

A NEW LOOK AT EXPORTING

“Where Can I Export?”

Having examined your ability to negotiate with cultures different from your own, having evaluated whether your business is ready to export, and having looked at how competitive your product is — at least on the Canadian market — you are now ready to ask, “Where can I export?”

It should be understood from the outset that it takes from three to five years to become established on a foreign market. Travel is costly, and the business investment involved makes penetrating a new market an expensive undertaking.

Market studies and documentary research are the exporter's most accessible work instruments. Too often regarded as having no value by those who wish to rapidly explore the possibilities abroad, they are actually the most important phase in the export operation.

This phase may be carried out by you, by an international marketing consultant or by an international trading company. The purpose is to determine which countries use your product or service.

Every exporter must have an information network. Such a network exists in Canada. There are many sources of information available to businesses, usually free of charge. The libraries contain treasures such as the *United Nations International Trade Statistics Yearbook*, where you can find the names of the countries that import your product and those that export it, along with the value of the products imported and exported.

The information contained in these statistics can be fine-tuned by, among others, your sectoral association, the sectoral divisions of External Affairs and International Trade Canada (EAITC), the provincial trade ministries, and chambers of commerce.

This research should enable you to screen the parts of the world that import your product, focussing on an area that appears most suited to a more detailed market study of one or two countries.

The statistics will also tell you what the competition is in these countries: If it is international, does it originate in countries with cheap labour or extremely high productivity? Can you compete with them?

When all the information sources — available in Canada — have been exhausted, you might consider consulting with the Canadian Embassy's trade commissioner in the target country.

In view of the serious documentary research you have put forth in Canada, the trade commissioner will help you to determine whether your product suits the tastes of this market. The trade officer will tell you about the local competition, and provide you with documentation on the existing products.

To be taken seriously by a trade commissioner — one who is often overburdened with sometimes unrealistic requests — explain the results of your research, a solid indication that you are serious and committed. Also ask specific questions to which you have not yet found an answer. Do not write, “I make such-and-such a gadget. Can you help me?”

A close look at the local and foreign competition will provide you with some interesting information. Do not rely on snap judgments (eg.: since the local product is not as fancy, the Canadian one must be better). You must learn to judge objectively.

A market study must have precise objectives and at least tell you what the size of the market is, how accessible it is, what the business practices are, whether there are distribution networks suited to

your product, what modes of transportation are available, who the manufacturer's agents and importers are, how much of the market is held by your competitors, what prices are in effect, and what the customs are.

Having analyzed the information extensively — and without leaving Canada — you will be prepared to decide whether an exploratory visit is desirable at this time.

The next article will tell you how to prepare for such a visit.

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