

New ministers of international trade and foreign affairs

The government has appointed a new Minister of International Trade and a new Minister of Foreign Affairs. The government also announced that it will reintegrate the two departments to ensure a coherent approach to foreign affairs and global commerce, while the two ministers will continue to be served by separate divisions within the department.



David L. Emerson, Minister of International Trade

David L. Emerson has been appointed Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics.

Born in Montreal and raised in Grand Prairie, Alberta, Mr. Emerson attended the University of Alberta and obtained bachelor's and master's degrees in economics, then received a doctorate in economics from Queen's University. He was first elected to the House of Commons in 2004 and named Minister of Industry. He was re-elected in 2006. Mr. Emerson previously worked as chairman and CEO of Canadian

Western Bank. Afterward, he became the Deputy Minister of Finance in British Columbia and later the Deputy Minister to the Premier. He was president of the B.C. Trade Development Corporation, president and CEO of the Vancouver Airport Authority and president and CEO of Canfor Corporation.

Mr. Emerson said he has a deep respect for the great responsibilities that fall under International Trade. "Canada is a trading nation with a core commitment to free and open trade, and a proud tradition of exporting our nation's products around the world," he said. "Indeed, Canada's success in global commerce will determine our nation's prosperity and our role on the international stage."

Peter MacKay has been named Canada's new Minister of Foreign Affairs, a position in which he says he hopes to further Canada's engagement in the world.

Mr. MacKay was born in New Glasgow, Nova Scotia. After graduating with an arts degree from Acadia University in 1987, he studied law at Dalhousie University. He was first elected to Parliament in 1997 and re-elected in 2000, 2004 and 2006. He previously served as Progressive Conservative Party leader, House Leader and was a member of the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness and its subcommittees. He has also been appointed Minister of the Atlantic Canada Opportunities Agency.

Speaking at the memorial service for Glyn Berry in Ottawa in February, Mr. MacKay said that while he is new to Foreign Affairs Canada, he is "long familiar with the great service to Canada which our diplomats have exhibited over the years." Since he began his assignment, he said he has received many congratulatory phone calls from foreign ministers throughout the world. "I have been struck by their tremendous regard for Canadian diplomacy, for our efforts to build international law and respect for human rights, for our long history of peacekeeping and our current engagement in the much more challenging business of peacebuilding," he said. "They look to Canada to stay engaged."

For more information about the ministers involved in International Trade Canada and Foreign Affairs Canada, go to www.international.gc.ca.

Finding the right representative in the U.S.

Selling through an intermediary can provide you with an immediate business presence in the United States, with the added advantage that you don't have to set up your own sales organization. This alone can make it an option worth considering.

There are several kinds of intermediaries. Distributors, for example, will buy your product outright, import it into the U.S. and market it to end users. Manufacturers' representatives and agents work on commission and often sell to a particular set of customers. Trading houses often provide a complete range of export services, from initial market research to final sale.

The advantages of using intermediaries are real, but you should also be aware of some potential drawbacks. Your profit margins may be lower, for example, and you may have very little control over the way your product is represented and sold. You'll also be somewhat removed from your customers, which can affect the accuracy of your manufacturing decisions and marketing approaches. Whether these drawbacks negate the positive aspects of using an intermediary will depend on your particular business situation.

How to find the right intermediary

Contacts at U.S.-oriented trade fairs can often introduce you to potential intermediaries. Other sources of information are the Canadian Trade Commissioner Service and, on both sides of the border, local Chambers of Commerce and trade associations; remember also to ask other companies in your sector about their experiences with intermediaries. Online information about U.S. intermediaries may also help: one such source is the U.S. Directory of Manufacturer's Sales Agents.

Always check out a potential intermediary before committing yourself to a deal. Consider factors such as the firm's references, its sales force size, its sales record, the companies it represents, the market segments it covers and its promotional strategies.

The strategic-alliance alternative

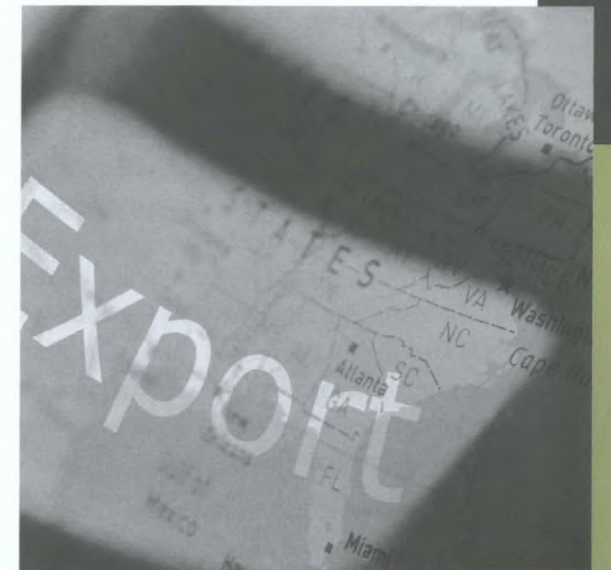
You might also consider forming a strategic alliance with an American company that operates in your chosen target market. This can be a rewarding arrangement and has several variations.

One common approach is licensing, in which you give your U.S. partner the right to use your proprietary technology and/or intellectual property; this could, for example, allow your partner to manufacture and sell your products in the U.S. Franchising, a version of licensing, gives the franchisee the right to use your manufacturing or service delivery processes, along with your business systems and trademarks.

In cross-licensing and cross-manufacturing, your two companies license products, services and/or production to each other. Related options are co-marketing, in which you use each other's distribution

networks and domestic markets, and co-production, which involves the joint production of goods to provide economies of scale.

There's also the joint venture approach. In U.S. practice, this is a collaboration between two companies to carry out a specific project. It lasts only as long as the project does and isn't intended to be a long-term relationship (although it might become one).



Any of these alliances might be ideal for your U.S. export business. Not only can they help with issues like professional accreditation and U.S. tax liabilities, they can make your company more competitive, and in the highly aggressive U.S. business environment, that's a very good strategy indeed.

For more information on doing business in the U.S., be sure to consult *Exporting to the United States*, the comprehensive online guide from Team Canada Inc. You'll find it at www.exportsource.ca/unitedstates. Export assistance is also available through our Export Information Line at 1 888 811-1119.

EDITORIAL TEAM
Yen Le, Michael Mancini,
Jean-Philippe Dumas

WEBSITE
www.canadexport.gc.ca

For address changes and cancellations, return your mailing label with changes. Allow four to six weeks.

Publication Mail Agreement
Number: 40064047

SUBSCRIPTIONS
Tel > (613) 992-7114
Fax > (613) 992-5791
canad.export@international.gc.ca

Return undeliverable Canadian addresses to:
CanadExport (BCS)
125 Sussex Drive
Ottawa, ON K1A 0G2

CanadExport is published twice a month by International Trade Canada's Communications Services Division.
Circulation: 54,000

CanadExport paraît aussi en français.
ISSN 0823-3330

Extracts from this publication may be reproduced for individual use without permission, provided the source is fully acknowledged. However, reproduction of this publication in whole or in part for purposes of resale or redistribution requires written permission from CanadExport.