

Doing business with BRIC countries [continued from page 1]

Before jumping headlong into China, however, it's important to fully appreciate the challenges. China is a vast and complex country. Understanding the business climate, building solid partnerships and navigating the financial and taxation aspects of doing business there takes time. Women with extensive experience in the market suggest looking at it with a long-term lens. "You need to persist," says Anne Waldes, CEO of Trade Link International, a freight forwarding and logistics company. "Be patient. Nothing moves quickly in China. You have to invest the time and the money to make it work."

The same is true for Russia. Long-term commitment is a must, according to Trade Commissioner David Mallette. "Companies need to make periodic trips, attend trade fairs and visit partners, clients and distributors on a frequent basis to build, maintain and strengthen relationships. It can take months, if not years, before any benefit is reaped." Still, its potential should not be overlooked. Today, Russia is one of the world's largest economies with a GDP of \$1.5 trillion in 2010. Canadian imports from Russia have increased by 355 percent from 2001 to 2010 (and 255.9 percent from 2001 to 2011)—and there's potential for much more growth.

In India, the key to success is flexibility. "You need to be innovative and adapt your product or service to their reality," says Janeen Stodulski, CEO of PowerWatch, a company that provides energy management systems to large Indian clients. "Too many people go there trying to tell potential customers how to do things. It doesn't work that way. First, you need to figure out if there is a desire for what you have to offer. Then, you need to make it cost effective for them."

Those who know India say that it's well worth the effort. With a population of 1.2 billion in 2010, India's infrastructure needs are set to propel increasing domestic demand for a wide range of resources, products and services in the years ahead. Indeed, India is becoming a key link in global value chains. Its prowess in information and communications technology and its commitment to innovation make it a key science and technology partner for Canada. Trade commissioners note that India's shift toward a knowledge-based economy

Negotiating in India

"Negotiations in India can be as long as they can be short and sweet. Your deal may require multiple visits to the country. Indians are acute and price-sensitive. They may want to see the product and will ask to use it for trial, at a factory or in-store. You will have to negotiate whether there is a fee involved, and if so, pre-payment is generally the easiest. Negotiations may not always lead to a deal in India, so keep your options open."

Marie-Michelle Poulin,
Trade Commissioner in Mumbai, India

and its status as a low-cost manufacturing locale make it a land of opportunity for Canadians.

So, too, is Brazil. The country had the largest GDP of all Latin American countries in 2010. Its economy is highly diversified and industrialized. The technology and service industries are growing rapidly. While there are countless commercial opportunities for Canadians, there are some key challenges, including foreign competition, import tariffs, complex tax and regulatory systems, excessive bureaucracy and a lack of transparency. Like all BRIC countries, your best approach is to plan, plan, plan—and seek the support of the TCS in Canada and your target market.

Bottom line? If you want to break into BRIC markets, get started! The rewards are plenty and the markets are waiting for you if you can invest your time and make a long-term commitment.

Best practices in Brazil

What works best in Brazil? Trade Commissioners Todd Barrett and Heather Bystryk offer the following advice:

- **Get a good team behind you, including a lawyer, tax specialist and accountant. The regulatory environment in Brazil is complex. Don't go it alone.**
- **Investigate the market and tailor your products and services to local needs and tastes. Your Canadian business model won't necessarily work in Brazil.**
- **Understand the business hierarchy. Executives at a higher rank will only meet with you if you share the same rank.**
- **Learn Portuguese or hire an interpreter. Even if they hold a senior position, most Brazilians don't speak fluent English.**
- **Make cultivating relationships in Brazil a part of your daily routine. It's your best success strategy.**



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