



Focus on The United Nations



A Market Leading to Other Markets

by Étienne Sum Wah, Export Financing Division, Department of Foreign Affairs and International Trade

The United Nations (UN) system is made up of 50 agencies and organizations specializing in specific activities and requiring specific goods and services. There are many opportunities for increased sales by Canadian businesses, which currently supply only 2 per cent of this nearly US\$2.5-billion market. The UN system is also an excellent jump-off place for businesses to access a wider market in the countries where UN agencies operate.

The requirements of UN agencies fall into three categories: emergency assistance for peace missions, natural disasters and epidemics; development assistance for projects conducted in developing countries; and internal projects and/or consumption for the UN system itself.

Canadian companies that can supply these requirements have every reason to expand their current markets to include that of the United Nations.

Growth potential

Canada's financial contribution to the operation of the United Nations system was US\$126 million in 1996, or approximately 3.1 per cent of the total budget. Although a financial contribution to UN operations does not necessarily ensure a corresponding market share of UN procurement, it is acknowledged that Canadian businesses deserve a better position in the ranks of UN suppliers. Canada currently occupies fifteenth place, behind the United States, Western Europe (United Kingdom, France, Italy, Germany), Japan, and some developing countries (Angola, Peru, Kenya).

Canada once had a slightly greater share of the market, holding ninth place and a 2.8-per cent share in 1995. The decline can be attributed to increased local procurement by UN agencies in countries where projects were being executed, as well as by greater competition from other developed, as well as developing, countries. Agencies are tending to buy "off-the-shelf" products from developing countries, where they can be found more cheaply — not only because of cost but also to assist the poorest states.

As a rule Canada sells the United Nations more services than goods (US\$29 million versus US\$24 million in 1996). The reverse is true, for example, for France, whose sales in 1996 totalled US\$94 million, including US\$6 million in services. Nevertheless, there is still considerable potential for sales by Canadian companies.

Access to a wider market

The UN market should not be approached as an end in itself for any business. Even though overall procurement levels can be signifi-

cant, sales figures for any given company will often be limited.

Rather, the United Nations market should form part of a general plan to access a wider market and be part of a long-term corporate strategy.

Indeed, access to the UN market generally provides a foothold in recipient countries and enables suppliers to make contacts and learn more about local or even regional conditions.

The UN supplier label is an asset when dealing with potential

*Continued on page II —
A Market Leading*

Inside

THE UNITED NATIONS SYSTEM	III
THE UN PROCUREMENT AGENCIES	IV-XI
TIPS FOR DOING BUSINESS WITH THE UN	V
UN DEVELOPMENT BUSINESS	VIII
THE UN ASSOCIATION IN CANADA	XI
CONTACTS	XII