

## A market of huge potential - from page 1

Canada aims to double its exports to Brazil by 2010. Rishchynski says that a global commercial strategy is in the process of being finalized, one that identifies eight priority sectors: oil and gas, mining, information and communication technology (ICT), cultural industries, environment, forestry, agriculture and power (featured from pages 7 to 10). The strategy will focus on developing the full potential of Canadian small and medium-size enterprises in Brazil's marketplace.

### Taking the world stage

But when it comes to seeing potential in the Brazilian market, Canada is not alone. "The world has responded enthusiastically to the positive changes in Brazil," says the ambassador. Mercosur—the Southern Common Market made up of Brazil, Argentina, Paraguay and Uruguay—has made bilateral trade agreement overtures that have been warmly welcomed by other large markets and is actively negotiating agreements with the EU, India and South Africa.

Brazil, the world's eleventh-largest economy, has also become a strategic player in international forums in addition to being the economic engine of South America and Mercosur. As a member of Mercosur, Brazil is part of the fifth-largest trade area in the world after the EU, NAFTA, EFTA and ASEAN. Brazil is also the G-20 lead for trade negotiations in the WTO.

With Brazil's economy riding high, Ambassador Rishchynski stresses that there are a multitude of opportunities available to Canadian exporters who want to take their business to this dynamic market. "Now is the time for Canadian exporters to make their move."

## Contacts in Canada and Brazil

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### Relevant websites

- Canadian Embassy in Brasilia: [www.international.gc.ca/brazil](http://www.international.gc.ca/brazil)
- Embassy of the Federative Republic of Brazil in Canada: [www.brasembottawa.org](http://www.brasembottawa.org)
- Access country-specific information, including market studies and profiles at the Canadian Trade Commissioner Service: [www.infoexport.gc.ca](http://www.infoexport.gc.ca).
- Team Canada Inc: [www.exportsource.gc.ca](http://www.exportsource.gc.ca).

## Business tips: Steering clear of potential pitfalls

Brazil, South America's largest economy, offers great business opportunities for exporters who have researched and targeted this complex market. *CanadExport* offers a few quick tips to consider if you plan on taking your business to this challenging yet rewarding market.

### Get local, get in

There are many ways for Canadian companies to enter the Brazilian market. All the customary import methods exist including agents, distributors, import houses, trading companies, and subsidiaries of foreign firms. Most Canadian exporters use local sales representatives with technical capabilities or distributors.

As direct sales to the end user are rare, the key to success is to maintain a solid and reliable relationship with a suitable local firm, capable of protecting and promoting your company's interests. During sales contract negotiations, local buyers will almost always place an emphasis on quality, technical assistance and training. The presence of a local agent or distributor is essential in most cases. As in other markets, the selection of an agent requires careful consideration.

In Brazil, larger representatives have sales offices in several cities to supply buyers throughout the country, whereas smaller representatives may either supply companies in a limited region or appoint "business opportunity finders" in different regions outside of their operational area.

The ability of an agent to cover the country depends in large part on the item being sold. If your product has just a few buyers throughout Brazil, one agent may be enough. However, if your product sells to a wide potential market, the need for country-

wide service facilities could place a much greater demand on a single agent.

Culturally, Brazil is as diverse as all other countries that make up Latin America, so a business approach that is sensitive to this is required. Business is often conducted in English, but promotional material should be in Portuguese, Brazil's official language.

**While patience and understanding are crucial for doing business in new markets, demonstrating a long-term commitment to the market is key.**

Of course, learning Portuguese—or having a staff member that can speak the language—would be appreciated. Most importantly, however, it sends a strong message to your local contacts that you are committed and respectful of local culture.

### Know before you go

Local import regulations can be confusing to a first-time seller to Brazil. However, complying with local requirements are the responsibility of the importer, who will normally process all the necessary paperwork through a customs broker. Nevertheless, Canadian exporters should really understand the process and be familiar with the regulations involved to avoid costly delays related to the non-compliance of regulations.

While patience and understanding are crucial for doing business in new markets, demonstrating a long-term commitment to the market is key. Make frequent visits to gain first-hand knowledge of the people and place. It will help steer you clear of potential pitfalls.



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