CANADIAN TRADING HOUSES: ensured efficiency

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C anadian trading houses are non-manufacturing business entities engaged in exporting, importing, or a combination of both, between two or more countries. Their functions are designed to facilitate the sale and movement of goods and services from the seller in the exporting country to the buyer in the importing country.

The trading house sector in Canada is comprised of between 200 and 300 companies varying in size from one-person operations with small annual revenues to those employing over fifty people and earning over $5 million in revenue annually. It is estimated that a total of between $15 billion and $20 billion of Canadian exports is generated annually by the trading house sector.

Trading houses are highly specialized and aggressive international entrepreneurs capable of selling Canadian goods and services produced by others to the most distant and competitive international markets. They most often concentrate their activities on specific lines of goods for specific markets, because of familiarity either with the product or with the market to which the goods will be exported. For example, food and fish products are two of the major categories of goods handled by Canadian trading houses.

In addition, many trading houses can also match the types of goods or services required in a particular international market with Canadian producers specializing in those commodities.

Trading houses can also play an important role for small-and medium-sized companies by providing vital international marketing data and by arranging details such as shipment consolidation to reduce transportation costs. On the other hand, companies already well versed in the various aspects of exporting often turn to a trading house when additional smaller markets are sought but the establishment of a local branch office cannot be justified.

Dealing with a trading house to secure Canadian food and fish products and other goods is an international customer's assurance of quality, prompt delivery and efficient, trouble-free transactions.∎

St. John's, Newfoundland