



Global trading as an industry

By **Pankaj Dave**



On November 30, 2018, Prime Minister Justin Trudeau, President Donald Trump and President Enrique Pena Nieto signed the historic United States of America Mexico Canada (USMCA) Trade Agreement, or what is also known as NAFTA 2.0 in Buenos Aires, Argentina, heralding the next phase of cooperation in trade among the three North American neighbours.

The new NAFTA has taken a long time to fructify, but that is not surprising. In the global economy, while change is imperceptible because of its snail pace, it nevertheless is inexorable and constant. In the last few decades, we have witnessed tangible changes on both sociopolitical and technological environment. One must take a long-term view to understand the process of change in the global economy. In the three decades between mid-1980s to mid-2010s, Canadian share in global economy went down from 3.08 percent (1984) to just over 2.00 percent (2016).

The period was also a witness to tumultuous global events – the collapse of Soviet Union, the rise of China as a global power, the formation, consolidation and disintegration of the European Union, the rise of the global south. Intrinsicly linked to all these events was the rise of globalization – the integration of national economies into a global economy. Returning to Canada, the changes in the Canadian society have been far reaching and with far reaching consequences. The median age of the Canadian population has risen from 31 years (1985) to 40.7 (2018), which added to the state's responsibility as the society turned to social welfare.

At present, thanks largely to the process of globalization, Canada has one of the highest ratio of imports/exports in national GDP for G7 countries. Nearly 65 percent of the economy is based on global trade. Post World War II, the Canadian economy burgeoned with the export of natural resources. Rising standard of living and the aspirations of people from other parts of the world helped Canada emerge as one of the leading countries in global trade.

The continuous evolution in innovations accompanied by technological advancement globally has resulted in consolidation of the globalization of trade (exports/imports). The result? Export-import became intra industry. Trade pacts and agreement with newer trade blocks and economic powers boosted Canada's robust global trade industry. In hindsight, one may also say that in Canada's case, the huge success of globalization has compensated for its failure to attend to fundamental economic ills that would otherwise have had a huge impact.

No country has developed and thrived as an economic powerhouse without being aggressive player in global trade. And it may be said without any exaggeration that Canada needs to vastly improve this vital part of its economy. Here are some pointers that political, government and business leaders need to focus upon:



The poster features a silhouette of a graduate in a cap and gown on the left. To the right, a blue box contains the text 'REGISTRATIONS OPEN SOON!' in red, followed by 'HIGHER EDUCATION FORUM' in large white letters. Below this, it states 'A public event organized to discuss the future of education between two democracies, Canada & India'. The dates '15 January 2019: New Delhi' and '16 & 17 January 2019: Gandhinagar' are listed. At the bottom, logos for Seneca, PHD Chamber, and Gujarat Technological University are shown.

REGISTRATIONS OPEN SOON!

HIGHER EDUCATION FORUM

A public event organized to discuss the future of education between two democracies, Canada & India

15 January 2019: New Delhi
16 & 17 January 2019: Gandhinagar

Partners:



Higher Education Forum – India

Canada India Foundation's Higher Education Forum held in July 2018 succeeded in focusing on emerging issues in the higher education sector in Canada. Among the key takeaways of the forum were the need for more integrated approach to international recruitment to ensure that students who come to Canada for higher education can not only acquire the desired qualification but are also able to find jobs and integrate themselves into the Canadian economy.

To build upon the success of the forum and to understand the sector from an Indian perspective, Canada India Foundation is planning to organise a similar forum in India in January 2019. The CIF Higher Education Forum – India will be held in New Delhi and Ahmedabad between 15 and 17 January 2019.

Partners

Seneca College in Toronto and Gujarat Technological University (GTU) in Ahmedabad are the Exclusive Knowledge Partners (Seneca in Toronto and GTU in Ahmedabad) and PHDC Chamber of Commerce and Industries (PHDCCI) is the Strategic Partner for the Higher Education Forum – India. Seneca College will continue its support for the January 2019 Forum. In Delhi, it will organise an exclusive seminar on Innovation and Entrepreneurialism on 15 January. PHDCCI will organise a panel discussion and a business reception in Delhi. In Ahmedabad, GTU will spearhead the two-day program on 16 and 17 January.

Objectives

- Connect governments in Canada and India that are instrumental in policy formulations
- Connect institution-to-institution linkages
- Comprehending Student intake
- Redefining Higher Education in Canada
- Meeting India's needs

Program

- Seminar
- Panel discussions
- Business networking reception
- Meetings with political and government decisionmakers

Write to info@canadaindiafoundation.com to get more details and to register.

Patrick Brown, Mayor of Brampton



Mayor-elect Patrick Brown with Ajit Someshwar, Ramesh Chotai & Girish Kekre

Members of the Canada India Foundation (CIF) met His Excellency Patrick Brown, the Mayor of Brampton on 12 November (swearing-in ceremony is on 03 December) to discuss collaboration between the City of Brampton and CIF. He invited Bob Darling, the head of Brampton's Economic Development, to discuss specific strategies with CIF members.

Sam Pitroda



Sam Pitroda with Satish Thakkar & VI Lakshmanan

Members of Canada India Foundation met Sam Pitroda, on Saturday, 17 November 2018 at an exclusive interactive session in Mississauga.

A man of ideas, and a thought-leader, Pitroda single-handedly transformed India's telecommunication sector bringing it on par with the best in the world. He made an impassioned plea to ensure that the idea of India, based on democracy, freedom, inclusiveness, diversity, and scientific approach, remains relevant in future.

Caroline Mulroney, Attorney General of Ontario



CIF members with Caroline Mulroney and Arpan Khanna

Hon. Caroline Mulroney, the Attorney General of Ontario and the Province's Minister for Responsible for Francophone Affairs met with members of Canada India Foundation 25 November to discuss the new measures that the Doug Ford government in Ontario is undertaking to introduce and implement new business-friendly measures aimed at reviving the economy and generate more jobs.

Mary Ng



CIF Members with Minister Mary Ng & Liberal Party MPs from Brampton

Members of Canada India Foundation met Hon. Mary Ng, Canada's Minister for Small Business and Export Promotion at a meeting organised by MPs from Liberal Party in Brampton. The theme of the meeting was to promote export opportunities for SMEs and to highlight the importance of export and entrepreneurship.

First Person: Rupesh Kapadia



Let's get going

The most effective way to do it is to do it. With that thought in my mind, I set off on a journey in November 2016. A journey of self introspection, self awareness and self motivation. There was a goal in mind. Just as everyone else, I also wanted to lose weight and become fit. This was a path taken before, a journey started many times and abandoned, a New Years resolution made and then abandoned in February or March. What was it that would work this time? Or would it even work? Would I take yet another journey into yet another diet fad land and come back disappointed with myself?

I had all these questions when I started my new regime of fitness. The most wonderful thing then happened. I fell in love with the path and the journey not caring what the outcome was. This journey of fitness and healthy lifestyle has become a lifelong habit. Having lost 65 pounds, I embraced my dream of running by completing my first marathon in Berlin this year. Mindfulness, consistency and a healthy lifestyle is the key to my success in my fitness journey. I am now a happier person who plans to run half marathons and marathons in every city in the world. It's a good way to see the world.

To conclude, I leave you with three important lessons I learnt. Food is the key to a healthy mind and body. It is 80 percent what, how and why you eat and 20 percent working out. Sleep is an important factor to a healthy body. Sleep is when the body works on repairing building muscles and inadequate sleep can hamper your progress. Embrace the journey to total mind and body fitness. Don't stop when you think the goal is achieved. Enjoy the journey and keep on cruising.

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1. Acceptance of global trade as an industry. This means our banks, our logistics, internal logistic ecosystem needs to transform this country with an aggressive orientation to export/import.
2. Need to create and promote stand-alone trading companies/firms those can have global footprints. We need to emulate by promoting large trading giants (few examples; Mitsubishi, Marubeni, Duferco, Cargill etc.). No country has flourished in recent history, unless such global corporations are carefully nurtured. Global trading is a knowledge-based industry just like software Industry. Due recognition and support is needed so it can benefit our manufacturing to take our goods to nooks and corners of the planet. Those corporations have gained the soft skills to understand different business civilizations and ways to adapt those environments.
3. Recognizing trading as an industry includes third country trading. London, Hong Kong, Dubai, Singapore have been global trading hubs. Entire system is created to prop up such activities. To cite an example, No Canadian bank considers Back-to-Back Letter of Credit. This means unless one has line of credit, it is nearly impossible to get credit basis incoming Letter of Credit. Our government banks and each link of this economic machinery must realize and heed this need of hour.
4. Entire Latin American continent is habitually demanding long-term credits; at times long credit for payment for a year! German, Korean and Japanese trading companies do extend such facilities and as a result they bring lucrative business for their own country and largely to their own manufacturers. Where we can find Canada in this radar? Perhaps nowhere.
5. Credit insurance is another area. Crown Corporation EDC needs to address with more relieving credit insurance premium. Special support and assistance should be provided to those corporations and exporters who embark upon mission to develop lesser attractive/markets with higher business risk.

*Pankaj Dave is the Co-Convener of Canada India Foundation
& the Founder-President of Manas International, a global trading company*



Dr. Terry Papneja is a veteran member of Canada India Foundation and a leading philanthropist. His AIM for SEVA Canada has raised over \$6.6 million in charity to build hostels in the poorest parts of India to enable schoolchildren from remote villages to live in these hostels and avail of educational facilities. Dr. Papneja launched AIM for SEVA Canada in 2002 and has sponsored 26 students hostels for poor kids to give them free education, accommodation and food and meet all their expenses.

He came to Canada in 1981 after he got married to his wife Pammi, who was a Canadian. Dr. Taneja struggled to get his accreditation as a dentist, which he got in 1986. Even as he was building his dentistry practice in Toronto, he began his charity work.

Hailing from a poor family who had lost everything in the Partition in 1947, Dr. Papneja had experienced poverty at close quarters. He opened a school in his hometown Kareli in Madhya Pradesh in 1992 in the name of his father, when he passed away. He began to sponsor five poor children in Kareli annually, where he paid all their educational expenses and hired a tutor. At one time he had 35 children in the program and then he launched AIM for SEVA Canada.

“At these hostels, we are taking care of over 4,000 children – from the age of eight to 18 – on an on-going basis. For full 10 years, these children are given free accommodation, food, clothing and education so that their families get out of the cycle of poverty. We also cover all their other expenses,” said Papneja.

Dr. Papneja says his role model is Mahatma Gandhi. He claims that when he read the Mahatma’s autobiography, what struck him about the Mahatma was how he, after studying all the scriptures while in South Africa, said the purpose of our life should be to serve God’s creation. He donated all his assets in South Africa and decided to serve people. Dr. Papneja emulated Gandhiji by serving his extended family and educating underprivileged children.

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