

Some 300 Trading Houses Have Been Identified In Canada ...

British Columbia	45
Ontario	136
Quebec	75
Other provinces	44

Total 300

... Most Are of Modest Size

Less than \$25 million in export sales per year	254
Between \$25 and \$100 million per year	18
More than \$100 million per year	28

Total 300

Source: Promoting Canadian Exports: The Trading House Option.

Selecting Trading Houses

The manufacturing firm and its trading house are partners. That is, they embark together on transactions which, if properly conducted, should work to their mutual advantage. The success of such ventures requires that the partners be a good match and that they trust each other.

A proper match will not be made if there is any misunderstanding concerning the respective abilities and expectations of either party. The confidence needed for a beneficial partnership can be established only if both parties do business seriously and honestly.

To meet these conditions, the following steps in selecting trading companies should be respected:

1. The manufacturing company should carefully define its objectives and specify its needs. In particular, it should determine the projected intensity of its export activity, i.e., the share of production it can commit to export on a regular basis. (Capacity for occasional export activity is