
Diversifying Export Markets

Manufacturers or producers well established in a given market (usually Canada and the United States) may decide to penetrate one or several others. They may have the resources to do so on their own, and the capacity to absorb the market development costs involved. Even so, it might be worthwhile to have a trading company develop at least some of these new markets at a lower cost.

Becoming a Mature Exporter

Small manufacturers or producers are not the only potential clients for the services of trading houses. Their larger counterparts can also benefit from trading house assistance in some cases. Mature exporters might find it to their advantage to focus directly on the development of larger markets, while using the services of trading houses to cover smaller ones. The costs of developing the in-house expertise required for success in a given market might prove prohibitive even for a large exporter, whereas such expertise would be readily available from a trading house with many years in the field.

Commitment, motivation and timeliness by the manufacturer are prerequisites for working with a trading house. Trading houses often report that companies contact them for assistance in exporting and then leave them waiting for a simple reply regarding brochures, prices, delivery, etc. Reliable and supportive suppliers are a must when potential export sales and the offshore reputation of the trading house are at stake.

Locating Trading Houses

Canadian trading houses have formed the Council of Canadian Trading Houses. There is also a Quebec trading house association (Association des maisons de commerce extérieur du Québec [AMCEQ]). Both the Council and the Quebec association can provide membership lists describing their members' products and market interests and, in some cases, volume.

Industry, Science and Technology Canada (ISTC) periodically publishes a directory of Canadian trading houses which, in addition to a detailed description of the trading houses, includes very handy indices organized by province, product category and market covered (see section on useful addresses and references at the end of this publication).