

Discover New Markets



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About Export Development Canada

Who are we?

Export Development Canada (EDC) is Canada's export credit agency. Our job is to support and develop Canada's export trade by helping Canadian companies respond to international business opportunities. We are a self-financing, Crown corporation that operates at arm's length from the government.

What do we do?

We provide insurance and financial services, bonding products and small business solutions to Canadian exporters and investors and their international buyers. We also support Canadian direct investment abroad and investment into Canada. Much of our business is carried out in partnership with other financial institutions and through collaboration with the government of Canada.

How we operate

We are financially self-sufficient and operate much like a commercial institution. We collect interest on our loans and premiums on our insurance products. We also have a treasury department that sells bonds and raises money in global capital markets.

We are committed to the principles of corporate social responsibility. Our rigorous due diligence requirements ensure that all the projects and transactions we support are financially, environmentally and socially responsible. We believe that adopting and embracing these principles is good for business.

Partnership preferred philosophy

When we work on a transaction, we prefer to do it in partnership with the private sector. We let the private sector player set the terms and we add capacity and share the risk.

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Making the Jump to Exporting

If your company has a top-class product or service, going into international trade may be one of the smartest business decisions you'll ever make. Better yet, you don't need to be a large company to do this, since size isn't closely related to success abroad. Most Canadian exporters are small and medium-sized businesses from every sector of our economy, operating in scores of foreign markets from the United States to South Korea.

Of course, succeeding in international trade means dealing with many new financial, marketing and logistical challenges. This will take thorough preparation and planning, together with a long-term commitment to establishing an international presence. But the payoff for diversifying into foreign markets can be substantial and, in an era when the world's trade is becoming ever more integrated, it can be essential to survival.

Benefits and challenges of foreign trade

A company operating successfully abroad can expect to see any or all of these benefits:

- › **Increased sales:** Canada's domestic market is relatively small and, depending on your industry, may be relatively easy to saturate. This means that exporting or investing abroad may be the only way to increase your sales.
- › **Decreased market vulnerability:** The more diverse your markets, the less vulnerable you will be to downturns resulting from local or regional business cycles or from seasonal sales fluctuations.



- › **Extended life for your products:** A product whose life cycle is ending in Canada may be highly appealing in a foreign market where it is new and unique.
- › **Improved competitiveness:** Because the global market is so competitive, you'll need to be efficient and focused on quality and innovation in order to succeed. This can only strengthen your ability to compete at home.

Getting started in international business will present you with many unfamiliar challenges. The following are the most common:

- › **Social and cultural differences:** The living standards, social norms, business etiquette and cultural tastes of your new market will often differ sharply from those of Canada.
- › **Structural differences:** Foreign economic, legal and political systems can be very different from Canada's.
- › **Increased competition:** Operating abroad exposes you to extremely tough competition.
- › **Effects on cash flow:** Payment tends to be slower – sometimes much slower – than at home, so you need to plan your cash flow accordingly.
- › **Logistics and customs:** International logistics are complicated and your goods will be subject to customs controls and tariffs.
- › **Regulations and standards:** Local regulations and technical standards that apply to your goods may require you to modify them before they can be sold in your new market.

Getting Help



There are many sources of assistance for companies getting started in international trade. The following list will give you a good start.

- › [Export Development Canada](#) (EDC) is Canada's export credit agency. Its job is to support and develop Canada's export trade by helping Canadian companies respond to international business opportunities.

EDC's [About Exporting](#) page leads to a wealth of export-oriented resources and information. Among these are several guides, including [Diversifying into Foreign Markets: A Guide to Entry Strategies](#) and [Introduction to Exporting: How to Sell to International Markets](#).
- › [Foreign Affairs and International Trade Canada](#) (DFAIT) provides information about foreign affairs, foreign policy, the Canadian economy, international trade, travel assistance and passport services.
- › The [Canadian Trade Commissioner Service](#) (TCS) is part of DFAIT and has Trade Commissioners in more than 150 cities worldwide and in regional offices across Canada.

The TCS provides a broad range of services to Canadian businesses in Canada and abroad.

Trade Commissioners can help you prepare for international markets, assess market potential, find qualified contacts and advise on market access problems. The TCS also offers market research and country-specific trade and economic reports.

The [Virtual Trade Commissioner](#), also available through the TCS, is a personalized, web-based resource that will give you market information and leads specific to your business interests. You can register for the Virtual Trade Commissioner when you visit the TCS web site.

- › [Canada Business](#) is a collaborative network of federal and provincial government services that help Canadian entrepreneurs and exporters build their companies.
- › [CanadExport](#) is a free, online publication maintained by DFAIT. It provides news about trade opportunities, export programs, trade fairs, business missions and more.
- › [Industry Canada](#) offers market reports as well as the extremely useful [Trade Data Online](#) statistical research tool.

STEP ONE:

FINDING YOUR TARGET MARKET

Seven Steps to Export Success



Once you've decided to go international, the next thing to do is identify a market where people will want to buy your product and where you can reasonably expect to turn a profit. Your first list will probably have several countries on it, so you'll need to narrow it down to one or two markets that offer the most potential for success.

To do this, analyze the following characteristics of each market and try to determine whether they increase or decrease the market's potential:

MARKET SIZE AND GROWTH

- › How many potential buyers are there likely to be?
- › How much is spent annually on products like yours?
- › Are there a lot of products already in the market that will compete with yours?
- › Can you match or beat the prices your competitors are charging?
- › Is the demand for your type of product likely to grow or shrink?
- › Are there cultural factors that may affect the marketability of your product?
- › Is the market industrializing rapidly? If so, can you develop new products to take advantage of this?

MARKET ACCESSIBILITY

- › Are there high tariff and/or non-tariff barriers for products such as yours?

- › Are there already many suppliers of your type of product?
- › Will shipping your products to the market be expensive and/or logistically complicated?

BUSINESS AND POLITICAL ENVIRONMENT

- › Is the economy stable and growing?
- › Are governments at the national and sub-national levels friendly to foreign companies and investors?
- › Are there any issues with currency exchange, transfer or convertibility?
- › Is the political system stable?
- › If you place assets in the country or invest there, are there risks of political upheavals that could threaten these assets and investments?
- › How strong are the local legal and governmental institutions?
- › Is there widespread corruption?

Once you've examine these questions in some depth, you'll be in a better position to identify which market offers you the best opportunities for success. A single market is often the optimum number, although you could choose two if they both seem highly promising. But more than two is overstretch – because of the costs involved in entering foreign markets, it makes no sense at this stage to try for more.

Once you've decided where you're going to go, it's time to create the export strategy that will give you the best chance of success in your chosen market.

STEP TWO:

DEVELOPING YOUR EXPORT STRATEGY

If you're new to international trade, developing your export strategy begins with a careful examination of your firm's capabilities with respect to the market you've chosen. Your products should be competitively priced and be unique in one or more ways for that market. You should also have a domestic business plan of proven effectiveness and enough human, financial and production resources to support some level of business activity outside Canada. Having strong domestic sales can also be an advantage, although – depending on your company's type of business – this may not be a prerequisite for success.

Once you know you have the capabilities you need, your export planning can become more precise. It should cover elements such as export objectives, staffing plans, financing arrangements, major competitors and market risks, competitive advantages and disadvantages, pricing, product adaptation and the method of market entry.

Your market entry strategy

The last issue mentioned above – how to actually enter your market – can be a particular puzzle, since it raises questions of logistics, distribution, in-market sales approaches and whether to use local representation. In the following sections, we'll examine the foreign-market entry methods most commonly used by Canadian businesses.



DIRECT EXPORTS TO FOREIGN CONSUMERS

With this approach, you make your products or services known to consumers abroad and market them in a way that will appeal to the needs, tastes and values of the foreign culture. Direct exporting has several advantages: you enjoy higher profits because there are no middlemen, you have end-to-end control of every transaction, and you have increased operational flexibility in the foreign market.

On the downside, adapting your product and your business methods to fit an overseas consumer market can require a level of effort and expense that may severely strain your company's resources. Whether it

will work for you depends largely on the nature of your business, the appeal of your product and the abilities of your management and sales force.

DIRECT EXPORTS TO FOREIGN BUSINESSES

In this form of market entry, you sell directly to a foreign business that uses your product for its own purposes, perhaps in manufacturing goods of its own. The advantages of this approach resemble those of selling directly to consumers, with the added benefit that you are dealing with a much smaller number of customers. Business customers can also be much easier to identify than consumer-level buyers, since they often attend trade shows where you can meet them.

DEVELOPING YOUR EXPORT STRATEGY

EXPORTING VIA INTERMEDIARIES

In markets where there are language barriers, cultural differences and unfamiliar ways of doing business, using an intermediary can be a very desirable alternative to direct selling. Good intermediaries will be familiar with local conditions and can help you find customers, arrange distribution channels, handle documentation, clear your goods through customs and provide after-sales service. In some countries, moreover, it's mandatory to use an intermediary if you want to do business there.

The three most common types of intermediaries are agents, distributors and export management/trading companies:

- › An agent is an individual or firm you employ, usually on commission, to sell your product or service.
- › A distributor is a firm you choose for its distribution channels. It buys your product outright and then on-sells it.
- › Export management/trading companies are full-service businesses that handle multiple aspects of exporting such as market research, transportation and advertising. Some firms buy your product outright, while others may act as agents on commission.

PARTNERING WITH A LARGER CANADIAN EXPORTER

Many smaller Canadian companies have found success abroad by working with larger Canadian companies that are already operating in foreign markets. Such partnerships can take many forms, from contributing to a supply chain to providing a custom product tailored to the larger partner's needs. While there may be some loss of control for your company, this is usually far outweighed by the opportunity for sales growth and diversification outside Canada.

To persuade a larger company that such an arrangement is in its interest, you need to attract the attention of its decision makers, typically by networking with industry associations, chambers of commerce and boards of trade. Once at the table, you must demonstrate that you can add significant value to the larger company's business over the long term. The key here is to offer unique contributions, such as a tailored service or product, or an ability to add flexibility and value to the larger firm's operations.

FOLLOWING YOUR CANADIAN CUSTOMER

Doors can open for you if your Canadian customers have affiliates in other countries and these affiliates need your products. If you sell electronic components to a Halifax company, for example, and this company owns a Mexican business, you may be able to sell directly to the Mexican firm as well as the Halifax-based parent.

Finding such a ready-made foreign customer, whose parent company is familiar to you and with whom you have an established relationship, can eliminate much of the risk associated with entering a new market abroad. A second advantage is that your business with the affiliate will help you learn about the local market and give you a presence there, which will make it easier to find other customers.

Following a customer abroad may also be necessary to protect your sales if the customer shifts some or all of its production to a foreign location. You may also find an opportunity to increase your sales if your customer's move abroad causes it to expand production.

If you're a services business rather than a manufacturer, following a client abroad can provide excellent opportunities for overseas expansion – you get to operate in a new foreign market, at relatively low risk, by servicing a familiar customer. This enhances your visibility in the market and can make it easier to attract new local clients as you become more experienced with the foreign business culture.

DEVELOPING YOUR EXPORT STRATEGY

PARTNERING WITH A FOREIGN COMPANY

You can also look beyond Canadian partners and work with local companies already operating in the foreign market. Local partners can provide on-the-ground knowledge and contacts, which is immensely valuable when entering a market abroad. They can also provide gateways for expansion into additional countries. A partnership with a large Brazilian company, for example, may provide access not only to Brazilian customers but also to buyers in other emerging South American markets, and possibly beyond.

FOREIGN DIRECT INVESTMENT

Foreign direct investment (FDI) is another way of entering markets abroad. It is usually undertaken by firms that have some experience in international trade and have set aside enough resources to support such an investment. The major forms of FDI are:

- › setting up a foreign sales and marketing office (sometimes called a branch office) in the target market;
- › setting up an affiliate company (also known as a subsidiary) in the target market;
- › acquiring or merging with a local company to form an affiliate in the target market;

- › licensing products or processes to a local company in the target market;
- › establishing a franchise in the target market;
- › working with a contract manufacturer located in the target market; and
- › establishing strategic alliances or joint ventures with other companies to operate in the target market.

FDI can be an attractive strategy for some Canadian exporters because it can help a company to:

- › increase sales;
- › expand market share;
- › access foreign markets more effectively;
- › serve customers better;
- › join a global or regional supply chain;
- › enhance competitiveness within a supply chain;
- › secure sources of supply;
- › gain access to new technology; and
- › follow buyers who have invested abroad.

At the most rudimentary level of FDI, you could set up a sales office and operate it merely as a marketing facility. A considerably more ambitious strategy would be to set up a joint venture or a partnership with a foreign business. This would allow you to take advantage of the other firm's assets and experience, thus increasing your competitiveness in the local market, improving your control of local production and distribution networks, and eliminating the need to build a business presence from the ground up.

Alternatively, you could become a participant in a foreign market by establishing a wholly owned affiliate there. This strategy gives you full control of your local business operations, with all the advantages that this implies, and it can be a very effective strategy for goods manufacturers. For Canadian service industries, setting up foreign affiliates has become an especially important method of market entry and is often preferred to exporting the same services from Canada.

For more information on FDI and the other entry strategies described in this chapter, please refer to EDC's [Diversifying into Foreign Markets: A Guide to Entry Strategies](#).

STEP THREE:

FINDING CUSTOMERS, INTERMEDIARIES AND PARTNERS

To succeed abroad, you'll need to find new customers, intermediaries and partners. The key to this success can be expressed in one word: networking.

All companies use their networks to extend their reach both domestically and, in the case of firms doing business internationally, into markets abroad. Networking is, in fact, the most common method that exporters use to create business-to-business relationships with foreign companies. It typically draws on trade shows, recommendations from other businesses, connections with industry organizations and associations, and in-market visits to establish personal contacts with local decision makers.

Trade shows

Participating in international trade shows can be an effective means of exploring a new market, identifying sales prospects and gaining useful contacts and feedback. By exhibiting at the right show, you can:

- › get attention in your new market;
- › introduce your company and its products to many potential buyers in just a few days;
- › show your sales prospects how they can benefit from your product or service;
- › find buyers, intermediaries or partners;
- › see what's happening in your industry as a whole;
- › demonstrate your long-term commitment to the market; and
- › learn how other companies compete in the market.

There are several major types of trade shows:

- › **Major trade shows for a specialized audience**
These are devoted to a specific industrial sector (such as automobiles) or a market (such as health care). Many are international and draw large numbers of senior executives who can make important sales decisions.
- › **Major trade shows for a general audience**
These large shows may be international, national or regional. They showcase all kinds of goods and services for the public and for businesses. Because they attract a general audience, they may be less suitable for your company than more specialized shows.
- › **Secondary trade shows**
Less prominent than the major shows, these can still be important to their particular sectors or markets at both the national and international levels. They are often highly specialized and are usually open to business participants only. For companies that aren't quite ready for one of the major shows, these events can be a good investment.
- › **Consumer trade shows**
As the name suggests, these shows are for the public at large. Some are general, while others are devoted to particular audience interests, such as home shows or sports shows. Companies that concentrate on selling directly to retail consumers may find these shows useful; otherwise, one of the other three types is likely a better bet.



Finding the most suitable trade show(s) in your target market will be easier if you check with a Trade Commissioner or the EDC representative there. You should also contact your industry's trade associations, since many of them keep track of the year's shows and can provide information about them.

Trade publications for your sector can also be useful, as can chambers of commerce, convention centres and visitors' bureaus. The TCS's online [CanadExport](#) magazine lists upcoming trade events. For more details about participating in trade shows, you can consult EDC's.

FINDING CUSTOMERS, INTERMEDIARIES AND PARTNERS

Recommendations from other businesses

Most company managers agree that third-party recommendations can be very helpful when you're searching for business partners or buyers. Such recommendations suggest that the firm in question is trustworthy, serious, and of high potential. When looking for a distributor, for example, you could check with your suppliers to find out if they are aware of, and can recommend, reputable distribution firms in your target market.

Conversely, foreign firms may recommend your company to others in their local markets. Since buyers often prefer to stick to familiar sources and suppliers, a recommendation can help make your company less of a stranger to a potential customer. You should always follow up such recommendations if this is at all possible.

Industry organizations and associations

If there's a single good reason to belong to an industry organization in your sector, it's that your

membership can provide you with many valuable networking opportunities. These organizations can have a global reach since they are frequently connected to equivalent associations abroad. Association members are often quite willing to help each other out since they also may need assistance at some future time. The shared market knowledge within your industry can be a valuable resource when you're trying to create new business relationships abroad.

Market visits

Once you've identified your most promising target market, it will be time for an on-the-ground visit. During this visit, you'll verify that this market is the one you want to enter and, assuming it is, you can start connecting with potential buyers there.

Making these connections is more likely to happen if you contact the [Trade Commissioner office](#) in the target country before leaving Canada. In-market Trade Commissioners can assist you with information about market prospects and local companies, and can help with visits to the country, contact searches and face-to-face briefings.

For example, a Trade Commissioner might introduce you to members of the local chamber of commerce or a local trade association; you could then open discussions with these contacts and perhaps make your first sale. If you've already identified a company as a potential customer, a Trade Commissioner can tell you more about the firm and how it fits into the local business culture.

Here are some tips that can help make your market visit a success:

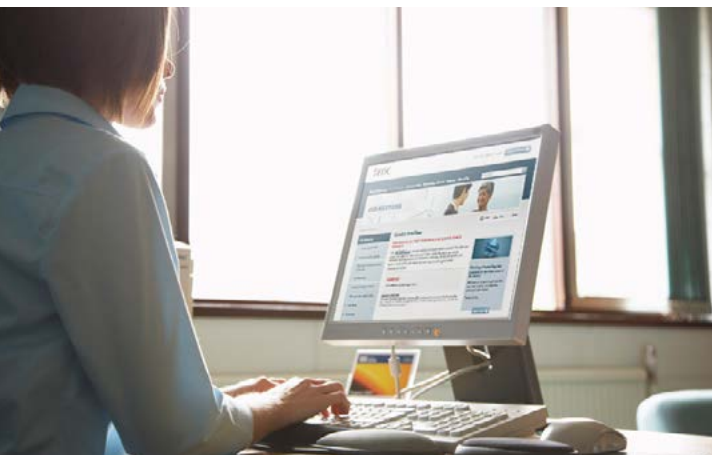
- › Well before leaving Canada, arrange to meet Trade Commissioners or EDC representatives (if available) in the target market.
- › Make sure your visit won't coincide with local holidays or holiday seasons.
- › Arrange interpreters, if necessary, before you go.
- › At least two people from your company should travel to the market. Your party should include senior executives with decision-making powers.
- › If your product is complex, you may want to bring technical staff to answer questions from potential buyers.
- › Before going, learn about the local business culture and its attitudes to things such as punctuality, formality and styles of negotiation.
- › Allow time during your visit to build business and social relationships with potential buyers.
- › Make sure you can answer detailed questions about matters such as price, production capacity and delivery times.
- › Always follow up with the business contacts you make, ideally within 24 to 48 hours. Thank them for meeting you, provide follow-up information and promise to get back to them by a specific time if they have requested more information.

EDC abroad

EDC has **overseas offices** in Brazil, Chile, China, Germany, India, Mexico, Panama, Peru, Russia, Singapore, Turkey and the United Arab Emirates.

STEP FOUR:

CHECKING BUYERS AND MANAGING RISK



You should always verify a prospective buyer's credit-worthiness and financial solidity before committing to a deal. For many overseas markets, you can use EDC's [EXPORTCheck](#), a cost-effective online service that allows you to review the financial strength of a potential customer.

Your Canadian bank may also have a relationship with a domestic bank that can report on the buyer's reputation. In addition, you can ask banks in the buyer's country for credit information. Since it's bad manners in some countries to speak ill of a domestic company, however, you should cross-check a local bank's opinion with information from other sources. If you're willing to spend money, there are consulting firms and credit reporting agencies both in Canada and abroad that will help you check out a buyer. This can be expensive, but may be worthwhile if it uncovers risks for your company.

Insuring against non-payment

Non-payment is usually the most serious risk of doing business abroad. If the future of your company hangs on being paid by a particular customer, his failure to do so can become a nightmare. Even in less dire situations, the impact of non-payment may be severe and lasting.

EDC offers a suite of products designed to protect exporters against non-payment by a buyer:

- › [Accounts Receivable Insurance](#) protects you for up to 90 per cent of your losses resulting from non-payment due to a wide range of risks.
- › [Single Buyer Insurance](#) insures unlimited export sales to the same foreign customer over 180 days and covers up to 90 per cent of your losses resulting from non-payment.
- › [Contract Frustration Insurance](#) insures you for up to 90 per cent of your eligible losses resulting from various political and commercial risks.

Protecting your intellectual property

Your company's intellectual property (IP), such as patents, copyrights or proprietary technology, can be as valuable as your actual products or services and must be protected when you venture into a foreign market. Countering the risk of IP theft by buyers, or even by partners or agents, may require elaborate legal and operational protections and you should consult a local professional when setting these up.

It is especially important to register all your IP in the foreign market itself, as well as in Canada. You will usually have to use the local courts to pursue a violator, and a Canadian registration will not help you do that.

Dealing with licensing risks

A licence is a grant of rights you issue to a company. It allows the company to legally use your company's proprietary technology and/or IP for the purposes specified in the licensing contract. A licence usually doesn't involve all the rights you could grant, but rather a selection of them.

A licensing contract must be extremely precise about the licensee's rights and the boundaries of their validity. Vagueness in this area can create serious problems; for example, if the licensee is free to use your technology to create other technologies, even though this was not your intent, the value of your original technology can be eroded.

You must also be precise about the territory where the licence is valid. Otherwise, your licensee may begin selling your product in a market that you intended to licence to somebody else.

STEP FIVE:

NEGOTIATING A CONTRACT

No matter whether you or an intermediary does the negotiating, you'll reduce your risks if the contract's terms and conditions are clear and precise. At the minimum, they should describe:

- › the legal entities entering into the contract;
- › the contract's validity conditions;
- › the goods or services to be provided, together with their purchase price and the specific details of payment, inspection and delivery terms;
- › any warranty and/or maintenance terms and conditions;
- › the entity responsible for obtaining any import/export licences;
- › any contract performance security requirements, such as bank letters of guarantee or surety bonds;
- › the remedies available if the buyer defaults or cancels;
- › the provisions for independent mediation or arbitration to resolve disputes, and the jurisdiction where this would take place;
- › which country's laws apply to the contract; and
- › the contract completion date.

In Canada, signing a contract ends the negotiations. But in some countries, this merely means that you and the buyer have agreed to do business. Serious negotiations begin after signing. If you find yourself in this situation, be careful not to make more initial concessions to your buyer than necessary. If you do, and your buyer later requests more negotiations, you may have to concede more than you can really afford.

Negotiating through an intermediary

A reputable local intermediary can help you avoid many contractual issues. However, you should always carefully review any contract an intermediary brings you. If it appears too one-sided or lacks crucial information, it may affect your ability to fulfill the contract and receive payment.

If you need to give power of attorney to an intermediary, consult a lawyer and be sure to place strict limits on the intermediary's authority. You should also ensure that the buyer who is actually responsible for payment signs the contract – if only you and the intermediary sign it, you have no written evidence that the buyer owes you the money, and you might have trouble getting paid.



NEGOTIATING A CONTRACT

Establishing payment terms

You'll do better in contract negotiations if you know what payment terms your buyer wants, versus what you are prepared to provide. Arrangements can range from open account to letters of credit, each with varying risks for buyer and seller. When deciding on the terms you'll offer or accept, consider factors such as your experience (if any) with the buyer, your experience with the market and your cash flow requirements.

Be aware that cultural differences can affect attitudes to payment – in some markets, it's an affront to demand payment when payment is due. To get around this, make it clear from the start that you expect to be paid on the due date, to the right account and in the right currency. Otherwise, be prepared to allow some additional time for payment.

Contract performance security

Foreign buyers often expect exporters to provide financial security to ensure that they'll honour their contractual commitments. This security can be an on-demand bank letter of guarantee, a standby letter of credit or a surety performance bond.

In all these cases, make sure the contract clearly stipulates your performance obligations, as well as the conditions under which your buyer can "call your bond," "Calling a bond" means that the customer demands the payout of the bond on the grounds that you have failed to perform according to the contract. If this occurs, your bank must immediately pay the cash to the customer.

Sometimes, however, a buyer may call a bond without a good reason to do so. If you think this might happen, you should consider using EDC's [Performance Security Insurance](#). It covers up to 95 per cent of your losses if your customer demands payment of a bond without valid cause.

STEP SIX:

COPING WITH LOGISTICS AND CUSTOMS

Delivering your goods to a foreign buyer is much more complicated than delivering them domestically. Even if you don't manage the process yourself, you should know how it works so you can build the appropriate expenses into your final quote to the customer.

To provide a common terminology for international shipping and minimize misunderstandings, the International Chamber of Commerce (ICC) has developed a set of terms known as Incoterms. For more information, you can refer to the [ICC](#) web site.

Using freight forwarders

Freight forwarders specialize in moving goods around the world, and using one may save you a good deal of trouble and expense. You can hire these agencies merely to negotiate a rate with a carrier or, at the other end of the scale, have them do everything from arranging insurance to finding a reputable customs broker. Some forwarders specialize in shipments to certain countries, while others concentrate on particular types of goods. For more information, you can refer to the [Canadian International Freight Forwarders Association](#) web site.

Using customs brokers

Most Canadian exporters use customs brokers based in Canada. These firms will work directly with a broker in the buyer's country, who will clear your goods through customs. In most countries, a local, registered broker is the only person authorized to do this.



Providing documentation

Providing complete, accurate documentation of your shipment is vital. If anything is incorrect or lacking, your goods will not be allowed into the country until the deficiency is corrected. The basic documents, required almost everywhere, include the following:

- › commercial invoice
- › packing list
- › certificate of origin
- › certificate of insurance
- › bill of lading (for sea or land transport) or an air waybill
- › certificates of inspection, if required
- › import licences, if required

Other documents may also be necessary, depending on the goods and local customs regulations. Your customs broker and/or the buyer will give you the details.

Problem-free customs clearance

Following the general rules below will help your exports reach your customer as quickly and easily as possible:

- › Complete all customs requirements before you ship the goods. Don't wait until they're at the border to discover that you've overlooked some vital document.
- › Make sure the customs documents are consistent with each other and complete in terms of quantities, descriptions and so on.
- › Make sure the customs documents exactly match what's in the shipment. Undocumented items can cause problems for your customer, such as lengthy delays at the local port of entry.
- › Be sure your goods comply with the standards, regulations and entry procedures of the target market. If they don't, your customer may not be able to bring them into the country.
- › Carry out due diligence before selecting a customs broker. If possible, choose a broker who deals with your type of product.

STEP SEVEN:

KEEPING YOUR CUSTOMERS

Top-quality customer service is one of the most valuable things you can offer a customer and can be the single most important factor in building and retaining customer loyalty. From your foreign buyer's point of view, customer service includes the whole experience of purchasing something from your company, from the time your sales or marketing people first make contact, through the order and delivery process, to the provision of any after-market support the customer may need.

Remember that your customers will judge the quality of your service according to their cultural values. This means that clear communication is vitally important at all stages of the sale. Problems arising from cultural misunderstandings can often be avoided if seller and buyer are both clear on what they can and can't expect from a transaction. If that's properly established, your customer will be more likely to feel that you have met or exceeded their expectations and will be satisfied with the results.



The personal side of business

In many cultures, especially in Asia and Latin America, people place great importance on personal relationships. This extends to business dealings in a way that isn't common in Canada, and your counterparts in such cultures will want to get to know you as part of doing business with you. Establishing a personal side to your business relationship is part of building mutual trust and understanding, and carefully maintaining this personal connection is an essential part of keeping your customers.

When operating in such cultures, you must be ready to commit time and resources to visiting the market, meeting face-to-face with your customers and intermediaries, and maintaining regular email and telephone contacts – anything that will keep the lines of communication open and nurture the long-term relationships that will be the lifeblood of your business abroad.

COUNTRY TAKES

AUSTRALIA AND NEW ZEALAND



Useful information

[International Trade Canada: Australia](#)
[High Commission of Canada in Australia](#)
[Australian High Commission in Canada](#)
[Canadian Australian Chamber of Commerce](#)
[International Trade Canada: New Zealand](#)
[High Commission of Canada in New Zealand](#)
[New Zealand High Commission in Canada](#)

Australia and New Zealand share a Closer Economic Agreement (ANZCERTA) that positions them as a single regional market. They are also partners with Canada in multilateral organizations such as the Asia-Pacific Economic Cooperation forum and the Cairns Group of agricultural exporting nations.

Collectively, Australia and New Zealand offer access to more than 26 million consumers and the region has been designated a priority market by the Government of Canada. Much of our trade with these two countries is geared toward traditional sectors such as mining and forestry, but there are opportunities for Canadian companies – particularly smaller enterprises – in high-growth, knowledge-based sectors.

Top picks

AGRICULTURE, FOOD AND BEVERAGES

Food preferences and trends in the region are similar to those in Canada, with growing interest in high-quality foods, private labels and healthy diets. In consequence, Australia and New Zealand offer many opportunities for Canadian agri-food suppliers of processed food and beverages, meats and meat by-products, breeding stock and genetics, and biotechnology.

OIL AND GAS EQUIPMENT AND SERVICES

Significant investment in conventional and unconventional oil and gas resources offers numerous opportunities for small and mid-sized Canadian companies that can provide products, services and expertise for exploration and development in this sector.

SERVICE INDUSTRIES AND CAPITAL PROJECTS

Infrastructure investment is now a cornerstone of Australian government policy. Key subsectors for Canadian businesses include engineering and construction services, environmental services, management and consulting services and education.

INFORMATION AND COMMUNICATIONS TECHNOLOGIES

The region's geographically dispersed population requires specialized telecommunications solutions such as online education and health services. There is a resulting demand for computer software, telecommunications equipment and services related to these areas.

HEALTH INDUSTRIES

An aging population and inadequate health care infrastructure represent promising opportunities for Canadian suppliers of natural health care products, pharmaceuticals, institutional supplies and medical devices.

AUSTRALIA AND NEW ZEALAND

ENVIRONMENTAL INDUSTRIES

Technology and services for water and wastewater treatment, renewable energy technologies, green technologies, and bio-processing and bio-fuels are of particular interest to the region.

Useful tips

- › Summer in both countries runs from November to March. It can be difficult to schedule meetings in December and January since these are the prime summer vacation months.
- › In both countries, standard men's business dress is a dark suit, white shirt and conservative tie. Women's business dress is a skirt and blouse or a business suit, with minimal makeup and jewellery.
- › The use of Mr./Mrs./Miss/Ms. is preferable when you meet someone for the first time, although both Australians and New Zealanders like to move to a first-name basis before very long. Shaking hands on first meeting is usual.
- › In Australia, professional/academic titles are not widely used, since this seems pretentious to many Australians.
- › New Zealanders tend to be reserved and there is a great emphasis on manners and politeness. People tend to hint at what they mean if they feel they might risk offending someone. Australians tend to be more direct and to the point.
- › Business card etiquette is informal in both countries and there is little or no ceremony attached to exchanges of business cards. Gift giving is not part of either business culture.
- › Punctuality is important in both countries, so you should be on time or even a little early for meetings.
- › Meetings rapidly get to the point in both business cultures. Aggressive sales approaches do not work, however, and will reduce your chances of a sale.

- › In both countries, your presentations should be straightforward and should succinctly provide the facts, benefits and drawbacks of your proposal.
- › Bargaining is not a normal negotiation technique, so your initial proposal should represent a deal that you can accept without much change.

Quick facts: Australia

Population:	22 million (July 2012 est.) ¹
Official languages:	There is no legislated official language, but English is by far the most common tongue.
Major imports (2011):	fuels and oils, machinery, vehicles and vehicle parts, electrical equipment and parts, pharmaceuticals, furniture and furnishings, instruments, apparel ²
Major imports from Canada (2011):	machinery, aircraft and aircraft parts, minerals, electrical equipment, instruments, wood pulp, pharmaceuticals, vehicles and vehicle parts, wood and wood products, plastics ³
Largest import partners (2011):	China 18.5%, U.S. 11.4%, Japan 11.4%, Singapore 6.2%, Germany 4.7% ⁴
Currency:	Australian dollar (AUD)
Time difference:	UTC+10 (Australia has three time zones. Canberra time is 15 hours later than EST)
Business hours:	weekdays 9 a.m. to 5 p.m.
Government office hours:	weekdays 9 a.m. to 5 p.m.

Quick facts: New Zealand

Population:	4.3 million (July 2012 est.)
Official languages:	English, Maori
Major imports (2011):	fuels and oils, machinery, vehicles and vehicle parts, electrical equipment and parts, rubber and plastics, chemicals, paper and paper products, pharmaceuticals, furniture and furnishings, instruments, apparel
Major imports from Canada (2011):	fertilizers, machinery, meat, printed materials, minerals, chemicals, electrical equipment, wood and wood products, instruments, fuels and oils
Largest import partners (2011):	China 15.5%, Australia 15.4%, U.S. 9.8%, Japan 5.7%, Singapore 5.6%
Currency:	New Zealand dollar (NZD)
Time difference:	UTC+12 (17 hours later than EST)
Business hours:	weekdays 9 a.m. to 5 p.m.
Government office hours:	weekdays 9 a.m. to 5 p.m.

¹ All population statistics in this publication were obtained from the CIA [World Factbook](#).

² All "Major imports" statistics in this publication were derived from the [UN Comtrade database](#).

³ All "Major imports from Canada" statistics in this publication were derived from Industry Canada's [Trade Data Online](#) database.

⁴ All "Largest import partners" statistics in this publication were derived from the [UN Comtrade database](#).

COUNTRY TAKES

CHILE



Useful information

[International Trade Canada: Chile](#)[Embassy of Canada to Chile](#)[Embassy of Chile in Canada](#)[Santiago Chamber of Commerce](#)

The Canada-Chile Free Trade Agreement provides Canadian exporters of almost all industrial and agricultural products with virtually duty-free access to the Chilean market. The country is considered one of the best places to do business in Latin America, with business opportunities in the power, environmental, mining and forestry sectors.

Top picks

MINING

The Chilean mining industry needs imported services and technologies for both its mines and its mining infrastructure. This includes power generation, environmental engineering, water treatment, pollution control, sulphur reduction, engineering and maintenance services, and mine waste management.

POWER

Chile will require investment, equipment and services in all subsectors of the power industry. Renewable energy will be important to Chile's total energy supply for the foreseeable future, and projects in hydroelectricity, biomass, biogas, wind and solar energy are receiving increased government and private sector support. Environmental impact assessments are required before a power project can begin, which presents opportunities in the environmental sector.

CHILE

FORESTRY

During the past 30 years, Chile has developed a major forest industry based on its well-managed tree plantations. Over the long term it will require new capital investments in harvesting and processing equipment, as well as in maintenance services and infrastructure improvements such as transportation and road construction.

INFRASTRUCTURE

Chile currently has USD 60 billion worth of infrastructure contracts underway and in the pipeline, including concessions for airports, ports and hospitals. Opportunities in power and transportation infrastructure include bridges, ports, roads, airports, jails, and railways. Chile has also placed a larger emphasis on power projects. The country's physical landscape is rich in resources for renewable energy such as wind, geothermal, solar, and hydro.

ENVIRONMENT

There are prospects for Canadian firms in goods and services for water treatment, solid waste minimization and recycling, air pollution and emissions control and renewable energy.

Useful tips

- › Make appointments a few weeks before you go to Chile. January and February are the summer holidays, so try to avoid them.
- › When you meet someone in Chile, a handshake is customary. When meeting large groups, it is good etiquette to shake hands with all those present.
- › Address people by Mr./Mrs./Miss/Ms. and their surnames. Most Hispanics have two surnames, one from the father and one from the mother. Only the father's is usually used.
- › Be prepared to entertain your business prospects at hotels or restaurants, and pay the bill if you invite them. It is also polite to offer to pay if they invite you, although they won't likely allow this.
- › A comfortable personal distance is closer in Chile than in Canada, so don't appear ill at ease if people stand very near you when conversing.
- › Never criticize people in public or cause embarrassment to anyone. Keep your word even in small things or you'll be considered untrustworthy.
- › Avoid hard-sell tactics. These never work in Chile.
- › Don't be afraid to compromise, as this shows you value the business relationship at least as much as the financial aspects of the deal.

Quick facts

Population: 17 million (July 2012 est.)

Official language: Spanish

Major imports (2011): fuels and oils, machinery, vehicles and vehicle parts, electrical equipment, plastics, apparel, iron and steel, agri-food

Major imports from Canada (2011): fuels and oils, machinery, agri-food, electrical equipment, plastics, vehicles and vehicle parts, metals and ores, instruments, pharmaceuticals, chemicals

Largest import partners (2011): U.S. 20.2%, China 16.9%, Brazil 8.3%, Argentina 6.3%, Germany 4.2%

Currency: Chilean peso (CLP)

Time difference: UTC-4 (1 hour earlier than EST)

Business hours: weekdays from 9 a.m. to 6 p.m. with a one-hour lunch break at 2 p.m.

Government office hours: weekdays from 9 a.m. to 6 p.m.

COUNTRY TAKES

THE GULF COOPERATION COUNCIL (GCC)



The Gulf Cooperation Council (GCC) was formed in 1981 and consists of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE). A combination of oil wealth and sensible planning has transformed it into a large and affluent market that has limited restrictions on foreign ownership and welcomes overseas trade and investment.

Top picks

OIL AND GAS

Oil and Gas is the most important sector in the GCC for Canadian companies, with numerous opportunities for small and mid-sized Canadian companies that can provide products, services and expertise for oil and gas exploration and development (onshore and offshore), refineries, and LNG facilities, as well as to the petrochemical sector in general. Each country within the GCC has a national oil company leading its oil and gas strategy and for entering into joint ventures with international oil companies to develop strategic assets. Many are interested in solutions to further improve the efficacy and efficiency of their infrastructure and reduce their environmental footprint. Over the next two years, it is forecast that USD 132.9 billion will be spent in the Oil and Gas sector across the GCC.

AGRI-FOOD

Agri-food companies should take a close look at this market. Specialty foods such as honey, maple syrup, frozen desserts, and hotel- and restaurant-ready foods offer numerous possibilities. Convenience foods and ready-to-eat foods are popular because of the local taste for eating out. Bulk commodities such as canola are also imported in quantity, especially by Dubai in the UAE.

ENVIRONMENTAL TECHNOLOGIES

Green building technologies are sought after in the UAE, since all new buildings there must now be constructed to very high environmental standards. Both the UAE and Saudi Arabia need expertise in solid and hazardous waste treatment and management, site remediation, pollution control, oil spill prevention and water and wastewater treatment.

Useful information

[International Trade Canada: Saudi Arabia](#)

[Canadian Embassy in Saudi Arabia](#)
(also covers Bahrain and Oman)

[Embassy of Canada to Qatar](#)

[International Trade Canada: UAE](#)

[Embassy of Canada to Kuwait](#)

[Embassy of Canada to the UAE](#)

[Canada Arab Business Council](#)

[Saudi Arabia: Infrastructure & Environment](#)

Country information: [Bahrain](#) | [Kuwait](#) | [Oman](#) | [Qatar](#) | [Saudi Arabia](#) | [United Arab Emirates](#)

THE GULF COOPERATION COUNCIL (GCC)

POWER

The demand for electricity in the UAE is rising at an annual rate of over 7 per cent, and Abu Dhabi has undertaken an ambitious nuclear power project to help meet demand. However, natural gas power plants will still be needed to bridge the gap, and the emirate also intends to obtain 7 per cent of its power from renewable sources by 2020. Transmission and distribution systems require continuous expansion and the grids will need to be upgraded to cope with the increasing load.

HEALTHCARE

In Kuwait and the UAE, there is a growing demand for medical devices and supplies, hospital equipment, pharmaceuticals and health care facilities management. Saudi Arabia is expanding its health care system, which opens up opportunities in medical education and training, facilities construction and the procurement of medical equipment and pharmaceuticals.

INFRASTRUCTURE

Saudi Arabia, Qatar and the UAE are planning major investments in power projects, roads, railways and water facilities. Aluminum smelting is an expanding subsector in the region. There are plants in production in Dubai (DUBAL), Abu Dhabi (EMAL), Oman (SOHAR Aluminum). Qatar (Qatalum) and in Saudi Arabia (Ma'aden Aluminum) and under construction in Abu Dhabi (EMAL PHASE 2.)

Useful tips

- › Try to use the traditional Islamic greeting of “Assalamu alaikum” (peace be with you) in suitable situations. The proper reply to this greeting, when you receive it, is “Wa alaikum assalam” (and peace be with you).
- › Be aware that doing business in Arabic cultures revolves much more around personal relationships, family ties, trust and honour than it does in the West. There is a tendency to place personal matters above all else, so that business relationships are built on mutual friendship and trust.
- › Names are often confusing. Get the names (in English) of those you will meet, speak to, or correspond with. Learn both their full names and how they are to be addressed in person before you meet.
- › Remember that Arabs have a long history of trade and are excellent negotiators. Haggling takes place everywhere and decisions are made slowly. Bureaucratic formalities tend to add to delays. Don't use high pressure tactics as they will be counter-productive.
- › Don't expect to maintain a strict schedule of meetings and negotiations, as the importance attached to courtesy and hospitality can cause delays that prevent this. In consequence, expect to make appointments for times of day rather than specific hours. You will, however, be expected to be punctual if there is a set time for a meeting.
- › Be sure to conform to local dress customs. Appropriate business dress for men is shirt and trousers during the day with jacket and tie in the evening. Women should be careful not to wear anything too revealing.

Quick facts

Population:	46.8 million (2011 est.)
Official languages:	no “official” language; Arabic is indigenous to the GCC states, while English is the common language of business
Major imports (2011):	machinery, electrical equipment, vehicles and vehicle parts, ores, iron and steel, agri-food, wood pulp, paper and paper products, rubber and plastics, instruments
Major imports from Canada (2011):	agri-food, machinery, aircraft and aircraft parts, gems, vehicles and vehicle parts, paper and paper products, electrical equipment, ores, instruments, wood and wood products
Largest import partners (2011):	China 10.8%, U.S. 10.5%, Germany 6.3%, Japan 5.7%
Currency:	Bahraini dinar (BHD), Kuwaiti dinar (KWD), Omani rial (OMR), Qatari riyal (QAR), Saudi riyal (SAR), UAE dirham (AED)
Time difference:	Saudi Arabia, Bahrain, Qatar and Kuwait, UTC+3 (8 hours later than EST); UAE and Oman, UTC+4 (9 hours later than EST)
Business hours:	These vary from state to state, with the five-day work week beginning on Saturday or Sunday, depending on the country.
Government office hours:	These vary from state to state, with the five-day work week beginning on Saturday or Sunday.

COUNTRY TAKES

MOROCCO

Morocco is a middle-income, moderate Arab country with a predominantly Muslim population. It has an open economy, which it is working to diversify since it is currently over-dependent on the agricultural sector. Its business environment is one of the most sophisticated and developed on the African continent, and the political environment is stable. The banking sector is well established and includes major Moroccan banks as well as international financial institutions.

Canada has a well-established trade relationship with Morocco and a free trade agreement is currently being negotiated. The country's potential is especially high for Canadian trade and investment in construction, environmental applications, light manufacturing, information and communication technologies, agricultural equipment, aerospace and rail.

Useful information

[International Trade Canada: Morocco](#)

[Embassy of Canada to Morocco in Rabat](#)

[Embassy of Morocco in Canada \(in French\)](#)



Top picks

AGRI-FOOD

The food processing sector is one of Morocco's key industries and there are opportunities for Canadian exporters in the packaged and processed food categories. Demand for packaged meals and convenience foods is rising in both the retail and food service sectors. High-quality fish and seafood, as well as dairy ingredients for the country's expanding ice cream market, are also good options. Branded products are showing increased potential in major urban markets.

INFRASTRUCTURE AND CONSTRUCTION

By 2015, the Moroccan government plans to invest more than \$15 billion to upgrade its basic infrastructure of roads, ports, airports and railways. Municipalities are beginning to build light rail systems to meet their urban transport needs and reduce air pollution by automobiles and trucks. All these projects will require associated architectural and design services.

The demand for construction materials and components includes steel, prefabricated buildings, glass, aluminum doors and windows, luxury hardware, paints, floor coverings, solar water heaters, and heating, ventilation and air conditioning systems.

MOROCCO

RENEWABLE ENERGY

Lacking its own oil fields, Morocco depends heavily on fuel imports and is seeking alternative, renewable energy sources. Its geography and topography, with constant strong winds and 3000 hours of sunshine annually, are highly suitable for wind, solar and biomass technologies.

WATER AND WASTEWATER MANAGEMENT

Most Moroccans have good access to supplies of potable water. Only 70 per cent of urban households, however, are connected to sewer systems. As a result, the country needs technologies for advanced water purification, wastewater treatment, rural water distribution systems and desalination plants. Among the products required are high-pressure water pumps, monitoring equipment, demineralization systems, water treatment and distribution equipment, water treatment chemicals and remote control equipment.

Useful tips

- › The use of Mr./Mrs./Miss/Ms. is expected until your Moroccan counterparts feel comfortable with a first-name relationship.
- › For men, business attire is a formal suit and tie in a darker colour. Women's dress should be conservative, not sleeveless, and with hemlines below the knee.
- › You should be punctual for meetings although you may have to wait for them to begin. Meetings often go longer than expected, so schedule your time accordingly.
- › There is no formal protocol for giving and receiving business cards. Gifts are rarely brought to a first business meeting.
- › Small talk about family and sports (*never* politics and religion) is the expected way to begin a meeting. This helps establish a basis for the relationship, at which point your host (not you) can begin the business discussion. Note that Moroccans often interrupt each other during conversation. This isn't considered rude.
- › When negotiating, be aware that Moroccan society is hierarchical and that decisions are made from the top down. Aggressive selling is not appreciated; the indirect, soft-sell approach will take you much farther.
- › Moroccans are indirect and non-confrontational in their communication style. Causing a direct confrontation with a Moroccan business counterpart could cause him or her to lose face and would doom any possibility of a relationship.
- › Moroccan buyers may not be familiar with Canadian products or with Canadian grades, standards and terminology. Pictures, brochures and samples may be helpful when explaining these issues in business meetings.

Quick facts

Population: 32.3 million (July 2012 est.)

Official languages: Arabic, various Berber languages and French, which is often the language of business, government, and diplomacy

Major imports (2010): fuels and oils, machinery, electrical equipment, vehicles and vehicle parts, agri-food, plastics, iron and steel, furniture and furnishings, minerals, chemicals

Major imports from Canada (2011): agri-food, aircraft and aircraft parts, fuels and oils, vehicles and vehicle parts, minerals, paper and paper products, machinery, wood and wood products, electrical equipments

Largest import partners (2010): France 15.6%, Spain 10.6%, China 8.4%, U.S. 7.1%, Saudi Arabia 6%

Currency: Moroccan dirham (MAD)

Time difference: UTC+0 (5 hours later than EST)

Business hours: weekdays from 9 a.m. to 7 p.m., with short breaks during the day to pray and an extended lunch break. Most companies close from 11 a.m. to 3 p.m. on Fridays for prayer. Hours may vary during Ramadan.

Government office hours: Mondays to Thursdays from 8:30 a.m. to noon, and from 2:30 p.m. to 6:30 p.m.; on Fridays, from 8:30 a.m. to 11:30 a.m., and from 3 p.m. to 6:30 p.m. Hours may vary during Ramadan.

COUNTRY TAKES RUSSIA



The effects of the global downturn appear to have run their course in Russia, although the country's recovery is fragile. Medium-term growth is expected to be moderate. The Government of Canada has identified Russia as a priority market. There are several sectors of the Russian economy – such as mining, forestry, agriculture, oil and gas, and building products and construction – in which prospects for Canadian companies are good, and the situation will likely improve as domestic demand slowly increases. Russia remains the world's 11th-largest economy with a growing middle class. The country gained access to the WTO in 2012, which will liberalize trade with the rest of the world and create opportunities for Canadian exporters and investors.

Top picks

AGRI-FOOD

Russia is the world's second-largest market for imported processed food products (second only to China). There is strong and still-growing demand for a large variety of high-quality foods. Lucrative markets for luxury food items exist in Russia's largest cities, as well as in the hotel and restaurant sectors, while the packaged food market continues to expand across the country, reaching \$150 billion in 2011. At approximately \$520 million in 2011, Russia is also a major destination for Canadian agri-food and seafood. Per-capita consumption of fish and seafood, especially of low-price products such as herring, hake, and perch, is expected to rise in the Russian consumer market. Russia is the world's third-largest importer of fruit by value, which may present good opportunities for Canadian fruit exporters.

Useful information

[International Trade Canada: Russia](#)

[Canadian Embassy in Russia](#)

[Embassy of the Russian Federation in Canada](#)

[Canada Eurasia Russian Business Association](#)

RUSSIA

OIL AND GAS

Russia is one of the world's leading producers of oil and gas. Canadian oil services companies already operate in Russia and often recommend Canadian suppliers to their Russian oil and gas clients. A major emerging opportunity for Canadian expertise is in the development of oil and gas deposits off Russia's Arctic Shelf and in the Sakhalin region. State-owned Gazprom and other domestic companies have indicated that they will invest heavily in offshore projects during the next decade as a way to diversify and strengthen production.

MINING

Natural resource revenues have been a key contributor to Russia's recent economic growth. There is a strong demand for mining equipment, as a substantial portion of the existing equipment is becoming obsolete. Mining services also present good opportunities, given that numerous Russian mining companies hope to diversify the products they extract and thus will require Canadian expertise in surveying and extraction planning for mineral deposits.

AGRICULTURAL MACHINERY

Russia's farms need to replace much of their aging agricultural machinery. Russian suppliers are therefore interested in Canadian sources and potential joint ventures to provide equipment such as heavy tractors, seeders, sprayers, irrigation equipment and cultivators.

FORESTRY

Given that Russia has 22 per cent of the world's timber reserves, the sector has considerable potential for growth. This can provide a range of openings for Canadian forestry equipment and services suppliers.

Useful tips

- › Leave extra time between meetings. Being on time in Russia, especially in the large cities of Moscow and St. Petersburg, can be a challenge due to heavy traffic congestion. Plan accordingly and obtain a mobile phone that works in Russia so you can advise customers about scheduling difficulties. They will understand, provided you make the effort.
- › Scheduling an appointment can be a tremendous challenge, so persistence and patience are essential. Once your appointment is scheduled (which often happens very late), reconfirm to avoid cancellation.
- › Don't try to schedule business breakfasts or meetings before 9:30 a.m., and avoid the first half of January, the first 10 days of May and the month of August.
- › The giving and receiving of business cards (including a Russian language version) is important.
- › Presentations should be thoroughly prepared, detailed, factual and translated into Russian.
- › Make an effort to learn and speak Russian. Start with a few key phrases for greetings, thank you and farewell.
- › Commit to servicing your product, as Russians expect you to be available for follow-up.
- › Personal relationships are critical to building trust. Be prepared to spend time with your customers outside the office environment.
- › Both social and formal dinners include many toasts, which is an important part of dining in Russia. Toasts can be short and simple.
- › Dress neatly and well, since business attire in Russia is more formal than in Canada.
- › No doesn't necessarily mean no. You have to bargain and be persistent to get what you want.
- › Don't try to do business over the phone.

Quick facts

Population: 142 million (July 2012 est.)

Official language: Russian, but there are many minority languages.

Major imports (2011): machinery, vehicles and vehicle parts, aircraft and aircraft parts, electrical equipment, pharmaceuticals, plastics, apparel, metals, instruments, furnishings, wood and wood products

Major imports from Canada (2011): agri-food, machinery, mining equipment, instruments, motor vehicles, aircraft and aircraft parts, instruments, plastics

Largest import partners (2011): China 16.9%, Germany 13.2%, Ukraine 7%, Japan 5.3%, Italy 4.7%

Currency: Russian ruble (RUR)

Time difference: UTC+3 (Russia has 10 time zones; Moscow time is 8 hours later than EST)

Business hours: weekdays from 9 a.m. to 6 p.m.

Government office hours: weekdays from 9 a.m. to 6 p.m.

COUNTRY TAKES

SOUTH AFRICA



With abundant natural resources and well-developed financial, communications and transportation systems, South Africa has become a middle-income, emerging market with standards similar to those of developed nations. The country has the largest economy in Africa and is a regional hub that can act as a gateway into the sub-Saharan Africa market. Business opportunities exist across a wide range of sectors, including agri-food, information and communications technologies (ICT), mining equipment and services, transportation, infrastructure and power.

Top picks

AGRI-FOOD

South Africa's agri-food sector is highly developed and is the commercial gateway for agri-food products entering sub-Saharan Africa. Other than bulk commodities such as grains and meat, the country shows a growing appetite for prepared foods, organic and natural products, specialty and snack foods, and gourmet baked goods.

ENVIRONMENTAL TECHNOLOGIES

South Africa has long been too dependent on coal-generated power and this is leading to the expanded use of renewable and energy-efficient technologies. This will increase demand for photovoltaics, wind power and solar heaters, as well as green building technologies and materials such as green walls and roofs, high-efficiency windows, solar shading, permeable paving, water-efficiency technologies and insulated structural panels.

Useful information

[Canadian Council on Africa](#)

[International Trade Canada: South Africa](#)

[Canadian High Commission in South Africa](#)

[South African High Commission in Canada](#)

[Canada-South Africa Chamber of Commerce](#)

SOUTH AFRICA

INFORMATION AND COMMUNICATIONS TECHNOLOGIES

South Africa's sophisticated and rapidly growing ICT market is the largest in Africa. It ranks 20th in the world in overall market size and is an increasingly important contributor to the country's economy. Growth areas include broadband and wireless networks, enterprise resource planning software, integrated platforms, security products, cloud computing and web-based solutions such as software-as-a-service.

MINING

Since the 2008 financial crash and the ensuing fall in commodity prices, South Africa's mining sector has experienced a period of stagnation. Even so, the country is still one of the world's largest producers of ores, metals and diamonds and demand for its mineral resources is likely to pick up over the next few years. The best market prospects in the sector are furnaces, drilling equipment, automation controls and associated software, processing technologies and materials handling technologies.

POWER

To meet growing demand, the state-owned electricity utility plans to increase South Africa's generation, transmission and distribution capacity by 11,000 MW by 2020 at a cost of almost US\$70 billion. This initiative will need supplies, equipment and new distribution technologies, as well as engineering, project management and construction services.

TRANSIT INFRASTRUCTURE

South Africa's rail and urban transit systems are being upgraded and expanded based on a government rail improvement plan announced in early 2012. Engineering, consulting and project management services are needed, as are supplies, parts, equipment and expertise for upgrading and rehabilitating the existing infrastructure and rolling stock.

Useful tips

- › Potential investors should be aware of some of the unique characteristics that shape South Africa's business environment. For example, Black Economic Empowerment (BEE) is a government program aimed at redressing some of the country's socio-economic inequalities. Adherence with BEE guidelines are essential for investors in certain sectors and for companies bidding on government contracts.
- › Plan on making a long-term commitment to the market. South Africans value personal relationships and local presence.
- › With most South Africans, a firm handshake is the most common form of greeting. When addressing someone, use Mr./Mrs./Miss/Ms. and the surname, or the person's professional title if applicable.
- › Business customs in South Africa are generally similar to those in Canada and Western Europe. South African businesspeople tend to dress conservatively and will expect you to do the same.
- › Personal relationships are important. The initial meeting is often used to establish a personal rapport and to determine if you're trustworthy.
- › Be punctual. South African businesspeople make every effort to be on time for appointments.
- › Avoid the hard sell and don't be overly aggressive about deadlines or the speed of decision making. This will be counterproductive.
- › Don't see negotiations as a no-holds-barred contest. South Africans prefer to build consensus in a deal so that all sides can gain something.

Quick facts

Population: 49.1 million (2010 est.)

Official languages: there are 11, but English is the business language

Major imports (2011): fuels and oils, machinery, electrical equipment, vehicles and vehicle parts, apparel, iron and steel, instruments, chemicals, fertilizer, plastics

Major imports from Canada (2011): machinery, electrical equipment, agri-food, instruments, ores and minerals, chemicals, aircraft and aircraft parts, vehicles and vehicle parts, pharmaceuticals, plastics, paper and paper products

Largest import partners (2011): China 14.2%, Germany 10.7%, U.S. 8%, Japan 4.7%, Saudi Arabia 4.5%

Currency: Rand (ZAR)

Time difference: UTC+2 (7 hours later than EST)

Business hours: weekdays from 8 a.m. to 4:30 p.m., with a one-hour lunch break at 1 p.m.

Government office hours: weekdays from 8 a.m. to 4:30 p.m., with a one-hour lunch break at 1 p.m.

COUNTRY TAKES

SOUTH KOREA



Useful information

[International Trade Canada: South Korea](#)
[Embassy of Canada to Korea](#)
[Embassy of the Republic of Korea in Canada](#)
[Canadian Chamber of Commerce in Korea](#)
[Korea Chamber of Commerce and Industry](#)

Canada and South Korea are well-established trade and investment partners and the country's expanding market presents many opportunities for Canadian businesses. In addition, Korea is an important trading partner of virtually every country in the world, which can make it an entry point for many global value chains. Because the country is so embedded in world trade, its companies are very open to innovative business proposals that will offer value to their customers.

Top picks

AGRI-FOOD

South Korea imports more than 70 per cent of the food it needs. Its traditional diet is based on rice, fish, fruits and vegetables, but Western foods are growing in popularity. Among the products in demand are pork, wheat and wheat flour, mustard flour, feed grains and feed ingredients, canola oil, and fish and seafood.

FORESTRY PRODUCTS

Korea has virtually no domestic forestry industry and imports the vast majority of the wood products it needs for its building sector. This presents a range of opportunities for Canadian forestry and wood products companies.

SOUTH KOREA

RENEWABLE ENERGY

South Korea depends on imported coal and oil for most of its energy needs. The government is attempting to change this by encouraging the development of new and renewable energy supplies. These include photovoltaics, wind power, fuel cells, tidal power and high-efficiency, environmentally friendly coal technology.

MINING

Rising raw material prices and increasing challenges to Korea's supply of imported metals and minerals are sharpening the country's appetite for investment in exploration and development projects around the world. The expertise of Canadian mining companies can be attractive to Korean firms involved in the global mining and minerals sector.

INFORMATION AND COMMUNICATION TECHNOLOGIES

Korea is a prominent global supplier of ICT products including mobile handsets, optical devices and components and video games. This can provide Canadian ICT companies with important export and investment opportunities.

Useful tips

- › Business attire is formal. Men generally wear a conservative dark suit and tie. For women, conservative business dress is appropriate.
- › Arrive on time for appointments or only a few minutes early. Don't arrive late, as this may be viewed as a snub.
- › Titles are very important. It is best to address people directly with their professional title, or with Mr./Mrs./Miss/Ms., followed by the surname.
- › In professional situations, when first meeting someone, Koreans generally bow slightly and follow with a handshake.
- › The exchange of business cards is ritualized. Your card should have a Korean translation on one side; when you offer it, do so with both hands, with the Korean text facing the recipient. When accepting a business card, do so with both hands and look at the card before putting it away. Never write on the cards or fold them.
- › Developing a relationship and establishing trust and credibility is very important. Face-to-face dealings are preferred at the beginning of communications. At an initial meeting, be prepared to begin with some small talk.
- › Simple gifts, such as a product with one's company logo on it, are acceptable at a first meeting. Gifts are not usually opened when received.

Quick facts

Population:	48.9 million (July 2012 est.)
Official languages:	Korean
Major imports (2011):	fuels and oils, electrical equipment, machinery, metals, ores and minerals, instruments, plastics, agri-food, chemicals
Major imports from Canada (2011):	fuels and oils, agri-food, wood pulp, ores and minerals, wood and wood products, metals, aircraft and aircraft parts, machinery, instruments, fertilizers, chemicals
Largest import partners (2011):	China 16.5%, Japan 13%, U.S. 8.5%, Saudi Arabia 7.1%, Australia 5%
Currency:	Korean won (KRW)
Time difference:	UTC+9 (14 hours later than EST)
Business hours:	weekdays from 9 a.m. to 6 p.m.
Government office hours:	weekdays from 9 a.m. to 6 p.m. from March to October, and from 9 a.m. to 5 p.m. from November to February; Saturdays from 9 a.m. to 1 p.m. all year round

COUNTRY TAKES

TRINIDAD AND TOBAGO

The nation of Trinidad and Tobago offers one of the most favourable business environments in the Caribbean. Foreign investment is a central element of economic policy and is supported by the business and labour sectors. The country has an important oil and gas sector and is a major exporter of natural gas and petrochemical products.

Top picks

CONSTRUCTION AND INFRASTRUCTURE

Several current projects, together with plans for new petrochemical and metals plants, are stimulating a need for heavy construction equipment. Also planned are 10,000 housing starts each year for the next 10 years. Urban areas are expanding and new office buildings and upscale housing developments are under construction in Port of Spain (the capital) and elsewhere. There is a strong demand for fixtures and fittings, roofing, plumbing materials and equipment, kitchen and bath supplies, lumber, hardware, piping and engineering services.

Useful information

[International Trade Canada: Trinidad and Tobago](#)

[High Commission of Canada to Trinidad and Tobago](#)

[High Commission of the Republic of Trinidad and Tobago in Ottawa](#)



TRINIDAD AND TOBAGO

ENVIRONMENTAL INFRASTRUCTURE

The country has begun a large wastewater treatment project. This undertaking calls for the refurbishment and expansion of existing treatment plants, construction of pumping stations, sewer line construction and the installation and operation of wastewater processing technologies.

OIL AND GAS

Oil, gas and petrochemicals are the mainstay of the country's economy. The country's major export in this sector is liquid natural gas but it is also the world's largest exporter of ammonia and ethanol. The industry has a strong demand for line piping, drill pipe, drilling casings and tubing, gas turbines and pumps, filtering and purifying equipment and machinery for liquefying gases.

TELECOMMUNICATIONS

The country's telecommunications sector is growing steadily. Prospects are good in the subsectors of switching equipment, cellular equipment, Internet access technologies and colour TV reception and transmission equipment.

Useful tips

- › In general, business protocol follows Canadian and American practice.
- › Business dress for men is a suit, or a long-sleeved shirt and tie with tailored trousers. For women, conservative corporate wear is appropriate.
- › When addressing your business hosts, use Mr./Mrs./Miss/Ms. with their surnames until you receive permission to use their first names.
- › In formal business settings, a handshake is usual for both men and women.
- › There is no specific ritual surrounding the exchange of business cards.
- › Negotiating does not usually allow for bargaining or for long delays in making decisions.
- › Although Trinidadians may be relaxed about punctuality in social situations, the same does not apply to business. Being on time for meetings and appointments is the norm and is expected.

Quick facts

Population:	1.2 million (July 2012 est.)
Official languages:	English, but Caribbean Hindustani (a dialect of Hindi), French, Spanish, Chinese are also spoken
Major imports (2010):	fuels and oils, machinery, electrical equipment, vehicles and vehicle parts, metals, ores and minerals, plastics, agri-food, paper and paper products, wood products, furniture and furnishings
Major imports from Canada (2011):	ores and minerals, paper and paper products, machinery, metals, agri-food, plastics, electrical equipment, pharmaceuticals, instruments, wood and wood products
Largest import partners (2010):	U.S. 28%, Gabon 12.9%, Colombia 9.5%, Brazil 7.2%, China 5.8%
Currency:	Trinidad and Tobago dollar (TTD)
Time difference:	UTC-4 (one hour later than EST)
Business hours:	weekdays from 8 a.m. to 4 or 4:30 p.m.
Government office hours:	weekdays from 8 a.m. to 4 p.m.

COUNTRY TAKES

TURKEY



Useful information

[International Trade Canada: Turkey](#)

[Embassy of Canada to Turkey](#)

[Embassy of the Turkish Republic to Canada](#)

[Turkish Canadian Chamber of Commerce](#)

Turkey is the largest and most important market for Canada in the Eastern Mediterranean. Although the country's traditional agriculture and textile sectors are still vital to the economy, its industrial and service sectors are growing in strength. Its political and economic stability, and the possibility of EU membership, make it an attractive market for Canadian exports and investment in the automotive, environmental, health care, telecommunications and mining sectors.

Top picks

AUTOMOTIVE

The Turkish automotive parts and service equipment industry has expanded as Turkish production and imports have increased. The country has a large production capacity and high standards, and manufactures a broad range of items. Among the products in demand are tires, brakes and brake linings, gearboxes, clutches, shock absorbers, bearings and lights.

HEALTHCARE AND INFRASTRUCTURE

Turkey has been steadily increasing the number of public and private hospitals in the country. This is stimulating demand for disposable products, advanced medical devices and equipment, diagnostic systems, analytical instruments, vaccines, prosthetics and dental equipment. There are also opportunities in toll roads, metros and bridges.

TURKEY

OIL AND GAS

Turkey spends over US\$20 billion annually on oil and gas imports, and there is great demand for exploration that will lead to the establishment of indigenous oil and gas resources. The country is also a pipeline corridor between the Middle East and Europe, and, as the sector develops, there will be opportunities in drilling equipment and services, pipeline pumps and process control systems, pipeline construction materials and equipment, automation and monitoring systems, and exploration technologies and services.

POWER

Turkey's demand for power will double by 2023, by which time the country will need a generating and distribution capacity of 100,000 MW. By that date, the government expects that renewable power generation will account for 30 per cent of the total. This opens up opportunities for Canadian suppliers of turbines, generators, geothermal equipment, solar energy equipment, smart grids, biomass, fuel cells, and engineering and design services.

INFORMATION AND COMMUNICATION TECHNOLOGIES

The Turkish ICT market is one of the country's key growth sectors. New network equipment and software will be needed as companies work to expand their services and improve quality.

MINING

Turkey has a rich diversity of mineral resources and is a growing market for mining and quarrying equipment, most of which must be imported. The most active subsectors are base metals mining, gold mining and coal extraction. The industry also needs environmental technologies to deal with the pollution problems resulting from its activities.

Useful tips

- › Developing personal relationships is an important element in doing business in Turkey. Be prepared to do this with your Turkish counterparts before beginning any business discussions.
- › A firm handshake is the customary greeting. In a business context, women usually will shake hands with men, although this is not always the norm in more conservative parts of the country.
- › Use professional titles when addressing your business associates.
- › Visitors are usually offered refreshment, in the form of coffee or tea, and it is customary to accept.
- › Since the boundaries of personal space are different in Turkey, don't step away when someone stands near you to talk. This may be considered rude.
- › If your host takes you out for a meal, custom dictates that he or she will pay. Sharing a bill is not done.
- › Avoid scheduling meetings during Ramadan, or during the vacation months of July and August.

Quick facts

Population: 79.7 million (July 2012 est.)

Official language: Turkish

Major imports (2011): oils and fuels, machinery, electrical equipment, metals, vehicles and vehicle parts, agri-food, fertilizers, plastics, apparel, furnishings, aircraft and aircraft parts

Major imports from Canada (2011): metals and minerals, oils and fuels, agri-food, paper and paper products, machinery, aircraft and aircraft parts, wood and wood products, pharmaceuticals, vehicles and vehicle parts, electrical equipment, plastics, chemicals

Largest import partners (2011): Russia 9.9%, Germany 9.5%, China 9%, U.S. 6.7%, Italy 5.6%

Currency: Turkish lira (TL)

Time difference: UTC+3 (7 hours later than EST)

Business hours: weekdays from 9 a.m. to 5 p.m. with a one-hour lunch break at noon

Government office hours: weekdays from 8:30 a.m. to 5:30 p.m. with a one-hour lunch break at 12:30 p.m.

COUNTRY TAKES

UNITED KINGDOM

The United Kingdom is Canada's most important trade and investment partner and market in Europe. It has the seventh-largest economy in the world and the third-largest economy in the European Union (EU), and is a major international trader. It is also a gateway to the EU for companies around the world and can provide Canadian firms with export and investment potential across a wide range of sectors.

Top picks

AEROSPACE

The United Kingdom has the second-largest aerospace sector in the world, exceeded only by that of the United States. Products in demand are aircraft systems, engines, airframes and aerospace equipment.

AGRI-FOOD

The United Kingdom presents opportunities for many Canadian consumer-oriented products, such as specialty/health foods, wine, sauces, fruit, nuts, juices, fish and seafood, snacks and confectioneries.



Useful information

[International Trade Canada: The United Kingdom](#)
[High Commission of Canada in the United Kingdom](#)
[British High Commission in Canada](#)
[Canada-United Kingdom Chamber of Commerce](#)

UNITED KINGDOM

ENVIRONMENTAL TECHNOLOGIES

The government forecasts a 33 per cent growth in demand for water and wastewater management products and services by 2025. This has made the renovation of the country's water and sewerage infrastructure a top priority. In demand are fresh and wastewater treatment and distribution systems, as well as engineering and environmental consulting services. In the building sector, green construction products and technologies are also needed.

MEDICAL DEVICES

The U.K.'s medical equipment market is the world's sixth largest. In demand are electronic monitoring equipment, home care technologies, orthopedic and prosthetic equipment, rehabilitation equipment, needle-free systems, diagnostic technologies and respiratory, anaesthetic and resuscitation devices.

OIL AND GAS

The United Kingdom remains an important oil and gas producer. New production will come from increased recovery of reserves in currently producing fields, from further development of these fields and from continued exploration. Canadian companies are already operating in the North Sea and are known for their professionalism and reliability. Canadian suppliers of oil and gas technologies may find partnership opportunities with these companies and with the major multinationals involved in the North Sea fields.

Useful tips

- › Conservative business suits, in darker colours, are the norm for both men and women.
- › A handshake is the usual greeting. When addressing someone, use Mr./Mrs./Ms. and the surname until it is clear that you may move to a first-name basis.
- › There are no special rituals attached to business card exchanges. Cards can be put away after a brief glance.
- › Punctuality is important. Meetings are usually formal and may have a set agenda. You should be able to back up your presentations with facts and figures.
- › Rank is important and senior businesspeople prefer to deal with people at their level.
- › Gift giving is not part of British business culture.

Quick facts

Population:	63 million (July 2012 est.)
Official languages:	English
Major imports (2011):	fuels and oils, machinery, vehicles and vehicle parts, electric equipment, pharmaceuticals, plastic, apparel, aircraft and aircraft parts, instruments, chemicals
Major imports from Canada (2011):	precious stones, metals and minerals, chemicals, machinery, aircraft and aircraft parts, electrical equipment, fuels and oils, wood and wood products, instruments, paper and paper products, agri-food, pharmaceuticals
Largest import partners (2008):	Germany 12.6%, China 9%, U.S. 8.1%, Netherlands 7.1%, France 6.1%
Currency:	British pound sterling (GBP)
Time difference:	UTC+0 (5 hours later than EST)
Business hours:	weekdays from 9 a.m. to 5 p.m.
Government office hours:	weekdays from 9 a.m. to 5 p.m.

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