Hudson grieved her termination before an arbitration board.

Arbitration Award

After concluding that Ms. Hudson did make the alleged threat towards Mr. Hale and discussing the ways in which the Bill 168 amendments have impacted the process used to determine the appropriate penalty for acts of workplace violence, the Arbitrator determined that the employer was justified in terminating Ms. Hudson's employment stating that it was 'an appropriate and proportionate disciplinary response'.

Points of Interest

Though the above decision is context specific, and many questions pertaining to the application of the Bill 168 amendments still remain unanswered, the above decision has defined what an appropriate response may be from an employer in regards to an act of workplace violence, and has also shed light on what is expected of both employees and employers when an act of workplace violence has occurred.

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Ronald gratefully acknowledges Kyle Burgis and Sara Kauder for their assistance in preparation of this article.



Takeover Code changes may impact how Canadian bidders acquire UK companies

Volatile market conditions, languishing share prices and favourable C\$:£ exchange rates have made many companies on the London markets increasingly attractive takeover targets for cash-rich Canadian trade and financial buyers. It will therefore be interesting to see how the recent changes to the UK Takeover Code will impact such takeover activity in 2012.

Inspired by the public outcry of Kraft Foods' hostile bid for Cadbury last year, the Code was significantly revised in September with a view to reducing the perceived tactical advantage it provided to hostile bidders and redressing the balance in favour of the target company.

The Principal Changes

Among the principal changes were (i) requiring prospective bidders to be named at the earliest opportunity (ii) shortening the time frame within which an offer must be made – the “put up or shut up” rule – to 28 days from the bidder being named; (iii) a general prohibition on “break fees” for initial bids and (iv) greater transparency and disclosure of advisory costs,

financial information, financing arrangements and the bidder's intentions in respect of the target and its employees.

Impact of the Changes

The most obvious impact of the changes will be increased secrecy and attention to due diligence and financing considerations both before and after approaching the target to avoid being publicly named and starting the clock ticking on the offer timetable.

The break fee prohibition may also lead to fewer bidders coming forward at the outset, particularly private equity and pension funds, who may be reluctant to be exposed to paying transaction costs of an unsuccessful bid without the benefit of a break fee - they may be more inclined adopt a “wait and see” approach where target companies are believed to be “in play” and secure a break fee with their competing bid.

That said, in the absence of break fees, bidders may seek deal protection in other ways, such as hard

irrevocable undertakings from shareholders or via strategic stake building.



While it is too early to comment on the effect of the new rules in practice, what is clear is that potential bidders will need to spend more time preparing to ensure they are in as strong a position as possible to launch a takeover offer within the reduced timeframe, particularly where the offer is not likely to be welcome by the target board.

In the longer term, as the markets become accustomed to the revised Code, the changes should not act as a significant barrier to bids by Canadian companies that have a strong financial and commercial rationale for progressing.

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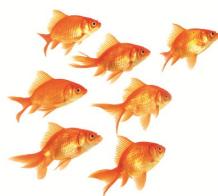
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'Inspired by the public outcry of Kraft Foods' hostile bid for Cadbury last year, the [Takeover] Code was significantly revised... with a view to reducing the perceived tactical advantage it provided to hostile bidders...'

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size doesn't matter



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'...there is now an expectation that the translation uses correct grammar and spelling and is contextually accurate.'

Proof Positive Solutions Inc

NAVIGANT



Translated English in Marketing Tourism

Tourism and Travel professionals have always prided themselves on innovative and cutting-edge marketing and public relations. Whether you like it or not, boundaries are pushed, although a campaign by a certain destination – "Where the bloody hell are you?" – didn't see a lot of air.

Exotic, remote and new destinations are increasingly opening-up to the established and traditional source markets for tourists i.e. the UK, the USA, Canada, Australia and Europe. As well, non-traditional source markets, the BRIC countries – Brazil, Russia, India and China, are seeing exponential growth in outbound and inbound tourism. The common thread in the industry is the acceptable use of English in marketing their products. Whether it is an hotel in China translating their signage into English, or a tour operator in Kazakhstan publishing his

tours in English or an airline from South East Asia translating their in-flight magazine into English, there is now an expectation that the translation uses correct grammar and spelling and is contextually accurate.

In many cases just translating the text into English is not enough. There needs to be a cultural shift in order to appeal to the audience being targeted, and a "one size fits all" doesn't always work. This also applies to images used with the translation in any marketing medium or piece.

The expectation that English material will be available is no longer an arrogant position. It is accepted that English is the language of International travel. There will be very few destinations, hotels, airlines and any tourism partners, in any part of the world, who do not have staff and management

who speak English and speak it very well.

The problem arises when they start to "write it down". This can be a website, brochure, signage, etc. The complexity of English means that even years at Harvard or a PhD from Toronto are not going to prevent mistakes that a native English speaker senses innately.

Spellchecker cannot pick up the nuances and flavours a tourism marketing campaign wants to evoke in the use of translated English. It takes a native English speaker, working with the local tourism professionals, to create marketing and PR that will achieve results.

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The Facebook IPO Conundrum

In January 2006 Viacom reportedly offered a then 21 year-old Mark Zuckerberg \$750m in cash for Facebook. Unfortunately for Viacom, Zuckerberg would not be bought off. Now, six years later, Facebook is reportedly eyeing an IPO in the first half of 2012. According to a report in the Wall Street Journal that cited unnamed sources, it is thought that the company will attempt to raise \$10bn, based on a \$100bn valuation.

If the deal materialises, Facebook's IPO would be the biggest since Google's own launch in August 2004, which was valued at around \$23bn at the time. Facebook would join GM, AT&T and Visa as companies that debuted with more than \$10 billion. Indeed, Facebook's projected valuation would value the company at more than McDonald's (\$95.6bn). Facebook's revenue is projected to double to \$4.27bn

this year (2011), compared with \$2bn in 2010. With a price tag of \$100bn, Facebook would be worth 23 times its projected revenue. By contrast, Google is worth 6.5 times its sales, while Apple is valued at 2.6 times its revenue.

Google currently trades at a market cap of around \$200bn and generates around \$9.6bn in profits. Based on these metrics alone, Facebook would need to generate around \$5.3bn in profits to support its proposed \$100bn valuation.

In 2010, Facebook overtook Google as the world's most visited site, drawing 8.9% of the world's online visits, compared to Google's 7.2%, so the appeal of social network businesses is undeniable.

Given Facebook's superior web visit statistics and projected growth, the only apparent impediment to the \$100bn valuation is, seemingly, the

company's ability to better monetise its users, which is exactly what investors are banking on.

With Zuckerberg's current interest in Facebook worth over \$20bn, saying 'no' to \$750m in 2006 looks pretty smart. For now at least.

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ACS: the benefits of Advanced Placement program



Monika Howick, High School Principal at ACS Hillingdon International School describes the benefits of the Advanced Placement (AP) program for students in transition

The number of International students being offered a place at university on the back of their Advanced Placement (AP) qualifications is increasing. This qualification offers both a demanding and rewarding curriculum, the AP is useful currency for students considering enrolment on further education programmes throughout the US and Canada. Indeed, with its 50 year history, universities in more than 60 countries worldwide, now recognise AP scores in their admission process, including many universities in the UK.

Advanced Placement courses offer the most flexible opportunity to tailor an educational plan to the individual learner.

Courses are for one year and are purely test based, which makes them especially favourable for students in transition as they can complete (and gain) a world recognised qualification in a shorter time frame.

Completion of Advanced Placement courses helps to instil and command the use of many of the skills required for the successful completion of courses at University and College level. Students are taught to read texts critically, use analytical skills when solving problems, evaluate documents and perspectives, and think quickly, thus enabling them to deal with the dynamic world in which they will operate.

John Bolla, an Advanced Placement student at ACS Hillingdon, previously attended an American public school in West Chester Pennsylvania.

'I find that the most challenging part of the AP is the amount of material that needs to be covered. Often there is only enough time to cover the material once in class and all revision on topics must be done on the students own time. Although this can be difficult sometimes, I think that this experience will help prepare me for university study, where there will be a lot of material and not a lot of time to learn it all. In this respect, taking AP courses is a great preparation for college.'

The AP is truly exceptional in allowing students freedom to study interesting content while boosting their prospects, and should certainly be high on the list of considered programmes for relocating families.



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Member Business Update 2

Canadian law firm, **McCarthy Tétrault** acted as legal advisor on two project financings that received "Americas Deal of the Year Awards" at the Project Finance International Awards in London

National Bank of Canada has donated \$3.1m to United Way of Canada, a global charity. This amount represents donations made by current and retired employees, as well as a corporate donation from National Bank.

Scotiabank announced that Scotia Capital will now be known as **Scotiabank Global Banking and Markets**. The re-brandings are part of a Scotiabank plan to cut the number of global brands it has in half to about 30, and to increase the focus on "Scotiabank" as a consistent theme.

Alberta small business confidence remains the strongest in Canada. The latest Business Barometer survey by the Canadian Federation

of Independent Business shows Alberta's entrepreneurs to be the most confident in Canada, 8 points higher than the national index.

Hoare Govett Ltd's managing directors are considering teaming up with **Oriel Securities Ltd** to buy out the U.K. broker from parent Royal Bank of Scotland Group Plc. The buyout would cut the cost of about 30 jobs being cut.

Improved CRM boosting company profits



'Our work revealed what elements were missing from the client's CRM efforts, and what needed to be done to optimise these efforts for maximum benefit. In areas where we discovered skills gaps'

TCii

A UK company asked TCii for help in aligning and rationalising its customer relationship management (CRM).

Different business units within the organisation were all investing independently in CRM. Their initiatives were many and various, involving elements such as process redesign, consultancy, technology and strategy workshops. The result was:

- heavy investment
- lots of tactical solutions
- no focus on the customer experience
- many different technologies
- unclear benefits
- dubious executive buy-in and sponsorship

Our challenge was to achieve alignment on CRM within the business, optimise the company's CRM work, and close skills gaps. We began by taking an inventory of the client's core CRM initiatives and investments. To ensure alignment, we conducted structured interviews with key decision-makers and influencers to ascertain the

client's understanding of CRM, business pressures and customer pain, and to determine relationship breakdown points.

Plugging the skills gaps

Our work revealed what elements were missing from the client's CRM efforts, and what needed to be done to optimise these efforts for maximum benefit. In areas where we discovered skills gaps – for example, supplier management - we placed interim staff in addition to our consultants. Throughout, we focused on areas where the most benefit could be realised for the least effort, risk and complexity.

Once we had identified the broad organisational requirements for CRM, and where the energy for CRM was in the organisation, we were able to target specific areas of the business.

We also formulated a common definition of what CRM meant to the business and why its people should care about it.

Quick wins

Finally, we pinpointed the potential quick wins from CRM initiatives, as well as core business sponsors for the work. Many of these wins related not to a large CRM project, but to ways of incentivising and supporting employees – for example, through spot awards, making information easier to find, and empowering employees to some degree.

Thanks to its newly aligned and optimised CRM programme, the company enjoyed a rise in profits that far outweighed the costs of the alignment project.

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MEMBER PROFILE

Debbie Bridge

Debbie Bridge is a professional performer based here in the UK, you may remember her from the Canada Day Event July 2011 where she sang, 'O Canada' for the Chamber's Canada Day dinner. She is currently the Chief Executive of the North American Actors Association based in the UK.



Debbie has performed all across the UK, including the West End. Her work goes from corporate events to live theatre to film; from singing to acting. She has produced her own radio shows, done a variety of talks on classical composers and produced her own productions. She has just completed 2 CD's – one, **because it's spring...**, for New Music Brighton, which features contemporary classical works; the second one is from her work at local events, which is called: **The Unknown Celebrity**.

Debbie is great at helping you make your event that extra special moment to be remembered.

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NEW MEMBER PROFILE

Navigant Consulting Inc

Navigant brings a fresh approach to expert advice in the EMEA and Asia Pacific. Anchored in London, Navigant's team of 300 professionals (1,700 worldwide) are made up of specialists with exceptional technical expertise in business valuation, disputes and investigations, economics, financial advisory and management consulting.

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NEW MEMBER PROFILE

Pegasus Corporation Ltd

With over 20 years' experience, we deliver innovative solutions to the highest standards, on time, on brand and on budget. Projects can be managed from the creative concept to execution and beyond. Importantly, we work in a way that suits you best, meets your objectives and complements your existing knowledge resources. We take the time to understand your business and fully understand the challenge. We can then call upon our experience and creativity to propose fresh ideas and practical, stress-free solutions. When "thinking outside the box" we believe it is necessary to define and understand "the box" before venturing outside it. Creativity and flexibility can sit alongside process integrity and best practice. We think like a small business and behave like a large one.

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NEW MEMBER PROFILE

Boyes Turner LLP

Boyes Turner is one of the UK's leading full service regional law firms. Based in Reading in the heart of the Thames Valley, we regularly work with many of the world's largest multinationals as well as successful UK and European businesses. We also have specialist teams of lawyers, regularly ranked as amongst the **best in the UK** that provide services for individuals.

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Chamber Events Feb - June 2012*

- 7 Feb **evening networking reception** with the Cost Reduction Co. Ltd and MAX Marketing
- 22 Feb **half day afternoon** IT Managers Forum sponsored by Excitech Ltd
- 7 March **evening networking reception** with Operation Eyesight
- 14 March **evening networking reception** with Professor Alan Harrison, Queen's University Provost
- 22 March **evening networking reception** 'Living overseas –tax insights for expatriates' with Internaxx Bank & Fitzgerald & Law
- 29 March tbf **breakfast briefing** on financial services regulation developments, remuneration code and bribery act issues sponsored by Fox Williams LLP
- 17 April **evening networking reception** with The Enterprise Network (TEN) with Mr Ian Black author of '*The Activity Illusion: Why We Live to Work in the 21st Century - and How to Work to Live Instead*'
- 24 April **evening networking reception** with Kingsley Napley, and Guberman, Garson on '*What you need to know about employment, tax and work permits before you cross the pond (either way)*'
- 26 April **networking evening reception** with the Council of Foreign Chambers of Commerce with **Lord Stephen Green**, UK Minister of State for Trade & Investment at HSBC Canary Wharf (*by invitation*)
- 4 May **AGM** and lunch at the House of Lords
- 25 May **Annual Golf Day** at Royal Mid-Surrey Golf course in Richmond, Surrey, UK
- 15 June **Annual Chief Economists** panel debate and lunch
- 28 June **Annual Canada Day** evening dinner

*The Chamber hosts 25-30 events per year. For full details on the 2012 event programme visit: www.canada-uk.org

Future Deadlines for Newsletter Contributions & Advertising in 2012:

Apr-May: Mon 26 March

June-July: Mon May 28

Aug-Sept: Mon July 23

Oct-Nov: Mon Sept 24

Dec: Mon Nov 26

ArcelorMittal

Coming to London in 2012:
the ArcelorMittal Orbit,
designed by Anish Kapoor
and Cecil Balmond, and
made possible through the
support of the world's No1
steel company, ArcelorMittal.

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