

## Freight Forwarders — from page 1

transportation, helping with document preparation, procurement of the most appropriate form of transportation, and ensuring the expedient and safe arrival of the consignment at its destination.

The role of freight forwarder as principal includes determining the most favourable routes and modes of transport, simplifying and speeding up the flow of information and documentation and, if the shipper so wishes, procurement of payment (money transfer, exchange regulations, etc.). They can also give tariff information and help companies determine their Harmonized System (HS) codes.

One of the chief advantages of a freight forwarder for all but the largest and most frequent shippers, who may have internal transport services, is the ability to consolidate smaller shipments to secure favourable handling, delivery services and rates. This means incorporating a small shipment from a given company into others travelling in large sea-going containers or airline approved airline containers.

Volume business helps the freight forwarder establish new transportation routes, both uni- and multimodal networks, and contacts at border entry points, warehouses and other storage facilities, and distribu-

tion centres, all of which becomes advantageous to shippers. As international shipping is more complex than domestic, the expertise these companies develop in everything from routing to insurance rates reduces the need of exporters to develop in-house expertise that is costly and time-consuming.

Ocean freight forwarders acting as principals issue the bill of lading to the carrier and are shown as the shippers. In this instance, the forwarder is responsible for the breaking up of cargo lots and distribution to consignees.

In air freight, the responsibility for forwarders as principals is similar to ocean arrangements. However, as agent in air freight transactions, the forwarder acts on behalf of the carriers, from whom it receives a commission (excluding Canada-U.S. transborder flights). The carrier, not the forwarder, assumes liability for the shipment.

In the case of dangerous goods, the forwarder may act only as agent; the consignor must certify the shipment and appear as shipper on the bill of lading.

Exporters interested in securing the services of a freight forwarder with experience in the destinations to which they plan to ship should contact the Canadian International

Freight Forwarders' Association (CIFFA). The Association recently adopted standard trading conditions and established minimum liability insurance coverage, including errors and omissions, as conditions of membership. Its standard trading conditions cover the forwarder's role and responsibility; the customer's role and responsibility; the forwarder as agent; the forwarder as principal; and limits of liability.

Exporters should evaluate their international transportation network within the context of their total marketing and distribution strategies. This means looking at cost and service trade-offs in light of market and service objectives, analysing how products are moved to customers and how, if necessary, to increase customer service levels. Input from your customers can be invaluable here, particularly internationally.

But if you find a freight forwarder who will provide you with reliable, speedy, cost- and time-efficient service, you will realize why freight forwarders are often thought of as the exporter's best friend. They can take products virtually from the end of your assembly line to the end-user.

Contact the Canadian International Freight Forwarders' Association at: P.O.Box 929, Streetsville, Ontario, L5M 2C5. Tel: (416) 567-4633. Fax: (416) 542-2716. Teloex: 06-22282

tors, developing a partnership or after-sales service. B-1 visa status is normally granted, with no fee required; some proof as to the nature of the activity is occasionally requested, and should be carried.

Professionals who wish to work temporarily in their field must provide, in addition to evidence of citizenship, a letter from the U.S. employer and supporting documents showing the nature and length of the activity, arrangements for remuneration, and proof of education and professional credentials. TC-1 visa status will be granted upon payment of a U.S.\$50 processing fee.

## Temporary Entry — from page 1

considered legally binding. Jaime Martin, a commercial counsellor at the Mexican Embassy in Ottawa, says that, in fact, it is difficult to go through the legal signing procedure without presentation of these papers. However, should a signing occur without the right papers, deals could be voided or not honoured, and the weight of Mexican law would prevent recourse.

A trilateral working group is currently being appointed to examine the whole issue of temporary entry.

Until the group reports, remember that when travelling to Mexico on business, consult consular officials and follow their directions.

Since the Canada-U.S. Free Trade Agreement, passage for business people into the United States has been as simple as that for tourists. Presentation at the border of a passport, birth certificate or other proof of Canadian citizenship is considered sufficient for anyone involved in activities such as trade shows, finding sales representatives or distribu-



## Canadian Exporters: Profile

Des Bradley, Vice President, Finance and Administration • Lumonics • Kanata, Ontario

If you have ever had a bottle of Labatt's beer in your hand, you have probably had indirect contact with the work of Lumonics. The international laser and laser-application firm based in the Ottawa satellite city of Kanata deals in high-tech wizardry. But the wizardry is harnessed to practical applications — in Labatt's case, the marking of bottles so they can be automatically tracked through the distribution process.

Lumonics is involved in the development, manufacture and sale of lasers and laser-based systems and is among the top five manufacturers of its kind in the world. The company caters to an industrial and scientific clientele worldwide, with services ranging from integration and product knowledge to provision of hardware. Their business is to provide solutions to companies' problems using laser technology. Most of the business is industrial welding or the lot code marking mentioned above.

Lumonics was founded in 1971, and currently employs about 650 people in its worldwide operations. The company sales are \$100 million annually, and there are offices as far afield as Tokyo and Paris, as well as throughout Canada and the United States.

In the early years, the U.S. was the major export market for the firm, representing half the annual sales. But expansion into Europe and the Far East has seen that proportion balance out, with sales to each

of those areas constituting about a third of exports.

Lumonics has added Mexico to its target markets. "We've been actively marketing our capabilities in Mexico since 1991," says Des Bradley, Vice-President of Finance and Administration. "We have focussed on the industrial cutting and marking, and so far we have had good success in marking. The

**L**umonics, like many key players, has a sales representative agreement with a firm in Mexico that handles their sales and servicing.

Mexican breweries have a large export business, and are using our marking."

The company has a Director of Business Development, Claudio Escobar, whose role is to market the company in Latin America. Mexico is the main thrust of that effort at the moment.

"As to prospects: the potential is

there," says Bradley. "We're the ones who have to tap it. The Mexican economy seems to be growing, and there are lots of large contracts to be had."

Lumonics has a sales representative agreement with a firm in Mexico that handles sales and servicing for them. "We do our own marketing, but the arrangement with the Mexican company is working very well — they had experience with another company in a similar line, and when we met, we filled mutual needs."

There are business trips both ways — Lumonics executives and staff attended the Canada Expo trade fair in Monterrey in 1992, and staff of the Mexican firm they work with have been to Ottawa for sales and service training and orientation. Bradley notes that commercial counsellors from the Mexican Embassy have come to visit the firm in its Kanata site. "They are trying to promote Mexico as a place to do business."

The company is finding its feet in Mexico quite comfortably. "The NAFTA will help, that's for sure," Bradley says, thinking of the removal of tariffs and non-tariff barriers.

His findings in terms of the business culture in Mexico echo those of almost everyone who has entered the Mexican market in recent years. "There is a difference," he says. "In Mexico it's based on personal relationships, one-on-one. This is not a place for phone calls and faxes — it takes time."

But he does not over-emphasize the time factor, as some other business people have. "It's the same as any new market — you have to have a certain amount of patience. But it's no different than any other place."

## Upcoming Events

CANADA EXPO 94 (Mexico City) March 22-25, 1994 — Canada's largest ever trade show.

EXPO-PAK '94 (Mexico City) May 17-20, 1994 — Fair for suppliers/manufacturers in the packaging and labelling industries.

CANADA FOOD MONTH (Embajador Hotel, Monterrey) — June 1994 — Canadian foods featured during month-long promotion.

TECNO MUEBLE (Guadalajara) July 8-10, 1994 — Furniture hardware/accessories, furniture manufacturing equipment show.

Details on these and other events may be obtained from Latin American and Caribbean Trade Division, Department of Foreign Affairs and International Trade. Facsimile: (613) 944-0479.