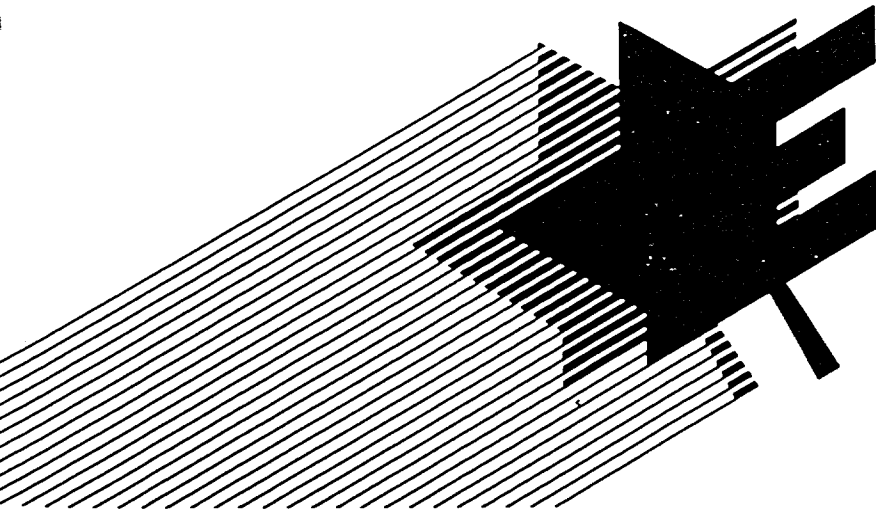


doc
CA1
EA518
94559
ENG

.62 55 8/30(E)

So You Want To Export?

Export Information Series
Volume 1



FAXBACK

The InfoEx automated Faxback system is online 24 hours a day, providing Canadian companies with information on various aspects of trade and foreign policy. Companies can make their selection from the Faxback index and choose the documents that meet their information needs. If the caller needs additional information not yet on the Faxback system, a voice menu supplies the InfoEx toll-free number. To use the Faxback system dial (613) 944-4500 from a facsimile machine.

Dept. of External Affairs
Min. des Affaires extérieures

JUL 7 1994

RETURN TO DEPARTMENTAL LIBRARY
RETOURNER À LA BIBLIOTHÈQUE DU MINISTÈRE

So You Want To Export?

January 1994

Prepared by the Trade Communications Division (BCT)
Department of Foreign Affairs and International Trade
Printed in Canada
(Publié également en français)

InfoEx Data Base (3TA)

43-267-947

Table of Contents

	PAGE
1. Introduction	3
Exporting – good for business; Exporters – large, medium, small; Making the decision; How to begin; Importing goods into Canada	
2. Mousetraps and Markets	5
Something to sell; Somewhere to sell it	
3. The Market Profile	7
General background; Market accessibility; Sales potential; Regulations; Terms of payment and currencies; Distribution	
4. Prospecting for Markets	9
Trade fairs; A foreign visit	
5. Export Experts	10
Your export team – InfoEx; International Trade Centres	
6. Canadian Trade Commissioners	13
7. Pointers	15
Communicating overseas; Telex, cable, facsimile; Overseas telephone; Advertising and promotional material; Scheduling your time	
8. Appendix A – An Export Pricing Sheet	18
Appendix B – A Checklist for an Overseas Sales Visit	19
Appendix C – A Checklist for Exhibiting Overseas	21
Appendix D – Export Jargon	24
Appendix E – Other Helpful Publications	26
Appendix F – Reader Response Card	27
Appendix G – Certificate of Origin	28

INTRODUCTION

Does your firm have competitively priced, high-quality products or services? Could you expand production if you found additional markets? Have you reached your full market potential in Canada? Maybe a U.S. buyer, a Canadian government trade commissioner, or a project manager in the Middle East or elsewhere has already contacted you for product details and prices?

Now you're wondering if exporting shouldn't be taken more pragmatically.

This booklet will help you decide whether or not your company is ready to seriously consider exporting. Written for business people, with information from a number of export organizations, **So You Want To Export?** gives you an overview of what is involved in exporting. It also provides you with names of persons and organizations to contact.

Exporting – good for business

Many Canadian companies have found that exporting can play a key role in their growth and prosperity. For successful Canadian exporters, foreign markets keep production lines humming, and employment and profits growing, by reducing dependence on the home base, by providing economies of scale and by exposing the company to the latest international trends.

Exporters – large, medium, small

Exporting is an option available to companies of all sizes. The requirements are a serious corporate commitment, thorough research, careful planning and a determined sales approach. Successful exporters say that it takes the same hard work (perhaps more) as is required for any business endeavour.

The larger companies, it is true, usually have greater internal resources to research and develop new export markets. But small-and-medium-sized firms also have access to various forms of assistance, which you will find out about in this booklet.

Making the decision

The fact that you are reading this booklet demonstrates your interest in exporting. But is it right for you at this time? The following checklist will help you decide.

- Does your company have a solid domestic sales base?
- Do you have the capacity to produce more?

People always laugh at the fool things you try to do, until they discover you are making money out of them.

Bob Edwards, Publisher of the Calgary Eye Opener from 1902 to 1922

- Do you have the time to develop export markets?
- Are you looking at exporting as a long-term commitment?
- Do you have the cash flow to cover longer collection periods if necessary?
- Do you have the time to study foreign markets to learn about such things as tariffs and how cultural differences affect your marketing approach?

This booklet won't hand you ready-made export markets or strategies. What it will do is provide you with solid, no-nonsense information on how to:

- identify your best products and services for export;
- go about finding the most promising markets;
- make use of the many available export programs and services; and
- get in touch with the most knowledgeable and experienced sources of export information.

So You Want To Export? also gives you some tips on communicating with and within other countries, and on scheduling trips.

After you read this booklet, you may also want to check out what is already available in your community. Your local university or community college can recommend suitable books and other materials. They may also offer courses on exporting through their continuing education departments. Another way to find out more about exporting is to attend a workshop or seminar put on by the export organizations that exist in most Canadian cities. Many of them offer guidance to first-time exporters.

How to begin

So You Want To Export? examines a number of the vital factors to be considered prior to any venture into new markets. It takes you through each step in your decision-making process, from analysing your product or service to dealing with a trade commissioner.

Importing goods into Canada

While the Department of Foreign Affairs and International Trade does not actively promote imports into Canada, it is responsible for issuing import licences for some items in the fields of textiles and clothing, agriculture and footwear.

Information on items that are subject to import controls can be obtained by contacting the Export and Import Permits Bureau (EPT), Department of Foreign Affairs and International Trade, Lester B. Pearson Building, 125 Sussex Drive, Ottawa, Ontario K1A 0G2, Telephone: Clothing/Textiles: (613) 996-8090; Other: (613) 996-0609.

In order to determine the types of items to import or to obtain lists of foreign manufacturers, contact the embassies and consulates of foreign countries represented in Canada. They are responsible for promoting their country's products here, much like our trade commissioners are involved in promoting Canadian products abroad.

MOUSETRAPS AND MARKETS

It's been said that, if you make a better mousetrap, the world will beat a path to your door. Many Canadian products and services have been viewed as "better mousetraps" here at home and well beyond our border.

Canadians have given the world pabulum, the paint roller, insulin, the telephone, instant potato flakes, the cardiac pacemaker and, of course, Trivial Pursuit.

As a business person, you know that there are two essentials to the sales process—something to sell and someone to buy it.

Something to sell

Assess your potential as an exporter by realistically examining your products or services in a global framework. Begin by asking the following questions:

- Who already uses your product or service? Is it in broad general use, or is it limited to a particular group because of socio-economic factors? Is it particularly popular with a certain age group?
- What modifications are required for it to appeal to customers in a foreign market?
- Is its use influenced or affected by climatic or geographic factors? If so, what are they?
- What is its shelf life? Will it be reduced by time in transit?
- Does your product or service involve operating costs? If so, what complementary equipment or services must the customer buy?
- Does it require professional assembly or other technical skills?
- Is the packaging particularly expensive? Can it be modified to recognize the specific demands of the foreign customer?
- Does the product require special documentation? These costs must be added to the unit cost to determine whether or not you can export at a competitive price.
- What are the technical or regulatory requirements? They may differ from country to country.

- What after-sales service is needed? Is it locally available, or is it up to you to provide it? If you need to provide it, do you have the resources?
- How easily can the product be shipped? Would shipping costs make competitive pricing a problem?
- Will you be able to serve both your domestic customers and your new foreign clients?
- If domestic demand increases, will you still handle the requirements of your export customers?

It may take time to find the information that you need to answer some of these questions. Local sources can help, including public or post-secondary school libraries, export organizations, government departments and other exporters. With their assistance, you will have a clearer picture of your company's export potential.

Somewhere to sell it

Once you've chosen what to export, you'll want to think about and identify possible export markets.

It certainly won't take you long to come up with a list of possible countries. Chances are you will choose a mix—those you're most familiar with because of their linguistic and cultural similarities to Canada, or because you have already travelled there, as well as those with a proven record for buying Canadian products.

When you begin exporting, it's best not to spread yourself too thin. Look at your list to select the most promising prospects. Then pick out the candidate markets that combine the greatest potential for profitable export sales and the least natural barriers and access-costs.

Once you've done your research with local sources, you will be prepared to determine which market is your top prospect, which is the next best, and so on, and to make a list in descending order of priority.

THE MARKET PROFILE

Exporting, like any serious new business endeavour, involves careful and thorough market research. The information gathered is assembled in a market profile that contains all the facts and data needed to prepare a company for export opportunities and possible problems.

A well-developed market profile can be an exporter's most valuable tool. Among other things, it tells you who your potential customers are, what kinds of products or services they need and use, and how conditions in their country may influence their buying decisions.

Gathering the masses of detailed information required for a comprehensive market profile is an important job. However, some of the export organizations in your community can help you to supplement and update your preliminary findings.

Research on your top countries should include the following:

- statistics on trade with Canada and other countries;
- business practices and customs;
- transportation and communication networks—their quality and reliability;
- economic situation;
- political environment; and
- credit standing.

This information should be assembled under six key headings of your market profile: General background; Market accessibility (i.e., can your product or service reasonably expect to sell there?); Sales potential; Regulations (affecting sales); Terms of payment and currencies; and Distribution (within the country).

Japan: A Guide for Canadian Exporters is one of the many booklets that provide information to help you do business in a specific country.

They're available from InfoEx, the trade information centre of the Department of Foreign Affairs and International Trade.

InfoEx

Fax: (613) 996-9709

Toll free: 1-800-267-8376

Ottawa callers:

(613) 944-4000

General background

This section of your market profile includes:

- the size of the country and the potential market;
- its climate and terrain;
- its distance from Canada;
- the size and distribution of its population;
- statistics on average income; and
- the country's plans for development and the likelihood that those plans might enhance or diminish acceptance of your products or services, affect the purchasing power of your customers or influence the attractiveness of your product or service.

Market accessibility

How easy or difficult will it be for you to introduce your product or service to a particular market? You will need to consider the following:

- Are there any restrictions on imports through taxes, import duties or quotas? What are the country's policies and attitudes toward imports from Canada?
- What is the actual access for and acceptance of foreign products, specifically for your product or service? Is this access in the process of improving or deteriorating?
- What are the existing currency controls? Is the currency convertible?
- Are there bilateral trade agreements favouring the goods and services of other countries?

Sales potential

The level of demand and long-term potential sales will be profoundly influenced by:

- the competition that your company faces from present and future domestic supply;
- the price differential between your goods and the competition's;
- emerging trends by volume, value and country of origin;
- the general market's acceptance of, or resistance to, new products or services; and
- the need to win customer-acceptance by adapting your Canadian product to accommodate local preferences and regulations in size, quality, colour, packaging or sales methods.

Regulations

Each country has its own more-or-less rigorous regulations concerning such areas as measurement systems, health, safety and technical standards, and packaging, marking and labelling requirements. It is strongly recommended that potential exporters obtain as much information as possible on these requirements before proceeding with a comprehensive market analysis.

Terms of payment and currencies

Your market profile will include the country's customary terms of payment as well as the currencies that it uses.

One cannot repeat too often the need for sales to new customers to be conducted on a confirmed, irrevocable, letter-of-credit basis regardless of the temptation to accept other payment promises in the initial euphoria of a new commercial relationship. Further details are available from any major Canadian bank.

Exporters should use the International Chamber of Commerce (INCO) trade terms when preparing quotations. Full information is available from the Canadian Council for International Business, 50 O'Connor Street, Suite 1011, Ottawa, Ontario, K1P 6L2. Telephone: (613) 230-5462. Fax: (613) 230-7087.

Distribution

How are importers in the target country organized and how do they prefer to operate? What are their customary mark-up or commission rates?

You will need to learn a lot about their preferred way of doing business because being able to adapt to local business practices can easily work to your benefit over a not-so-knowledgeable competitor.

The local market structures and buying systems will help suggest how you should go about distributing your product. Will a single agent be sufficient or should you have a number of sales representatives?

Appointing the right agent or agents is important. Ask questions such as: Do they seem highly motivated to bring you new customers? Are they familiar with your industry? What representation (countries? organizations?) do they already carry? Get it right the first time because many countries have laws that make it costly if you want to make changes later. Try to protect yourself as much as possible by, for example, entering into a one-year trial agency agreement during which the agent must achieve certain objectives, failing which he may be replaced.

Should you carry local inventory? What should be the size and frequency of shipments? You will want information on the adequacy and cost of international transportation and of inland transportation from the port of entry as well as the likelihood of negotiating commodity rates for recurring shipments. Freight forwarders can help, if you don't have the knowledge. (A directory of freight forwarders may be obtained from Industry Canada at (613) 954-5031.)

When you're dealing with agents, watch for complementary products and avoid competing lines.

PROSPECTING FOR MARKETS

You've studied your product or service and determined the best export candidates. You've identified the foreign markets that are top prospects. You've worked on your market profile. In other words, you've done your homework. Now it's time to do your fieldwork.

Trade fairs

Perhaps there's no better place for a novice exporter to start than at an international trade fair in your product sector. A few days spent at a trade fair will give you a good look at and a real feel for the products/services and prices that you will be competing with as well as the style and sophistication of your competitor's sales and promotion methods.

An international trade fair is an ideal meeting place for the world's buyers and sellers, and for the agents and distributors who bring the two together. It's a very efficient and effective way of testing the waters in a new environment. And you may even make a sale on the spot! At the very least, a visit to a trade fair should provide you with a list of contacts that you probably couldn't assemble in several individual prospecting trips.

Assistance in selecting, planning for and funding your attendance at the international trade fair best suited to your needs is available from a number of federal and provincial trade development agencies.

A foreign visit

Your fieldwork also involves a visit to the candidate country to confirm, first-hand, the accuracy of your market profile. Your visit helps you to revise or update this important document.

Being there, you can also find answers to these questions:

- Is there a real (as opposed to perceived) need or desire for your product or service?
- Are there financially stable importers who are eager and able to accept your business?
- Is the economic, social, cultural and political environment what you thought it was?
- Is there competition that you hadn't foreseen, and can you meet it?
- Must you adjust your product/service or marketing strategy to win needed customer support? If so, will the cost of these changes still provide an acceptable return on your investment?
- Are there any problems to be overcome or opportunities to be seized?

EXPORT EXPERTS

For first-time exporters, making that corporate decision to export can be a big one.

The closer you come to making that decision, the more nervous you become. That's normal. After all, you're leaving the comfortable, familiar environment of your domestic market to tackle an unfamiliar foreign market. You will do battle against entrenched competitors for customers who don't know your company or your product or service. It certainly can be a lonely feeling.

In reality, you're not alone. Canadians are among the world's leading international traders. Literally thousands of Canadian companies have broadened their horizons and successfully incorporated profitable international sales into their domestic operations. Each of these companies has developed strategies and techniques for selling abroad, and most of them are willing to share their experiences with first-time exporters in areas where they are not in direct competition.

You can also link up to a network of Canadian industry, trade and professional associations. In addition, you can count on assistance from federal and provincial government export-trade development programs.

If you feel that your time and financial resources for exporting are limited, you may also want to make use of Canadian trading houses. They can undertake exporting on your behalf, if the profit margin is wide enough to accommodate this additional cost of sales.

Advice and assistance are readily available to you at every step of the way as you identify your exportable product and service, scout your export markets, design your marketing game plans, organize your banking and financing, and begin your sales campaign.

Your export team

Once you begin consulting these export-trade professionals, you won't feel so alone. By adding these experts to your company's export team, you'll receive the kind of assistance that few companies, regardless of their size or

financial strength, could maintain on staff. The initiative to put this team to work when the conditions are favourable rests with you. You are the captain of the team, and only you can call the signals.

Many members of Canada's export team provide packages of related services, while others concentrate on a single, specific area of export expertise.

(1) InfoEx

For all beginners, InfoEx is the best starting point. In fact, many veteran exporters in search of specific information or guidance regularly call InfoEx, the export-trade information centre of the Department of Foreign Affairs and International Trade (DFAIT). InfoEx acts as your instant guide to all of the export programs and services provided by the federal government.

InfoEx provides exporters with the general export overview. It helps you to find answers quickly to specific export questions or problems, either by putting you in touch with an expert in DFAIT or by referring you to other sources of help—such as Industry Canada, other federal agencies, provincial governments or private-sector trade associations. Through InfoEx, you can join the Department's trade information network, WIN, and find out about the best potential markets for your product or service.

A broad selection of export-trade literature is available through InfoEx, such as country guides, sectoral studies, specific market analysis, and a subscription to **CanadExport**, the Department's twice-monthly export news magazine, available free of charge to export-oriented people across Canada.

InfoEx

Fax: (613) 996-9709

Toll free: 1-800-267-8376

Ottawa callers: (613) 944-4000

(2) International Trade Centres

International Trade Centres (ITCs) are the delivery point in Canada's regions for the trade-development programs and services of the Department of Foreign Affairs and International Trade (DFAIT).

International Trade Centres are located within the regional offices of Industry Canada, and are distinct units managed by a senior trade commissioner from DFAIT. ITC offices have been established in Vancouver, Edmonton, Calgary (suboffice), Saskatoon, Winnipeg, Toronto, Montreal, Moncton, Charlottetown, Halifax and St. John's.

International Trade Centres offer a full range of trade-development services to Canadian companies, including:

Export Counselling:

Trade commissioners provide counselling to assist firms in the development of their international marketing plans. Trade commissioners can assist new exporters in developing an export-entry strategy and can work with experienced exporters to refine their approach to specific markets. They can also advise on the trade fairs and missions sponsored by DFAIT.

Programs:

ITCs are responsible for delivering the Program for Export Market Development (PEMD) and for recruiting local firms to participate in DFAIT's worldwide fairs and missions program. In addition, ITCs refer companies for orientation missions, such as those offered by the New Exporters to Border States (NEBS) and the New Exporters Overseas (NEXOS). They also provide information and referrals for the Technology Inflow Program (TIP).

Seminars and Workshops:

ITCs arrange and sponsor a variety of seminars and workshops on the fundamentals of exporting, federal trade programs and export-market opportunities. They also sponsor special-interest programs dealing with such topics as Europe 1992, the Canada-U.S. Free Trade Agreement and Pacific 2000. In addition, with sufficient notice, ITCs can make speakers available to participate in locally organized export events.

WIN Exports Trade Information Network:

Firms can register in the WIN Exports data bank, a sourcing tool used by Canadian trade offices worldwide. This data bank is updated regularly and keeps trade commissioners abroad aware of Canadian companies' capabilities and interests, thus increasing their chances of gaining access to valuable trade leads.

Other Services:

ITCs also provide access to the services offered by the Export Development Corporation (export financing and insurance), the Canadian International Development Agency (development-assistance contracts in developing countries) and other government departments and agencies, such as the Canadian Commercial Corporation (government-to-government contracts, including U.S. defence procurement).

Information and Publications:

On behalf of the Department of Foreign Affairs and International Trade, ITCs provide a wide selection of trade publications. These include country market profiles, global market opportunity reviews, "how-to" guides, trade statistics and information on international trade fairs.

International Trade Centres

Newfoundland

Industry Canada
International Trade Centre
P.O. Box 8950
Atlantic Place
Suite 504
215 Water Street
St. John's, Newfoundland
A1B 3R9
Tel: (709) 772-5511
Fax: (709) 772-2373

Prince Edward Island

Industry Canada
International Trade Centre
P.O. Box 1115
Confederation Court Mall
Suite 400
134 Kent Street
Charlottetown, Prince Edward
Island
C1A 7M8
Tel: (902) 566-7400
Fax: (902) 566-7450

Nova Scotia

Industry Canada
International Trade Centre
P.O. Box 940, Station M
1801 Hollis Street
Halifax, Nova Scotia
B3J 2V9
Tel: (902) 426-7540
Fax: (902) 426-2624

New Brunswick

Industry Canada
International Trade Centre
P.O. Box 1210
Assumption Place
770 Main Street
Moncton, New Brunswick
E1C 8P9
Tel: (506) 851-6452
Fax: (506) 851-6429

Quebec

Industry Canada
International Trade Centre
P.O. Box 247
Stock Exchange Tower
Suite 3800
800 Victoria Square
Montreal, Quebec
H4Z 1E8
Tel: (514) 283-8185
Fax: (514) 283-8794

Ontario

Industry Canada
International Trade Centre
Dominion Public Building
4th Floor
One Front Street West
Toronto, Ontario
M5J 1A4
Tel: (416) 973-5053
Fax: (416) 973-8161

Manitoba

Industry Canada
International Trade Centre
P.O. Box 981
8th Floor
330 Portage Avenue
Winnipeg, Manitoba
R3C 2V2
Tel: (204) 983-8036
Fax: (204) 983-2187

Saskatchewan

Industry Canada
Saskatoon Office
International Trade Centre
4th Floor, The S.H. Cohen
Building
119 - 4th Avenue South
Saskatoon, Saskatchewan
S7K 5X2
Tel: (306) 975-5315
Fax: (306) 975-5334

Alberta

Edmonton Office
Industry Canada
International Trade Centre
Canada Place
Room 540
9700 Jasper Avenue
Edmonton, Alberta
T5J 4C3
Tel: (403) 495-2944
Fax: (403) 495-4507

Calgary Suboffice

Industry Canada
International Trade Centre
Suite 1100
510 - 5th Street S.W.
Calgary, Alberta
T2P 3S2
Tel: (403) 292-6660
Fax: (403) 292-4578

British Columbia

Industry Canada
International Trade Centre
P.O. Box 11610
Scotia Tower
900 - 650 West Georgia Street
Vancouver, British Columbia
V6B 5H8
Tel: (604) 666-0434
Fax: (604) 666-8330

CANADIAN TRADE COMMISSIONERS

Canadian trade commissioners live and work in Oslo and Buenos Aires, in Beijing and Buffalo, in fact, in over 100 cities throughout the world. As part of an extensive network of trade experts, their primary responsibility is to assist exporters in selling their products in foreign markets. The Canadian trade commissioners are Department of Foreign Affairs and International Trade employees working on your behalf in countries around the world.

It's a good idea to inform the trade commissioner in each of your foreign markets of your export activities. Keeping him or her up-to-date pays big dividends in reducing costs, avoiding pitfalls and seizing opportunities.

Before you contact a trade commissioner, here are some pointers on preparing yourself. You should provide your trade commissioner, in advance, with:

- a summary of your company's activities;
- your previous export experience;
- precise descriptions of your product or service;
- the main selling feature of your product or service;
- the type of distributor or representative that you want;
- your tentative travel schedule;
- requests for introductions to or appointments with potential agents and/or buyers; and
- five to 10 copies of your sales brochure.

Your trade commissioner can help you determine:

- whether your product or service can be imported into the market;
- the normal distribution channels for your product or service;
- whether there is local or imported competition;
- the buying practices in the market;
- the kind and quality of market-support services available, such as banking, shipping and storage;
- import policies and restrictions;
- how to quote in the market; and
- social, cultural, business, market and political conditions affecting sales.

When your marketing plans are completed and the trade commissioner has been informed of your intentions, he or she can help you market your product by:

- canvassing and recommending local representatives on the basis of their interest in your product or service;

(You are well advised to seek the trade commissioner's advice before appointing agents. Local laws differ from Canadian practice and firing a non-performing agent in some countries can be very difficult. It is usually costly and sometimes even impossible.)

- recommending translation, legal, advertising and other support services;
- arranging meetings for future business trips;
- providing on-the-spot information on duties, taxes and foreign-exchange matters, and helping you solve problems and find solutions in these areas;
- helping you determine why an account is overdue and, if necessary, advising you on proper procedures for settlement; and
- maintaining contact with your agent and providing him or her with support and encouragement.

Your trade commissioner...

The trade commissioner can be your eyes and ears on site, and can be of valuable assistance in distant, unfamiliar markets.

Can promote your firm to local customers

Can recommend appropriate technical experts to help you negotiate a deal

Can help you find good translators and interpreters

Can help you select effective agents

Can maintain a liaison with your agents and encourage them

Can advise on the settlement of overdue accounts

Can advise you on situations and circumstances affecting travel to and within a country

Cannot close the sale for you

Cannot be present at all your negotiations when you are closing a deal

Cannot serve as your translator or interpreter

Cannot act as your agent

Cannot train or supervise your agents

Cannot act as your debt collector

Cannot act as your travel agent

POINTERS

As a successful business person, you've had experience in selling and marketing your product or service in Canada. This section addresses some of the subtle and not-so-subtle differences between selling on your home turf and selling abroad.

The tips included here have been learned the hard way, through trial and error, by seasoned business people in their initial export-marketing ventures. The list is by no means a comprehensive one. However, this section can provide you with a partial checklist of things that you might overlook in the rush to respond to an attractive export opportunity.

Communicating overseas

Language, not numbers, is the medium of communication whether it's by telephone, telex, cable, facsimile or mail. Whenever possible, use

The path to success is paved with good intentions that were carried out.

Bob Edwards, Publisher of the Calgary Eye Opener from 1902 to 1922

the language of the recipient. It's courteous and gets you into your customer's office much faster. When you must use English or French, make it clear, simple and straightforward. Avoid North American idioms, colloquialisms and slang. You run the risk of confusing your partner.

The letter, the oldest form of long-distance communication, may be slow, but it's sure. It serves as a permanent and tangible record of what was communicated between the sender and the recipient. Use letters whenever time permits, especially to confirm agreements and decisions reached over the telephone. The usual rules for domestic business correspondence apply internationally, but here are a few tips.

- Make sure your letterhead clearly conveys your company name, address and postal code, your telephone and telex numbers, and the word Canada.
- If your letterhead lists branch office addresses, be sure that you clearly

indicate the address to which the reply should be directed.

- Unless the message can afford a leisurely ocean cruise, always ensure that your correspondence abroad displays an "Air Mail" sticker on the envelope.
- Always personally (and legibly) sign your letters. Your foreign customers want to know with whom they are dealing.
- In case of any prolonged absence from the office, make sure that someone is responsible for acknowledging any mail received in your absence.

Telex, cable, facsimile

When using telex, cable or facsimile transmission, note the following:

Avoid the temptation to save a few pennies by using "telegrammatic" language. What you save in transmission costs won't equal the cost

I am a great believer in luck, and I find the harder I work the more I have of it.

Stephen Leacock (1869-1944)

of possible misunderstandings. Keep it simple—it's safer and cheaper in the long run.

As with telephone calls, always confirm telex, cable and facsimile messages by mailing a copy. It serves as confirmation and a reminder to both parties.

Overseas telephone

When using the overseas telephone, remember that calls may often be answered by people unfamiliar with English or French. Speak slowly and clearly (but not patronizingly) using only standard language. You can always modify it to match the degree of fluency you perceive at the other end.

Advertising and promotional material

Advertising and promotional material plays a vital role in the initial interest in a product or service overseas. Pay attention to the publications and brochures that support and accompany your goods.

- Examine your current literature to see if it can be adapted to suit both your domestic and foreign markets. Some companies use English, French and Spanish, the most-used languages of trade, in their literature and catalogues to avoid the expense of separate publications.
- Make liberal use of colour photographs and illustrations of the product/service and its application to avoid the need for lengthy textual descriptions (and their translation).
- Don't scrimp on translation costs. Hire first-class translators. Sloppy use of language can give rise to misunderstandings and to customer fears of potential sloppiness in your product or service.
- Check any translation done in Canada with an expert in the other country. Ensure that it reflects the latest language usage.

Know how to learn from your mistakes.

- Carefully examine the meaning and acceptability of a brand name or logo in the language of the country. Make sure it does not have negative or inadvertently humorous connotations.
- Make sure that the colours you use in your material conform to local tastes and preferences.
- Metric is the standard of measurement in many countries. Ensure that your specifications are metric or that you provide metric equivalents.

Scheduling your time

One of the most critical factors contributing to the success of your first overseas trip is how effectively you organize your time. Here are some time-planning DOs and DON'Ts to keep in mind.

DOs

Do leave yourself time at the start to get over your jet lag. Use that time to check in with the trade commissioner and to wander about, looking, listening and generally getting a feel for the country.

Do plan to spend at least three days (or a week, if it is a major market) in each place that you visit. You'll learn as much about the country, its people and the market by osmosis as you would in a frantic round of back-to-back meetings.

Do get the most out of your trip by ensuring that it does not coincide with traditional holiday periods. For example, not much work would be accomplished in Rio during Carnival.

Do write to the trade commissioner(s) that you met on your visit. Let them know how your meetings went, who your agent is (if you appointed one) and what your future plans are. If you need any additional assistance or information, now's the time to ask for it. Keeping the trade commissioners fully in the picture lets them know that you are serious and they can be on the lookout for other sales leads and opportunities for you.

DON'Ts

Don't start out on a foreign marketing trip without preplanning and careful organizing. Don't arrive without warning—avoid whirlwind trips.

Don't try to cram too much business or too many countries into your first trip. Three countries in two weeks are probably all you can effectively absorb in a single trip, particularly the first one.

Don't believe everything that you've heard about relaxed attitudes to time in certain countries. Check the local custom with the Canadian trade commissioner.

Don't show up at the office for business as usual at 9 a.m. on your first day back. Take it easy. Get over your jet lag and spend the time at home sorting out business cards and organizing lists of people to whom you should send follow-up letters. Jot a few words on the back of each business card describing the follow-up general action required. Draft a follow-up letter before clearing the backlog of items that piled up during your absence.

Arrive early at airports. Allow two hours for security.

APPENDIX A

An Export Pricing Sheet

How to work out export prices¹

One of the early steps in campaigning for export markets is working out realistic export prices—or “costing,” as it is sometimes called. Too often, goods are priced for export merely on the basis of domestic price plus freight and insurance. Sometimes the resulting price is unrealistically high; occasionally it is too low. The would-be exporter should remember that foreign buyers usually have quotations from many countries to compare and will seek the best possible price. Export quotations should generally be kept as low as possible commensurate with a reasonable profit—and certainly a profit no higher than on domestic sales. Manufacturers intent on making volume foreign sales will bear in mind that success will only result from consistent quality offered at acceptable prices. A word of caution: buyers’ loyalty runs thin on the international scene. A minuscule price difference may suddenly displace established suppliers. This can work in your favour.

Federal sales tax does not apply to exports, and if any charge for advertising is made in domestic prices, it should be deducted from the base price before calculating export prices.

The following worksheet may serve as a sample guide to assist you in arriving at a realistic export price for your products.

More detailed information about export financing is available in the Department of Foreign Affairs and International Trade publication **The Export Guide: A Practical Approach** (see Appendix E for other titles).

EXPORT PRICING WORKSHEET (C.I.F.)²	
Date: March 1983	
Ref: 6243	
Name of customer: J.B. Buyer, Importers Inc.	
Address: 162 Overseas Blvd., Foreign Country	
Product: WIDGET	
Special terms or conditions quoted:	
Unit quotes: 1 000	
Gross weight: 64 kg	
Cubic measure: 140 m ³	
Item	Cost (C\$)
Cost and Freight	
1. Cost of unit before profit	10 000
2. Profit at 10% (for example)	1 000
3. Overseas agent's commission at 7 1/2% (for example)	825
4. Export packing	75
5. Labelling cost	10
6. Stencil marking cost	0
7. Strapping cost	5
8. Cartage	2
9. Freight to seaboard cost: \$6.00 per 1 000; Type of carrier: rail	6
10. Unloading charges	2
11. Terminal charges	1
12. Long-load or heavy loading charges	0
13. Consular documents charges	N/A
14. Other charges (cable, phone)	4
15. Ocean freight cost	30
16. Forwarding agent's fee	10
17. Export credit insurance at 1% (for example)	100
18. Financing charges for credit sales	400
Total of cost and freight	12 470
Insurance	
19. Marine insurance (add 10% to total of cost and freight)	13 717
Approximate premium	137
Amount to be insured	<u>13 854</u>
20. Type of insurance: All risks: Rate: 1%; Premium: 138.54	139
Grand total (C.I.F.)	12 609
Convert Canadian \$ to export-market currency	104 203 zks

¹ By J.R. Arnold, Export Consultant, Lasqueti, B.C. V0R 2J0

² Cost, Insurance, Freight

APPENDIX B

A Checklist for an Overseas Sales Visit

Preplanning is vital to a successful overseas sales trip. The following checklist highlights a number of important details that you should cover to make the most of your first, exploratory overseas sales trip.

- If you intend to apply for PEMD assistance, make your application two to three months prior to your planned departure.

Give-away gifts related to your product or service or to Canada are always welcome.

- Two or three months prior to your departure, write to the trade commissioner at the Canadian embassy in your target country(ies), and provide details of your product or service and your plans to market it. Outline your objectives and expectations for this first exploratory trip. As soon as your travel plans are finalized, inform the trade commissioner.
- Use a reliable travel agent to help you to plan your itinerary and to take advantage of the most efficient and economical travel routes. When you have approved the plan, make confirmed travel and hotel reservations, and reconfirm them just before you arrive.
- Carry a good supply of business cards printed in English or French on one side and, if possible, in the language of the country to be visited on the other. Exchange business cards with each of the contacts that you visit.
- Include a supply of business stationery, sales brochures, literature and photographs of your product for use abroad. A small dictaphone or recorder is very handy for making on-the-spot notes to yourself on meeting details, outcomes,

agreements and undertakings made during your meetings.

- Carry a list of C.I.F. (cost, insurance, freight) prices for all your products for each of the countries that you plan to visit and a list of scheduled sailings to these countries from major Canadian ports.
- Samples of your products, if feasible, or small give-away gifts related to your product or service or to Canada are always welcomed by contacts. Check local customs regulations on these with your trade commissioner.
- Ensure that you have a valid Canadian passport and any visa required for your trip. Carry a few extra passport photos for additional visas that you may need on the trip. You should also be sure that you have an up-to-date record of required immunization shots, and you should carry it with your passport.

Little things, like knowing the local dress code, meal times, how to address people, and other customs, will eliminate small problems and will win you the good will of your hosts.

- Obtain an international driver's licence, if you plan to use a car during your trip. If you are renting a car, make reservations well in advance, and confirm them just before you leave.
- Take advantage of any membership you may have in international service clubs. Obtain addresses and telephone numbers of club branches in the cities that you are visiting and, if possible, the names of contacts. Service clubs are excellent ways of making business contacts.
- Obtain a letter of introduction from your bank manager to the manager of a bank in each of the cities that you plan to visit. The letter can be helpful in checking references of potential customers and agents, and if you run into unexpected financial difficulties.
- Ensure that the funds that you carry are more than adequate to cover your expected needs and that they are readily convertible. Travelling is a costly business—plan accordingly.
- Background reading on the countries that you plan to visit will smooth the trip by providing advance information on the history, economy and social scene. Little things, like knowing the local dress code, meal times, how to address people, and other customs, will eliminate small problems and will win you the good will of your hosts.

APPENDIX C

A Checklist for Exhibiting Overseas

After you have made your first exploratory overseas sales trip and have observed an international trade fair yourself, you may well decide that your company should exhibit its products and services at such a fair.

Allow yourself a full 12 months' lead time to plan and implement your decision to participate as an exhibitor at a trade fair.

The trade commissioner in the host country is your best source for detailed, on-site information and a professional appraisal of the scope, quality and track record of the fairs in his or her territory. The planning and logistics of exhibiting at a trade fair demand careful advance planning. Allow yourself a full 12 months' lead time to plan and implement your decision to participate as an exhibitor at a trade fair.

The following checklist summarizes the sequence of the main activities that an exhibitor must undertake in the 12 months prior to the fair.

Twelve months in advance

Obtain current literature and information on the fair, and catalogues and statistics from previous years, that will provide answers to the following questions:

- How large an area does the fair cover?
- What is the range of products covered?
- How many visitors attended last year?
- How many countries did they come from, and are attendance trends on the increase or decrease?

- How many companies exhibited last year, where were they from, and is the trend up or down?
- What is the cost of booth space, and what services are included?
- What is the cost of services not supplied?
- What is the space reservation deadline?
- What are the customs and import regulations for products being exhibited? Are special licences required? Can the goods be easily taken back to Canada?
- Are there other exhibit or business opportunities available in conjunction with the fair?
- What is the cost of clearing samples?
- What is the cost of an interpreter, if one is needed?

Nine months in advance

- Mail contracts for the trade fair, and send your reservation deposits.
- Inform Canadian trade commissioner of your exhibit plans, and keep ongoing information and relevant correspondence flowing.
- Select your overseas exhibit team, and make all travel and accommodation reservations.
- Plan your exhibit and booth space, and, if possible, try to include an "office space" in which to conduct business.

Select your overseas exhibit team, and make all travel and accommodation reservations.

- Decide whether you will design, construct and set up your own exhibit or employ consultants. Finalize arrangements for this. (Make sure that fair doors, elevators, etc. will accommodate your exhibit.)

- Decide who will produce, translate and finalize your pre-fair publicity, public relations, literature and promotional material. Don't forget to provide fair management with your material for use in their publicity.
- Select freight forwarder and arrange shipment of exhibit.
- Determine availability of consolidated shipment.

Six months in advance

- Check booth design and construction schedules.
- Formulate shipping plans to meet fair requirements.
- Select and order samples and give-aways.
- Determine exhibit approach. (Most buyers and agents like to see demonstrations, pick up literature and talk to the manufacturer.)
- Plan your public relations approach. (Invitations to customers to attend your exhibit? Invitations to a reception? Media releases and photographs? Advertising?)
- Plan for adequate staffing of booth. (Rule of thumb is two staffers per 9 m² of booth space.)
- Arrange for locally hired staff (Receptionists, interpreters, etc.).
- Order exhibit supplies.

Four months in advance

- Finalize shipping arrangements (transportation, customs agents, freight forwarding, etc.).
- Recheck sales and promotional materials.
- Make personnel assignments.
- Prepare booth-staffing schedule and begin booth-staff training program. Booth staff must be thoroughly familiar with the product, prices, delivery capability and customs requirements.

Three months in advance

- Recheck supplies and equipment.
- Arrange to ship and insure exhibit.
- Make final approvals on local publicity and advertising.
- Order badges for booth personnel.

Two months in advance

- Send list of booth personnel to fair management.
- Send invitations to potential customers and agents to visit your display, reception, etc.
- Recheck travel arrangements.

One month in advance

- Check on delivery of exhibit, equipment and supplies.
- Arrange for exhibit repacking and return.
- Check on booth construction.

Week before the show

- Check hospitality arrangements.
- Set up on-site meetings and rehearsals.
- Check on arrival and clearance of your exhibit and supplies.
- Prepare tool kit for emergency repairs to display units and equipment.
- Meet with photographer, and arrange for desired photos.
- Prepare lists of all important telephone numbers (fair manager, security, decorator, maintenance, freight handlers, etc.).
- Inform your office in Canada of your exhibit and hotel telephone numbers.

Day before show opens

- Perform final check on booth, furniture and equipment.
- Finalize booth-staffing schedules.
- Survey entire fair. See what competitors are doing, and note ideas for your next exhibit.

During the fair

- Schedule daily breakfast meetings to brief staff on day's activities.
- Check on the competition every day.
- Seek out foreign manufacturers of complementary product lines to discuss possibility of their distributing your products in their home markets.

After the fair

- Arrange for repacking and return of your exhibit/equipment.
- Check bills and service charges.
- Plan to spend a day or two after the fair to train any agents appointed, follow up local contacts, and visit the marketplace to note competitive products, prices, presentation and local advertising practices.
- Write follow-up letters to all promising contacts made at the fair.
- Hold debriefing meeting with permanent and locally hired staff to discuss their observations, recommendations and suggestions for improvements for future exhibitions.
- Inform trade commissioner of your assessment of your participation and of your future plans for that market.
- Check back with the trade officers in the International Trade Centre after your return to Canada, and brief personnel on your participation at the fair.

APPENDIX D

Export Jargon

C.I.F. (Cost, Insurance, Freight) – The exporter pays the cost of the goods, cargo insurance and all transportation charges to the named point of destination.

Canadian and foreign port charges – Charges for unloading or storing goods, and for dock space before loading on a ship.

Certificate of origin – A certification of the country where the product was made. In Canada, the Canadian Chamber of Commerce issues certificates of origin except for the purposes of the North American Free Trade Agreement, where the manufacturer must complete a specially developed form (see Appendix G).

Commercial invoice – Prepared by the exporter or the forwarder. It is needed by the buyer to show ownership and arrange for payment to the exporter.

Consular invoice – May be required by certain foreign governments to have tighter control over their imports. A consular invoice requires approval of that country's consulate in Canada and frequently involves a fee.

Countertrade – A generic term encompassing export transactions where a sale to the purchaser is conditional upon a reciprocal purchase or undertaking by the exporters. Forms of these may include counterpurchase, barter, compensation or off-sets.

Customs documentation – Special documents required by some countries to identify the origin and/or value of the shipment.

Customs invoice – Prepared by the exporter or forwarder, this is a copy of the seller's commercial invoice, describing the goods bought. Customs invoices are used for import clearances and occasionally vary from commercial invoices.

Dock and warehouse receipt – Domestic Bill of Lading needed for contracting with trucking firm or railroad, to ship goods from the exporter's loading dock to the port.

Export declaration – Prepared by the exporter or freight forwarder for shipments valued in excess of a specified amount.

Export licence – May be required for some export shipments, for example, strategic goods.

Export Management Company (EMC) – An independent firm, which acts as the exclusive sales department for non-competing manufacturers. There is usually a formal agreement to manage the manufacturer's exports. Some act as an agent for the manufacturer and, in such cases, are paid a commission on the export sales. Others operate on a "buy-sell" basis, that is, EMCs buy from their manufacturers at a set price, and resell to foreign customers.

Ex-factory – The price of goods at the exporter's loading dock, that is, the buyer owns the goods at that point and bears all the risks and costs for subsequent delivery.

Ex-works price – This price normally includes export-credit insurance, financing charges and the profit margin. It excludes any cost that relates specifically to the home sales operation.

F.A.S. (Free Along Side) – The price of goods to delivery on the docks during loading. The buyer becomes responsible for the goods once they are on the docks alongside the ship.

F.O.B. (Free on Board) – The price of goods on board the specified vessel at the specified port of shipment. If you have quoted F.O.B. prices, you are responsible for the shipment until it is loaded on board. This could cause problems in the event of a dock strike.

Financing charges – Bank fees and interest charges for handling payments or for financing shipments.

Freight forwarder charges – Charges for the use of internal freight forwarders.

Import tariffs – Foreign government taxes levied on goods imported into that country.

Insurance certificate – Prepared by the exporter and his forwarder to indicate insurance of the goods against loss or damage.

Insurance costs – Cargo insurance to cover the risk of shipping.

Letters of credit (L/C) – An arrangement whereby an importer arranges with a bank to transfer the amount of the transaction to a Canadian bank for payment to the exporter. This amount is available to the exporter provided the requirements of the letter of credit are met. When the exporter presents the invoices and shipping documents to the bank, payment is made immediately.

Ocean (or Airway) bill of lading – Prepared by the carrier or freight forwarder as a contract between the owner of the goods and the carrier. It is needed by the buyer in order to take possession of the goods.

Packing lists – Prepared by the exporter to show the quantity and type of merchandise shipped.

Trading houses – Companies that specialize in the exporting, importing and third-country trading in goods and services produced by others, and provide related export services. They may act on a merchant or agent basis.

APPENDIX E

Other Helpful Publications

Directory of the Canadian Trade

Commissioner Service—a DFAIT publication that lists Canadian missions abroad with foreign trade, investment and tourism promotion responsibilities.

Export Guide – A Practical Approach—a DFAIT publication with valuable information for seasoned exporters.

CanadExport—a DFAIT twice-monthly newsletter that provides advice and information for Canadian exporters.

Trade Development Programs and Services—a pocket-sized guide to the development programs and services offered to the Canadian exporting community by DFAIT.

Guides for Canadian Exporters—a variety of country-specific booklets containing detailed information about the country of interest, such as an economic overview, tips on doing business, customs and foreign-exchange regulations.

CUT HERE

APPENDIX F

Reader Response Card

InfoEx

Please send me, **FREE OF CHARGE**, the following export-information booklets published by the Department of Foreign Affairs and International Trade (DFAIT).

- Directory of the Canadian Trade Commissioner Service* (8XA)
- Export Documentation and Foreign Collections* (123TA)
- The Export Guide: A Practical Approach* (1TA)
- Trade Programs and Services* (4TA)
- I would like to subscribe to *CanadExport* (2X)

CUT HERE

NAME	TITLE	
COMPANY		
TELEPHONE	FAX	
ADDRESS		
CITY	PROVINCE	POSTAL CODE

Forward this page to:

InfoEx
 Department of Foreign Affairs and International Trade
 125 Sussex Drive
 Ottawa, Ontario
 Canada K1A 0G2

Fax: (613) 996-9709

CUT HERE

APPENDIX G

Certificate of Origin

NOTE: Please find on the following page, the **North American Free Trade Agreement Certificate of Origin**, an authentic document that can be reproduced and/or photocopied and filled in by exporters of Canadian products to the United States and/or Mexico.

**NORTH AMERICAN FREE TRADE AGREEMENT
CERTIFICATE OF ORIGIN INSTRUCTIONS**

For purposes of obtaining preferential tariff treatment, this document must be completed legibly and in full by the exporter and be in the possession of the importer at the time the declaration is made. This document may also be completed voluntarily by the producer for use by the exporter. Please print or type.

- Field 1:** State the full legal name, address (including country) and legal tax identification number of the exporter. Legal tax identification number is: in Canada, employer number or importer/exporter number assigned by Revenue Canada; in Mexico, federal taxpayer's registry number (RFC); and in the United States, employer's identification number or Social Security Number.
- Field 2:** Complete field if the Certificate covers multiple shipments of identical goods as described in Field 5 that are imported into a NAFTA country for a specified period of up to one year (blanket period). "FROM" is the date upon which the Certificate becomes applicable to the good covered by the blanket Certificate (it may be prior to the date of signing this Certificate). "TO" is the date upon which the blanket period expires. The importation of a good for which preferential tariff treatment is claimed based on this Certificate must occur between these dates.
- Field 3:** State the full legal name, address (including country) and legal tax identification number, as defined in Field 1, of the producer. If more than one producer's good is included on the Certificate, attach a list of the additional producers, including the legal name, address (including country) and legal tax identification number, cross referenced to the good described in Field 5. If you wish this information to be confidential, it is acceptable to state "Available to Customs upon request". If the producer and the exporter are the same, complete field with "SAME". If the producer is unknown, it is acceptable to state "UNKNOWN".
- Field 4:** State the full legal name, address (including country) and legal tax identification number, as defined in Field 1, of the importer. If importer is not known, state "UNKNOWN"; if multiple importers, state "VARIOUS".
- Field 5:** Provide a full description of each good. The description should be sufficient to relate it to the invoice description and to the Harmonized System (HS) description of the good. If the Certificate covers a single shipment of a good, include the invoice number as shown on the commercial invoice. If not known, indicate another unique reference number, such as the shipping order number.
- Field 6:** For each good described in Field 5, identify the HS tariff classification to six digits. If the good is subject to a specific rule of origin in Annex 401 that requires eight digits, identify to eight digits, using the HS tariff classification of the country into whose territory the good is imported.
- Field 7:** For each good described in Field 5, state which criterion (A through F) is applicable. The rules of origin are contained in Chapter Four and Annex 401. Additional rules are described in Annex 703.2 (certain agricultural goods), Annex 300-B, Appendix 6A (certain textile goods) and Annex 308.1 (certain automatic data processing goods and their parts). **NOTE:** In order to be entitled to preferential tariff treatment, each good must meet at least one of the criteria below.

Preference Criteria

- A** The good is "wholly obtained or produced entirely" in the territory of one or more of the NAFTA countries, as referred to in Article 415. **NOTE:** The purchase of a good in the territory does not necessarily render it "wholly obtained or produced". If the good is an agricultural good, see also criterion F and Annex 703.2. (Reference: Article 401(a) and 415)
- B** The good is produced entirely in the territory of one or more of the NAFTA countries and satisfies the specific rule of origin, set out in Annex 401, that applies to its tariff classification. The rule may include a tariff classification change, regional value-content requirement or a combination thereof. The good must also satisfy all other applicable requirements of Chapter Four. If the good is an agricultural good, see also criterion F and Annex 703.2. (Reference: Article 401(b))
- C** The good is produced entirely in the territory of one or more of the NAFTA countries exclusively from originating materials. Under this criterion, one or more of the materials may not fall within the definition of "wholly produced or obtained", as set out in Article 415. All materials used in the production of the good must qualify as "originating" by meeting the rules of Article 401(a) through (d). If the good is an agricultural good, see also criterion F and Annex 703.2. (Reference: Article 401(c))
- D** Goods are produced in the territory of one or more of the NAFTA countries but do not meet the applicable rule of origin, set out in Annex 401, because certain non-originating materials do not undergo the required change in tariff classification. The goods do nonetheless meet the regional value-content requirement specified in Article 401(d). This criterion is limited to the following two circumstances:
1. the good was imported into the territory of a NAFTA country in an unassembled or disassembled form but was classified as an assembled good, pursuant to HS General Rule of Interpretation 2(a); or
 2. the good incorporated one or more non-originating materials, provided for as parts under the HS, which could not undergo a change in tariff classification because the heading provided for both the good and its parts and was not further subdivided into subheadings, or the subheading provided for both the good and its parts and was not further subdivided.
- NOTE:** This criterion does not apply to Chapters 61 through 63 of the HS (Reference: Article 401(d))
- E** Certain automatic data processing goods and their parts, specified in Annex 308.1, that do not originate in the territory are considered originating upon importation into the territory of a NAFTA country from the territory of another NAFTA country when the Most-Favoured-Nation Tariff rate of the good conforms to the rate established in Annex 308.1 and is common to all NAFTA countries. (Reference: Annex 308.1)
- F** The good is an originating agricultural good under preference criterion A, B or C above and is not subject to a quantitative restriction in the importing NAFTA country because it is a "qualifying good" as defined in Annex 703.2, Section A or B (please specify). A good listed in Appendix 703.2.B.7 is also exempt from quantitative restrictions and is eligible for NAFTA preferential tariff treatment if it meets the definition of "qualifying good" in Section A of Annex 703.2. **NOTE 1:** This criterion does not apply to goods that wholly originate in Canada or the United States and are imported into either country. **NOTE 2:** A tariff rate quota is not a quantitative restriction.
- Field 8:** For each good described in Field 5, state "YES" if you are the producer of the good. If you are not the producer of the good, state "NO" followed by (1), (2), or (3), depending on whether this certificate was based upon: (1) your knowledge of whether the good qualifies as an originating good; (2) your reliance on the producer's written representation (other than a Certificate of Origin) that the good qualifies as an originating good; or (3) a completed and signed Certificate for the good, voluntarily provided to the exporter by the producer.
- Field 9:** For each good described in Field 5, where the good is subject to a regional value content (RVC) requirement, indicate "NC" if the RVC is calculated according to the net cost method; otherwise, indicate "NO". If the RVC is calculated according to the net cost method over a period of time, further identify the beginning and ending dates (DD/MM/YY) of that period. (Reference: Articles 402.1, 402.5)
- Field 10:** Identify the name of the country ("MX" or "US" for agricultural and textile goods exported to Canada; "US" or "CA" for all goods exported to Mexico; or "CA" or "MX" for all goods exported to the United States) to which the preferential rate of customs duty applies, as set out in Annex 302.2, in accordance with the Marking Rules or in each Party's schedule of tariff elimination.
- For all other originating goods exported to Canada, indicate appropriately "MX" or "US" if the goods originate in that NAFTA country, within the meaning of the NAFTA Rules of Origin Regulations, and any subsequent processing in the other NAFTA country does not increase the transaction value of the goods by more than 7%; otherwise indicate as "JNT" for joint production. (Reference: Annex 302.2)
- Field 11:** This field must be completed, signed and dated by the exporter. When the Certificate is completed by the producer for use by the exporter, it must be completed, signed and dated by the producer. The date must be the date the Certificate was completed and signed.

LIBRARY E / BIBLIOTHEQUE A E



3 5036 20008321 3

DOCS
CA1 EA518 94S59 ENG
So you want to export?
43267947



Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce International

Canada

