

A Market Leading to Other Markets

— Continued from page 1

local clients. Success in sales to United Nations agencies allows suppliers to anticipate subsequent sales over the long haul and also provides an assurance of payment. (For all their financial woes, United Nations agencies still pay promptly.)

Challenges facing Canadian exporters

There are certain challenges that Canadian businesses considering doing business with the United Nations must overcome. The historic relationships between some developing countries and European nations gives companies in these nations an advantage in terms of knowledge of markets and contacts, and this is becoming more and more important as increasing numbers of projects are implemented locally by national companies of recipient countries.

Procurement is carried out locally rather than through international competitive bidding, and thus suppliers that are already present in the field (or are more familiar) have an undeniable advantage.

Similarly, Canada's geographic remoteness from the places where UN agencies are active will increase transportation costs and delivery times in cases of emergency where time is of the essence.

The Canadian advantage

At the same time, Canadian companies have certain "natural" advantages over their competitors for offering goods and services to the United Nations system.

One advantage is proximity to UN procurement centres based in New York and Washington. This proximity makes possible direct contact with buyers located there — which, in every type of business, is fundamental for getting one's products and company known and, above all, for obtaining first-hand information about clients' current and future requirements and upcoming calls for tenders.

Price remains a basic selection criterion for the United Nations. While Canadian products will often cost more because of superior quality, the current favourable exchange rate of the Canadian dollar is making our products more competitive on the international market.

Another Canadian advantage is bilingualism. Organizations that deal with Francophone and Anglophone African and Caribbean countries particularly appreciate the bilingualism of many Canadian companies, which provides for considerable savings in translation costs for equipment instruction manuals.

Note that major contracts will often be awarded in advance because they are long term, a situation that enables buyers to bargain for better conditions. Japan, for example, has a virtual monopoly on contracts for automobiles. This means that while market penetration may be difficult, offering competitive conditions will ensure a faithful, long-term client.

Knowledge is the key

Doing business with the UN is not limited to dealing with agency headquarters in the United States or Europe. Since more and more procurement is being done locally, Canadian businesses can deal with local UN representatives in developing countries, such as the United Nations Development Program (UNDP), the United Nations Children's Fund (UNICEF), the World Food Program (WFP) and the Food and Agriculture Organization (FAO).

Whether dealing with agency headquarters or local United Nations representatives, Canadian exporters considering doing business with the UN need to understand how the system operates; to be aware of the various agencies, their roles, specific requirements and procurement volumes; and to know how to contact them.

Canadian exporters can also benefit from the assistance of public and private bodies in Canada that promote business opportunities provided by the United Nations.

