

Going for “gold” as an exporter to Canada

In this issue:

Canada was in the world spotlight last month as host of the 21st Winter Olympics. The Olympics brought a lot of attention to Canada’s west coast region and to it’s third largest city, Vancouver, in particular. Canada’s western region, Alberta and British Columbia are often over-looked by exporters from developing countries. They shouldn’t be as they represent over 26% of all economic activity in Canada and 24% of its population.

Although many of these wholesalers serve the West Coast market primarily, this can still represent a sizable market opportunity for small and medium sized exporters. Indeed, as reported later in this newsletter, our recently updated

market information paper for dried fruits, nuts and spices reveals Vancouver as the second largest source of imports for these products (after Toronto).

Vancouver is also an important importing centre for organic foods. And, due to the major seaport located there, most commodities from Pacific Rim countries make their first entry to Canada through Vancouver.

TFO recognizes the increasing importance of the West, and Vancouver in particular, to the Canadian import market and so in 2009 we appointed a regional representative for Vancouver, Bill Ross. In this edition of our newsletter, Bill shares some tips on doing business in British Columbia and high-



Even exporters can “go for gold” in Vancouver

lights some useful websites for exporters. This issue features a summary of key events in Vancouver, including the Canadian Produce Marketing Association trade event in May. TFO Canada will be exhibiting at that event together with producer-exporters from Ecuador and Guyana.

Brian Mitchell
Executive Director

Dried food, nuts and spices 2009	2
Getting your goods or services to International markets	2
Take the risk out of currency volatility	3
Key trade exhibitions in Vancouver	3
Snapshot of TFO Canada activities	4
Exporting to Vancouver (BC)	4
Latest in the Canadian Market news	5
Upcoming trade events in Canada	5
Caribbean project Luna design	6

Feedback is welcome at:
newsletter@tfoCanada.ca

EXPORTING TO VANCOUVER

Vancouver is Canada’s third largest city in the third largest province and is the country’s gateway to the Asia/Pacific region, including Western South America.

It is the Western terminus of Canada’s major railways, highways and airlines, and its port is the fourth largest in North America on a tonnage basis, handling over \$75 billion in trade with 130 economies.

With its large and growing economy (2010 growth forecast at 3.7%) and its significant import trade role, British Columbia (BC) offers considerable business opportunities for developing country exporters. New and existing exporters should be aware that Vancouver offers a significant and alternate entry to the Canadian market, and that there are hundreds of importers and distributors in BC of relevance to exporters of such products as food, fish, giftware, jewellery, crafts, furniture, ceramics, and building components. *(Continued on page 4)*

SPOTLIGHT ON SERVICE

What kind of standards do I have to consider for my product?

Standards have become vital to economic competitiveness and have contributed to improvements at all levels of the product cycle, from concept through manufacturing, sales, consumption, and after-sales activities. Organizations are now applying standards to a wider range of products, procedures, and services.

Canada has strict national, provincial and municipal regulatory requirements regarding goods and services entering this country.

As a fully registered member you can learn more about Canadian standards. This information is available through:

http://www.tfoCanada.ca/docs.php?page=3_1

Dried food, nuts and spices 2009

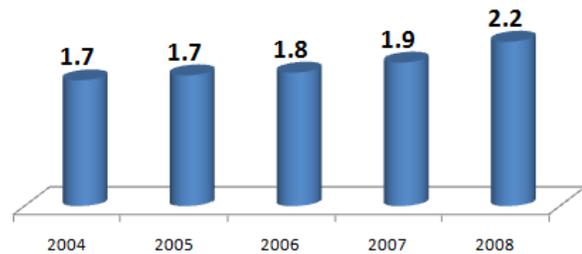
One of the largest sectors of TFO Canada involvement is in the agricultural sector, and for good reason. The past five years have revealed a consistent increase in Canadian imports of dried foods, nuts, and spices, rising by \$510 million over this period to \$2.2 billion. This trend has continued to the present day, with a 12% increase in the value of goods imported between January and August 2008 (\$1.3 billion) and that same period in 2009 (\$1.5 billion).

The majority of dried foods, nuts and spices are imported by buyers in Ontario (55%), British Columbia (19%), and Québec (16%). Alberta imported 7%, while

Manitoba and New Brunswick imported roughly 2% each. The rest of the provinces and territories imported less than 1%. The United States was Canada's largest supplier of dried foods, nuts, and spices, providing \$832 million of these goods in 2008. Other significant suppliers included Costa Rica (\$172 million), Mexico (\$111 million), and China (\$96 million).

Many large suppliers of dried foods, nuts, and spices were also TFO Canada client countries. Ecuador (\$94 million), Thailand (\$94 million), Morocco (\$8million), Colombia (\$82 million), and India (\$78 million) were all top 10 suppliers of these goods to Canada.

Imports of Dried Foods, Nuts and Spices 2004-2008 (\$ billions)



In total, TFO Canada client countries exported over \$870 million worth of dried foods, nuts, and spices to Canada in 2008. There were 25 TFO Canada client countries that each provided over \$1 million in dried foods, nuts, and spices in 2008, underscoring the diverse suppliers of these goods to the Canadian market.

This information has been extracted from the new Market Information Paper "Dried food, nuts and spices 2009" available for free downloading for registered members on the TFO Canada website.

Getting your Goods or Services to International Markets

Whether you are trading in goods or services, the logistics of getting them to your export market can be a complex undertaking with many considerations.

If you are selling goods to another country, you will need to consider a number of factors:

Shipping Options

Choosing a shipping method may depend on the type of goods, their destination, the cost and how fast you need to get them to your customer. There are four basic methods of transportation and you may end up using a combination of them.

Shipping Documents

Shipping documents are prepared by you or your freight forwarder. They allow the shipment to pass through customs, to be loaded onto a carrier and transported to the destination.

Packing, Marking and Labelling your Goods

Help your products arrive on time and in good condition by paying attention to the packing, marking and labelling.

Transportation Insurance

Cargo insurance is highly recommended for

international transportation because:

1. Carriers assume only limited liability for your goods when shipping by air or sea.
2. You are often responsible for the goods up to the point of delivery to your foreign buyer.

For the complete summary of conducting Market Research Analysis, visit:

www.canadabusiness.ca/eng/105/165/925/

Source: Canada Business

Access Market Information Papers (MIPs) Online

To access our MIPs (<http://www.tfocanada.ca/mip.php>), your company needs to be registered with TFO Canada. It's easy: just go to www.tfocanada.ca, click on "Register Now" and follow the steps.

Once you are registered with us you will have access to our rich content online, including detailed information related to your sector in our Market Information Papers, in addition to our promotional services.

Export Development Canada (EDC): Take the Risk Out of Currency Volatility

EDC advises firms to first identify and measure their currency exposure, determine how much of that they want to manage, and then adopt an internal policy for doing so. The next steps are to put in place the hedges and then periodically monitor their effectiveness.

Firms can hedge against exchange rate risk by reducing the gap between their receipts and payments in a given foreign currency, so-called natural hedging, or by financial hedging through purchases, usually from a bank or foreign exchange broker, of foreign exchange forward contracts, options and swaps.

Short-term swings of nearly six per cent in the value of the Canadian dollar against the U.S. greenback have become commonplace over the past half decade.

“Historically, this is the most volatile the currency

has ever been,” says Jean-Francois Lamoureux, an EDC foreign exchange specialist.

Even a six per cent rise in the loonie would cut more than \$20,000 from a USD 300,000 payment, according to an EDC research paper – Managing Foreign Exchange Risk.

Who’s hedging, who’s not

A June survey of EDC clients found that only 57 per cent use some form of hedging to protect themselves from such potentially large and unexpected losses. “Many Canadian companies, particularly smaller and medium-sized ones, do not actively manage foreign exchange risk,” the research paper notes. “This is surprising given how costly, in terms of cash flow and profitability, unfavourable changes in the value of the Canadian dollar can be.”

It’s not that firms are unaware of the risk, or don’t

want to reduce it. “In fact, 67 per cent said that their business is significantly impacted by currency volatility,” EDC notes in its analysis of the survey results. Numerous other surveys have found that companies see foreign exchange volatility as the No. 1 barrier to expanding their exports.

Large firms are most likely to hedge foreign exchange risk, with 79 per cent saying they do, followed by 70 per cent of medium-sized firms, and both typically use at least two types of strategies to do so. However, less than half of small firms protect themselves from their foreign exchange risk, and those that do typically use only one strategy.

And many didn’t know how to measure their currency risk let alone manage it.

“They are typically the ones that don’t have the resources and don’t have the time to dedicate to that issue,” says Lamoureux. However, the survey report notes that “overall studies have shown that companies of all sizes and in every industry can and should hedge at least some of their currency risk.”

Hedging saves money

Short-term changes in foreign exchange rates, which are never-ending, make it difficult for exporters to price their products and forecast how many Canadian dollars they will be paid since such sales are often invoiced in the buyer’s currency.



Bona points out that hedging not only cushions Chudleigh’s earnings from foreign exchange volatility but in doing so also protects its customers from price volatility. “Our customers expect long-term price stability and cannot be exposed to highly volatile exchange rates.”

But even firms with no direct foreign exchange exposure may still face currency risk, such as when a stronger dollar gives foreign competitors a cost advantage.

What hedging can do for firms is minimize the impact of exchange rate movements on profit margins, increase the predictability of cash flows, eliminate the need to devote resources to forecasting the direction of exchange rates, and make it easier to price their products in export markets.

To read the complete article go to:

http://www.edc.ca/english/publications_ew_fall09.htm

This article is Reprinted from the fall 2009 edition of ExportWise with permission from Export Development Canada.

Key Trade Exhibitions in Vancouver in 2010

[Design Northwest](#)

April 21-22, 2010

[Buildex Vancouver](#)

April 21-22, 2010

[Taste of the World Trade Show](#)

July 10, 2010

[Vancouver Home and Interior Design Show](#)

September 9-10, 2010

[Vancouver Gift Show](#)

September 12

[Interior Design Show West](#)

October 14-17

Snapshot of TFO Canada Activities



Shea Butter Seminar in Burkina Faso

January 15 to 24, 2010

TFO Canada organized a mission to Ouagadougou, Burkina Faso from January 15th to 24th, 2010 to learn more about the local production of shea butter. TFO Canada officers delivered an information session on the Canadian Market and shea butter sector in Canada. In addition to the session, the officers visited near ten cooperative / associations and selected eight of them for the upcoming exporter mission to Canada from May 23 to June 4th, 2010.



Trade Seminars in Ecuador

January 25-27, 2010

In January this year, TFO embarked on its *Agro-Food Market Access Program* in Ecuador with the delivery of two trade seminars on the Canadian market. Held in cooperation with CORPEI in Quito and Guayaquil, the seminars' objectives were to inform Ecuadorian agro-

food producers and exporters about Canadian market opportunities, challenges and requirements. Both seminars were followed by one-on-one coaching sessions with selected exporters, to advise them on-site about their product marketability in Canada, and to select companies for participation in the upcoming CPMA exhibit and trade mission in Vancouver in May 2010.

Guyana: Seminar on Design and Craft in the Global Marketplace.

February 04, 2010

TFO Canada and the Guyana Manufacturing and Services Association (MSA) organized a seminar on design and craft in the global marketplace with the participation of Patty Johnson.

The Seminar presented producers with the current international trends in design, marketing and production of artisanal craft.

Guyanese companies had the opportunity to meet one-on-one with Ms. Johnson to discuss their company, products and ideas for exporting to Canada.

TFO Canada's Executive Director Visits Peru

February 09, 2010

Brian Mitchell and Marc Germain from TFO Canada participated in a seminar on "Exporting to Canada with Tariff Preferences" organized by the Inter-American Development Bank.

The TFO Canada representatives provided insightful information on the Canadian

market, new opportunities and requirements under the FTA between Canada and Peru and how to export to specific Canadian sectors such as agro food, jewellery and handicraft.

Mr. Mitchell also met representatives from the Lima Chamber of Commerce to discuss Peru's participation in the upcoming SIAL trade show in April 2010.

TFO delivers training session in Ukraine

February 15-19, 2010

TFO associates Paul Desbiens and John Lang delivered a training session to officials of the Chamber of Commerce of Ukraine. The training provided advice on how to support local exporters and attract foreign investment.

EXPORTING TO VANCOUVER AND BRITISH COLUMBIA (cont.)

Over 100 importers in British Columbia (BC) are currently registered with TFO Canada (www.tfocanada.ca); this list is continually being revised and expanded. Experienced exporters who register an export offer via the TFO Canada website will have their offer promoted to these BC buyers.

Exporters may wish to obtain more information through their consulates in Vancouver and websites such as:

Greater Vancouver Web Directory:

<http://www.gvrd.com/index.html>

Canadian Council for the Americas, Vancouver:

<http://www.cca-bc.com/>

BC Food Processors Association:

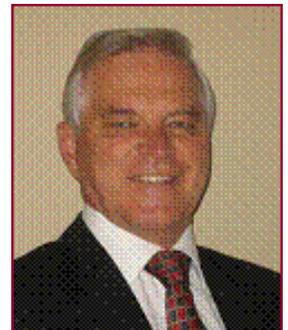
<http://www.bcfpa.ca/>

Import Vintners and Spirits Association:

<http://www.ivsa.ca/index.php>

Building Supply Industry Association of BC: <http://www.bsiabc.ca>

(Retailers and wholesalers in the building sector)



TFO Canada's Regional Representative for British Columbia is Bill Ross (bill.ross@focanada.ca).

Latest in Canadian Market News

[New Initiative to Help Canadian Businesses Expand to Developing Countries](#) (DFAIT, January 15, 2010)

The Honourable Stockwell Day, Minister of International Trade and Minister for the Asia-Pacific Gateway, marked the creation of a \$20 million program to support Canadian businesses that want to invest responsibly in developing countries. Investment Cooperation (INC) replaces the Canadian International Development Agency's Industrial Cooperation (CIDA-INC) program.

"This program will make it easier for innovative Canadian companies to contribute to economic growth and poverty reduction in developing countries," said Minister Day. "This will create jobs both at home and abroad."

INC funding will be used to help Canadian companies complete the following phases of the investment cycle:

- The viability phase: feasibility of an investment is investigated.
- The demonstration phase: technology is adapted and demonstrated.
- The sustainability phase: plans are developed to enhance a project's economic, social and environmental sustainability.
- The implementation phase: activities are undertaken to enhance the sustainability of the project.

Program applicants and clients must demonstrate

adherence to strict international corporate social responsibility (CSR) standards in order to receive funding.

Applications will be processed more quickly than under the previous CIDA-INC program to ensure timely review and approvals. A service standard of 40 working days from submission of a completed application to approval has been introduced. Other changes include the expansion of the program to projects in most countries eligible for international development assistance, including China, Mexico, Malaysia and Thailand.

Companies that wish to apply for funding or pre-qualify online under the INC program may visit Investment Cooperation Program (INC):

<http://www.tradecommissioner.gc.ca/eng/funding/investment-cooperation-program/home.jsp>

[Organic Standards Now Available Free of Charge](#) (Canadian General Standard Board, February 10, 2010)

The Canadian Food Inspection Agency (CFIA) and the Canada Organic Office are pleased to announce that the Canadian General Standards Board (CGSB) Organic Standards are now available on the CGSB website free of charge.

http://www.tpsgc-pwgsc.gc.ca/cgsb/on_the_net/organic/index-e.html

[Canada Tables Free Trade Agreement with Colombia](#)

(Minister of International Trade, March 15, 2010)

The Minister of International Trade, and the Minister of Veterans Affairs and Minister of State, followed through on a commitment made in the Speech from the Throne by tabling legislation to implement the Canada-Colombia Free Trade Agreement (FTA). At the same time, the government is also tabling parallel labour and environment agreements with Colombia.

"International trade is critical to our economic recovery," said Minister Van Loan. "As we move beyond stimulus spending and diversify opportunities for Canadian business abroad, this free trade agreement will help Canadians prosper. At this time of global economic recovery, Canadians can count on our government to oppose protectionism and defend free and open trade on the world stage. Canadian businesses and workers can compete

with the best in the world, and this agreement will help them do it."

The Canada-Colombia FTA will provide greater market access for Canadian exporters of goods such as wheat, pulses, barley, paper products and heavy equipment. An increasing number of Canadian investors and exporters are entering the Colombian market, and it is also a strategic destination for Canadian direct investment, especially in mining, oil exploration, printing and education.

"The Free Trade Agreement, along with its parallel agreements on labour and the environment, is but one of several Government of Canada instruments that support Colombia's efforts toward greater peace, security and prosperity," said Minister Van Loan.

This FTA is part of a broader international trade strategy to improve Canadian companies' access to key international markets

Upcoming Trade Events in Canada

APRIL

[SIAL Canada - Montreal](#)

April 21-23, 2010

[Ecuador at SIAL 2010](#)

April 21-23, 2010

[Peru at SIAL 2010](#)

April 21-23, 2010

MAY

[CPMA Vancouver 2010](#)

May 12-14, 2010

[Bangladesh SOLO Trade Show in Toronto](#)

May 25-28, 2010

[Burkina Faso—Shea Butter Mission to Canada](#)

May 27—May 31, 2010

BARBADOS: Caribbean Giftware Project Illuminates Luna Design

When everyone contributes even just a little bit, it all adds up.

That's the philosophy that Luna Design, a high-end hand crafted goods producer from Barbados, applies to its socially responsible initiatives. The company employs single mothers who work from home. What began with helping one single mother four years ago, has now grown to a work force of 18 mothers who support 28 children.

"What I'm trying to do with them is encourage them to believe in themselves and in their ability to achieve their goals. When they discover their competencies, they feel proud of themselves and gain self respect that they can pass on to their children," says Gloria Plataneira, Owner/Lead Designer of Luna Design.

This practice of empowering single mothers through employment has not gone unnoticed. As

part of the Caribbean Giftware Sector Support Project initiated by TFO Canada in September 2007, Luna Design was invited to participate in product and marketing development work over the course of about two years. This program was Led by world renowned design expert Patty Johnson, this program allowed Luna as well as participants from Dominica, Jamaica and Haiti to develop the unique 'Onsite Caribbean' brand of products: www.onsitecaribbean.com

For more details see:

www.onsitecaribbean.com

After several workshops in which the companies developed their products for high-end niche North American markets, *Onsite Caribbean* was taken on the road, exhibiting their products at the Interior Design Shows in Toronto in 2008 (and again in 2009) as well as in the *Design within reach* retail outlet in Toronto.

Patty strongly commends Luna's contribution to *Onsite Caribbean*. "Their products are well thought out and inventive – the use of vegetable ivories (an indigenous material) in many different ways was a perfect fit for what we were trying to achieve."

The social responsibility aspect of their business is both admirable and effective and they brought to the group a level of enthusiasm and dedication that really

helped the project to coalesce and the other participants to move forward with confidence."

Luna co-founder and owner Ernesto Neira found the trade mission most beneficial as it increased his awareness of market requirements and opportunities in Canada. Moreover, they were able to network and establish four architect contacts who were interested in seeking additional designs from the company.



Training session for a new employee



Experts in trade for developing countries
Experts en commerce au service des pays en développement
Expertos en comercio al servicio de los países en desarrollo

56 Sparks Street, Suite 300
Ottawa, ON
Canada K1P 5A9
1.613.233.3925 (tel.)
1.613.233.7860 (fax.)
1.800.267.9674 (toll-free)
E-Mail: newsletter@tfoCanada.ca

TFO Canada confronts the challenge of global poverty by promoting sustainable economic development through export information, advice and contact. We facilitate access to the Canadian marketplace and share Canadian trade expertise for the benefit smaller exporters in developing countries. Founded in 1980, TFO Canada is a non-governmental, non profit organization.

This newsletter has been produced with funding from the Canadian International Development Agency.

© Trade Facilitation Office Canada 2010