

Tips on Doing Business in ASEAN

As this supplement shows, there are a great many opportunities for Canadian business in ASEAN. However, it is extremely important to keep in mind that ASEAN cultures and business practices differ greatly from those in Canada. No matter how good a Canadian company's products and services may be, to succeed in this market it is essential to respect ASEAN ways and values. Following are some of the more important matters to remember when conducting business with ASEAN business people.

BUSINESS TIPS

- A product or service must have a unique quality. Competition is fierce — buyers in ASEAN can pick and choose. Bring something unique or extra to the marketplace, or concentrate on niche markets. Training or ancillary services, normally an extra charge in North America, often must be included in the price of the product.
- Engage a reliable local agent or establish an office. It is essential that customers have a local contact for assistance. Asian entrepreneurs do not like to do business at arm's length; they want to deal directly or with an agent, on a face-to-face basis, whenever possible.
- Be price competitive. Remember, landed cost must include freight and insurance, and the factoring in of import and other taxes in most ASEAN countries.
- Modify products to meet ASEAN

requirements or standards. Local quality control can be very high; ASEAN is not a dumping ground for inferior goods.

- Appropriate follow-up is crucial to the success of a business visit. On returning to Canada, promptly attend to thank you notes, samples, brochures and requested information.
- Be prepared for a lengthy courtship. Asians expect to know the people that they do business with and are unlikely to sign a contract until they do. Plan to visit the country frequently to meet with prospective customers.

CULTURAL TIPS

- Asians pride themselves on being polite and refined. To succeed in ASEAN, observe and act according to the cultural norms of their societies.
- Respect is highly valued. It is important always to avoid confrontation and displays of anger. Avoid criticism of host governments or religious beliefs and practices.
- Harmony is valued. Do not expect to hear a direct "no" but listen carefully for underlying messages. Consensus is also highly valued as Asian people tend to be more group oriented and less individualistic than people in Western cultures.
- Business is built on relationships. Expect business associates to ask personal questions and, initially, to

spend very little time discussing business. Relationships must be nurtured.

- Modesty is appreciated in Asian cultures; try to avoid the "hard sell." A balanced presentation will sell itself. Being open and honest builds credibility and trust.
- In Muslim culture, the left hand is considered unclean. It should not be used for eating, giving or receiving things.
- Typical North American body language may appear aggressive. Avoid standing with arms crossed or with hands on hips. Sit up straight and be attentive; yawning or slouching during meetings is considered rude and inappropriate.

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ASEAN: A New Frontier

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Canadian firms serious about a long-term commitment to business in ASEAN should be in contact with these officers on a regular basis. Their names and coordinates can be found at the end of this supplement.