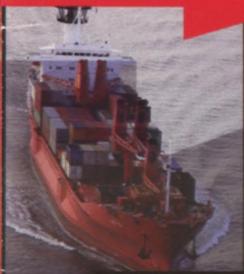


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# Roadmap to Exporting

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Canada

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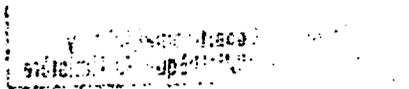
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# Roadmap to Exporting

<b>Introduction</b> .....	2
<b>1. Beyond the Border: Getting Started</b> .....	3
<b>2. Charting Your Route: Developing Your Export Plan</b> .....	8
<b>3. Setting Out: Identifying Your Target Market</b> .....	9
<b>4. Opening the Door: Entering Your Target Market</b> .....	13
<b>5. Paying Your Way: Planning Your Export Financing</b> .....	17
<b>6. Networking the World: E-Business for Exporters</b> .....	20
<b>7. Finding Your Way: Industry Sector Resources for Exporters</b> .....	22
<b>8. Getting Directions: Where to Go for Help</b> .....	23

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## Introduction

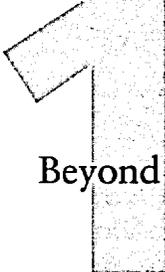
No matter whether you're a potential, a preparing or an experienced exporter, Team Canada Inc (TCI) can smooth your path through the global marketplace. We're a network of federal departments and agencies working with our partners for the benefit of exporters. These partners include provincial, territorial and municipal governments, industry associations, educational institutions and private-sector export service providers, and TCI is your gateway to all of them.

TCI is dedicated to helping Canadian businesses like yours prosper in the world market. Through us, you can access services that will help you with:

- general information;
- skills development;
- export counselling;
- market entry support;
- export financing; and
- in-market assistance.

We've published this *Roadmap to Exporting* to help you find these resources quickly and easily. By taking advantage of them, you'll be in a much better position to reap the benefits that exporting offers – increased sales, higher profits, diversified markets and global competitiveness. You'll also be able to cope more effectively with challenges like complex regulations, financial issues and customer demands.

That's just a glimpse of what you can expect from TCI, its members and partners. We've been working hard to make the very best export services available to Canadian companies, and it's paying off. With TCI, you'll discover that export success can be a lot closer than you ever imagined.



# Beyond the Border: **Getting Started**

## **Learning about exporting**

Are you a potential exporter? If your company has a product that's competitive in Canada and has the capacity to meet the demands of an export market, it's very possible you are.

But if you want to set out in this new direction – or even if you're already exporting and want to head into a new market – you'll need some solid preparation.

### **ExportSource**

The best place to begin your research is the ExportSource Web portal at [exportsource.ca](http://exportsource.ca). It's Canada's most comprehensive online source of export information, providing access to the resources of government departments and agencies and of many other partners. Among other things, ExportSource can help you:

- assess your export readiness;
- prepare your export plan;
- find the best sources of export assistance;
- market and finance your exports; and
- take your products and services to market.

### **Step-by-Step Guide to Exporting**

The *Step-by-Step Guide to Exporting* is the one resource you shouldn't be without. It covers the entire process of exporting, from the time you start thinking about it until the time you're paid for delivery of your goods or services. It's available both online and in hard copy, and the first chapter will help you understand how to lay the foundations of an export venture. Go to [exportsource.ca/stepbystep](http://exportsource.ca/stepbystep) or call **1 888 811-1119** to order your free copy.

### **Interactive Export Tutorial**

This online tool will walk you through the entire export process, from assessing your company's export readiness to helping you ensure you get paid for your goods or services. It will help you find the resources you need specific to your province or territory to help you get exporting. Go to [exportsource.ca/tutorial](http://exportsource.ca/tutorial).

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No export venture is strictly a linear process. You may want to investigate financing possibilities (described in Chapter 5) even while working on your export plan (described in Chapter 2). To reflect this, the *Roadmap* provides cross-references at strategic points to help you navigate.

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TCI is continually publishing new and updated guides for exporters. Check [exportsource.ca/guides](http://exportsource.ca/guides) to find out what's available.

### **Export Assistant**

The Export Assistant is an online tool that provides information about export products and services available in each province and territory. Find it at [exportsource.ca/assistant](http://exportsource.ca/assistant).

### **Export Your Services**

If your company provides services rather than products, you should pay a visit to *Export Your Services... Take a World View*. This is an export preparation and information tool designed to help service firms become export-ready. It features international business opportunities and information on markets, e-business and export financing, as well as other resources. You'll find it at [exportsource.ca/worldview](http://exportsource.ca/worldview).

### **ServiceExport**

Connect with the global services community. A project of the UN's International Trade Centre in Geneva, **ServiceExport.com** is designed to help service companies learn about exporting services, network, explore new markets, and promote their expertise to the world.

### **ExportWise**

Export Development Canada (EDC) produces a quarterly magazine called *ExportWise* specifically for Canadian exporters. It offers insightful advice, thoughtful commentary and profiles of successful exporters. To subscribe to this publication or to read it online, visit [www.edc.ca/exportwise](http://www.edc.ca/exportwise).

### **CanadExport**

Published by International Trade Canada, *CanadExport* is a newsletter that covers trade opportunities, export programs, trade fairs, seminars, business missions, export successes and more. For information about a free subscription, go to [canadexport.gc.ca](http://canadexport.gc.ca).

### **Going Global workshops**

Offered in conjunction with the Forum for International Trade Training (FITT), these three-hour workshops cover international trade, market research, marketing, logistics, trade finance and more. The workshops are held in various locations across the country and are also available online. Visit [www.goingglobal.ca](http://www.goingglobal.ca) or call 1 888 811-1119 for more information.

### International trade training programs

Many Canadian colleges and universities offer international trade training programs, including the Forum for International Trade Training's FITTskills program. Also available online, the program allows you to earn Canada's only Certified International Trade Professional (C.I.T.P.) designation. To learn more, go to [www.fitt.ca](http://www.fitt.ca).

### Market preparation programs

There are also a number of programs that offer exporters assistance in reaching specific markets. These are:

- **ExportUSA** – this service includes three programs:
  - The New Exporters to Border States (NEBS) program is a key export education tool for companies just starting out in exporting to the United States. It includes a visit to a Canadian Consulate and meetings with trade officers.
  - The Exporters to the United States (EXTUS) program is directed to companies already exporting to the U.S. that want to expand their export business. It includes trade mini-missions that last from one to three days and are often coordinated with trade shows to give participants a close look at a specific sector. It provides sessions with industry experts and helps the exporter establish networks with distributors, representatives and buyers.
  - The Reverse NEBS program serves Canadian companies not yet exporting to the United States by providing seminars in Canada covering the essentials of exporting.

You can access ExportUSA at [www.international.gc.ca/can-am/export](http://www.international.gc.ca/can-am/export).

- **New Exporters to Overseas (NEXOS)** – these missions, often revolving around an international trade fair, are designed to introduce Canadian businesses to a European market.

### Finding sources of assistance

Exporting is a complex undertaking that demands access to a lot of specialized knowledge. But through TCI, its members and partners, you'll be able to find out just about anything you need to know.

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Many of Canada's exporters are also in the business of importing. [ImportSource.ca](http://ImportSource.ca) is the importer's gateway to a comprehensive range of resources designed to help with every stage of the import process.

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Provincial/territorial and municipal governments, business and trade associations, educational institutions and private industry are all excellent sources of assistance, offering a range of programs and services for exporters.

The TCI Export Information Service at 1 888 811-1119 is the place to call for more information about the resources described in the *Roadmap*.

For sector-specific help, see the resources on page 22.

### Export Information Service 1 888 811-1119

One call to TCI's toll-free Export Information Service leads to a world of export information, products and services for potential, preparing and experienced exporters. Operated by the network of 13 Canada Business Service Centres across the country, this number connects you to officers in your region who will direct you to the services, programs and information resources that can serve you best. The Export Information Service is available from Monday to Friday from 9 a.m. to 5 p.m., in all time zones. Help is also available by email, fax, TTY (*Contact Us*) or voice-web (*Talk to Us!*). Many Canada Business Service Centre (CBSC) locations also provide a walk-in service. For more information, visit [www.cbsc.org](http://www.cbsc.org).

### The Trade Commissioner Service in Canada

International Trade Canada's trade commissioners assist companies seeking to enter, expand or diversify their markets. Located in every province, trade commissioners offer a range of services at no cost, including:

- One-on-one Export Help
- Assistance in Export Financing
- Market and Industry Information
- Trade Fairs, Missions and Events

Trade commissioners also work in more than 140 cities around the world and can help you penetrate new markets abroad (see page 14). To contact your trade commissioners in Canada, call 1 888 811-1119 or visit [www.infoexport.gc.ca](http://www.infoexport.gc.ca) and select *Our Offices in Canada*.

### Regional Trade Networks (RTNs)

Regional Trade Networks are locally-based partnerships of export service providers in every region across Canada. RTNs bring together federal, provincial/territorial and regional governments, industry associations and private sector players to help local businesses succeed in exporting. You'll find a full list of RTNs across Canada on page 24 and at [exportsource.ca/rtn](http://exportsource.ca/rtn). Or call TCI's Export Information Service at 1 888 811-1119 for more information.

### Export Development Canada (EDC)

EDC, with its unique trade financial services and valuable global market expertise, is devoted exclusively to helping Canadian exporters and investors doing business around the world. Exporters use EDC's products to ensure they get paid, provide more competitive repayment terms to their buyers, help expand their businesses to new buyers and new markets, and increase their access to working capital. Canadian exporters have been using EDC since 1944, and close to 90 percent of EDC's customers are smaller companies. EDC's main web site is at [www.edc.ca](http://www.edc.ca). To access EDC's small business services, go to [www.edc.ca/SME](http://www.edc.ca/SME); for their online services, go to [www.edc.ca/online](http://www.edc.ca/online).

**Canadian Commercial Corporation (CCC)**

CCC offers Canadian exporters unique business solutions to access government procurement markets world-wide and export contracting expertise. Since 1946, CCC has worked with Canadian companies to close export sales on the best possible terms and conditions. From business leads to contract negotiations and contract management, CCC provides solutions to help grow exports. See [www.ccc.ca](http://www.ccc.ca).

**Assessing your export readiness**

**Export Readiness Diagnostic**

Answering the questions in this online diagnostic tool will give you an opportunity to test your export readiness and identify priorities as you prepare for a foreign market. If you have already started exporting, or want to expand your efforts, you may learn some tips from the questions that will help improve your profitability. Go to [exportsource.ca/diagnostic](http://exportsource.ca/diagnostic).

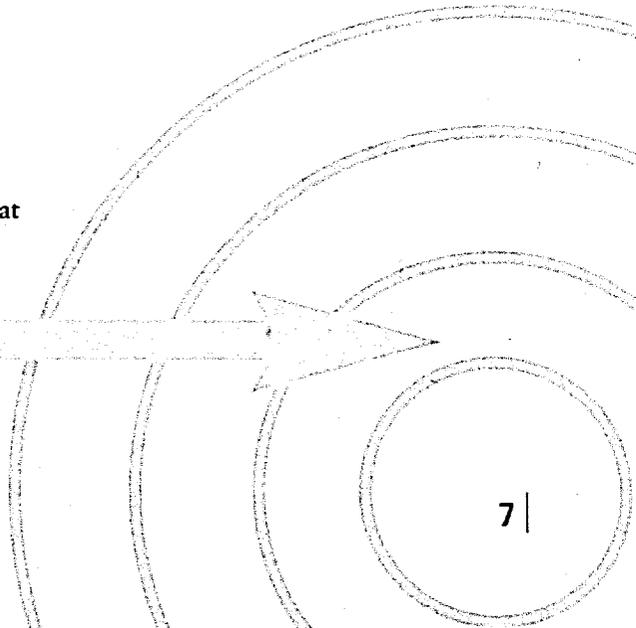
**Customs matters: Getting started with documentation**

**Import/Export Account Number**

If you don't have an import/export account number with the Canada Revenue Agency, you must register for one through the "Business Registration Online" service at [www.businessregistration.gc.ca](http://www.businessregistration.gc.ca) or by calling 1 800 959-5525.

**Canadian Automated Export Declaration (CAED)**

Tired of going to the Customs Office to report non-U.S. exports? You can complete and submit your export declaration to the Government of Canada right from your place of business by using the CAED system. The Web page at [www.statcan.ca/english/exports](http://www.statcan.ca/english/exports) will get you started.



# 2

## Charting Your Route: **Developing Your Export Plan**

Chapter 2 of the *Step-by-Step Guide to Exporting* covers procedures for creating an export plan. See page 3.

If you need advice about export financing early in your project, check with the Business Development Bank of Canada or Export Development Canada. They're described on page 18.

Trade commissioners in Canada also offer export preparation and planning assistance at no cost. See page 6.

### **Refining your business plan**

Every business needs a solid business plan. Before embarking on an international venture, you must ensure that your domestic operations are running well. The following resources will assist you:

#### **Canada Business Service Centres (CBSC)**

With 13 main locations and 380 regional access partners, the CBSCs are your entry points to a wide range of business information and referrals on government services, programs and regulations. They also feature the online Business Start-Up Assistant that includes a section on creating a business plan. Go to [www.cbsc.org](http://www.cbsc.org).

#### **BusinessGateway.ca**

This portal provides a single online access point to government services and the information needed to start, run and develop a business. The site will help you refine your business plan and find resources to resolve business-related issues. The categories include: business start-up, taxes, regulations, business statistics and analysis, e-business, financing, human resources management, exporting/importing, innovation/R&D/technology and selling to government/tenders. Go to [BusinessGateway.ca](http://BusinessGateway.ca).

### **Developing your export plan**

Once you've determined that your business at home is operating smoothly and you're ready to take on international markets, it's crucial that you develop a solid export plan to guide your efforts abroad. Here's how:

#### **Interactive Export Planner**

This online tool helps you create an export plan in substantial detail. Analyse prospective export markets, develop your market-entry strategy, prepare financial projections and complete your export plan. The Interactive Export Planner also has tips, definitions and sample plans. Access it at [exportsource.ca/iep](http://exportsource.ca/iep).

# 3

## Setting Out: Identifying Your Target Market

### Exploring market and business opportunities

Identifying the best market for your products or services can be time-consuming, particularly if you're new to international trade. Fortunately, there's a lot of information available to speed up the process.

#### Market Reports

International Trade Canada produces hundreds of sectoral studies and market reports intended to help Canadian companies identify foreign business opportunities and learn more about their target markets. Access them by country or industry sector at [www.infoexport.gc.ca](http://www.infoexport.gc.ca).

#### Canadian Company Capabilities Database

If you register with Industry Canada's Canadian Company Capabilities database, potential foreign customers will find you more easily. Over 50,000 domestic and international companies browse the database each month looking for Canadian businesses who can provide the goods and services they need. You can also be connected more effectively to export opportunities in both the public and private sectors. Go to [strategis.gc.ca/cdncc](http://strategis.gc.ca/cdncc).

#### SourceCAN

SourceCAN is a free e-marketplace that uses the Web to connect Canadian businesses and services to both domestic and foreign buyers. Using an international tender/bid matching system, it allows businesses to interact electronically with buyers anywhere on the planet. Register at [www.sourcecan.com](http://www.sourcecan.com) to use the service.

#### Opportunity Advice

Let CCC be your guide—and help you navigate your way through the often-complex world of government markets ([www.ccc.ca/opportunityadvice](http://www.ccc.ca/opportunityadvice)). If you've decided to respond to a bid opportunity, we can help you understand the procurement process, obtain bid documents and identify ways to enhance your bid response, all at no cost to you. Free online advice available 24/7 at [www.ccc.ca/nextsteps](http://www.ccc.ca/nextsteps) or advice by toll-free phone at 1-866-435-0005.

For all the resources of the *Roadmap* plus much more, from market research and country intelligence to shipping regulations, go to [exportsource.ca](http://exportsource.ca).

Chapter 3 of the *Step-by-Step Guide to Exporting* covers market types, market research and market profiling. See page 3.

Sometimes an international customer will come looking for you. TCI's *Responding to Unsolicited Orders* at [exportsource.ca/orders](http://exportsource.ca/orders) will give you pointers on how to deal with such approaches.

Trade commissioners in Canada also help with target market selection. See page 6.

## Understanding your target market

Once you've identified a range of possibilities and selected the market that's best for you, you're ready to turn to the following resources for help.

### Virtual Trade Commissioner

Register yourself as a client of the Canadian Trade Commissioner Service (see page 14) and receive your Virtual Trade Commissioner, a personalized Web service containing market information and business leads that match your international business interests. Register online at [www.infoexport.gc.ca](http://www.infoexport.gc.ca).

### EXPORT MarketInsight

Export Development Canada (EDC) offers online information to help you monitor political and economic developments in more than 200 Canadian trade markets. To subscribe to this market intelligence tool, go to [www.edc.ca/e-reports](http://www.edc.ca/e-reports).

### EDC's Market Knowledge

Take advantage of EDC's knowledge of the current economic, commercial and political conditions in virtually every foreign market worldwide. Accessing EDC's expertise on doing business in both established and developing markets allows for better understanding of opportunities and risks in various industries around the world. Call 1 866 638-7916 for help in identifying new export possibilities.

### Guide to Exporting to the U.S.

If you're thinking about exporting to the United States, or you'd like to improve your export efforts there, look no further than *Exporting to the United States: A Guide for Canadian Businesses*. You'll get useful advice on getting ready to export to the U.S., entering your chosen U.S. market, legal issues, and much more. Find it at [exportsource.ca/unitedstates](http://exportsource.ca/unitedstates).

### Canada India Business Portal

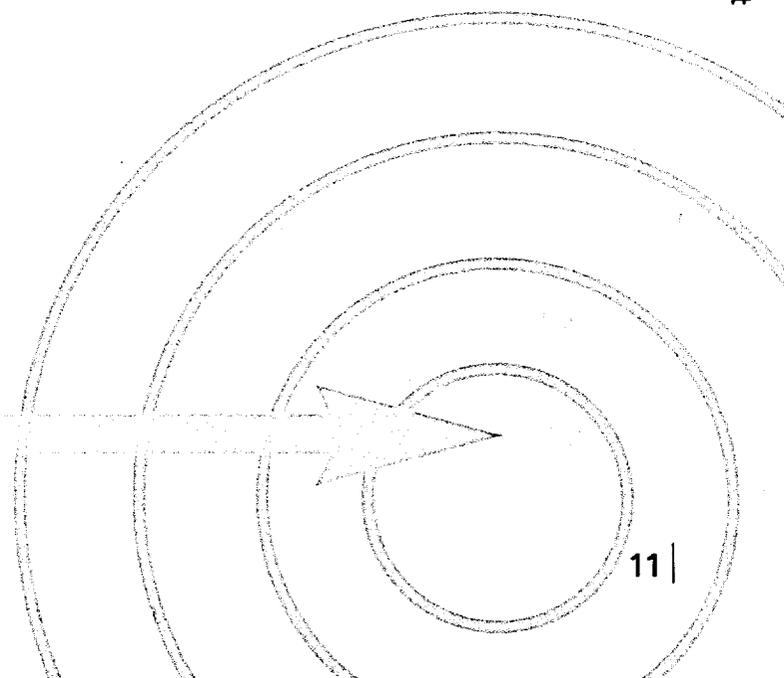
Thinking of doing business with India? You'll find all the resources you need at [exportsource.ca/india](http://exportsource.ca/india). The site includes market and sector information, trade opportunities, trade events and everything you need to know to export to India.

## Selling to government

As Canada's export contracting agency, the Canadian Commercial Corporation (CCC) assists Canadian exporters in closing deals worldwide, particularly in government markets.

- **GSA Schedules submission service** – Get on the schedule—and gain access to a \$40 billion U.S. government market. CCC helps you pursue U.S. federal government business through the GSA Schedules Program. Being a GSA Schedule contractor allows you to compete on an equal footing with American companies. What does CCC do? Help you prepare your submission. Offer advice. Assist you with pricing and negotiations. And give you access to an established base of contacts in Washington, D.C. offering intelligence, marketing and networking support. Go to [www.ccc.ca/GSA](http://www.ccc.ca/GSA).
- **DoD Prime contractor solution** – Get privileged access to the United States Department of Defense. The Canada-U.S. Defense Production Sharing Arrangement allows Canadian exporters to compete on an equal footing with U.S. companies for sales in defence markets. CCC is uniquely positioned to help you access opportunities in this complex arena, giving you equal access to one of the largest procurement markets in the world. Log on to [www.ccc.ca/DoD](http://www.ccc.ca/DoD).
- **International prime contractor solution** – Wrap your deal in the flag—reduce your customer's risk with a Government guarantee of contract performance. Acting as International Prime Contractor, CCC can significantly boost your credibility and clout by underwriting your deal with a performance guarantee signed by the Government of Canada. Take advantage of this unique service and watch the doors to international markets open up. Go to [www.ccc.ca/prime](http://www.ccc.ca/prime).

Have you considered foreign investment as a way to grow your business? Foreign investment enhances Canada's competitiveness by increasing the flow of goods and services between Canada and its trading partners. It not only produces jobs, but introduces new technology, new management techniques and new market access. For more information, see [www.international.gc.ca/tna-nac/other/invest-en.asp](http://www.international.gc.ca/tna-nac/other/invest-en.asp).



## **International development opportunities**

There are often excellent business opportunities in development projects abroad. Try these programs if that's where your interests lie:

### **CIDA's Industrial Cooperation Program (CIDA-INC)**

CIDA-INC is a contribution program available through the Canadian International Development Agency. It provides financial support and advice to Canadian companies planning investments or seeking contracts in developing countries, in a variety of sectors. The contributions cover part of the costs of developing business in these countries and include viability and technical studies, training of local personnel and addressing environmental issues. If your firm is planning a commercial project in a developing country, CIDA-INC has the support you need. See [www.acdi-cida.gc.ca/inc](http://www.acdi-cida.gc.ca/inc) for details.

### **IFInet**

IFInet provides information on how to find and pursue international development opportunities funded by the Multilateral Development Banks, Bilateral Development Agencies, and the United Nations. The website offers prospective suppliers with information on the procurement process and funding priorities of the major international donors, Canadian success stories, and a weekly listserv that keeps exporters informed of major operational and policy developments. IFInet is accessible at [www.infoexport.gc.ca/ifinet](http://www.infoexport.gc.ca/ifinet).

### **Canadian Initiative for International Technology Transfer (CIITT)**

CIITT provides support for the identification and development of climate-change technology transfer projects that are headed for developing and developed nations. Go to [exporttech.gc.ca](http://exporttech.gc.ca) for more information.

# 4 Opening the Door: **Entering Your Target Market**

## **Developing your marketing strategy**

With your export plan in place, it's time to think about the marketing strategy you'll use in your target market. One good resource is Chapter 4 of TCI's *Step-by-Step Guide to Exporting*. Another is *Successful International Trade Show Marketing*, which you'll find at [exportsource.ca/tradeshows](http://exportsource.ca/tradeshows).

Part of your strategy may involve visiting the target market and potential customers there. The guides *Planning a Business Trip Abroad* (see [exportsource.ca/trip](http://exportsource.ca/trip)) and *Speaking Globally: A Guide to Effective International Presentations* (see [exportsource.ca/presentations](http://exportsource.ca/presentations)) will help with your planning.

## **Obtaining market and sector intelligence and advice**

You can get this kind of help from:

- *Step-by-Step Guide to Exporting*, Chapter 3;
- Trade commissioners in each province (see page 6); and
- Trade commissioners working abroad (see page 14).

## **Participating in trade missions**

A trade mission is a visit to a target market by a group of business delegates, including representatives from SMEs, large corporations, educational institutions and associations, and is generally led by government officials. Such missions highlight Canadian commercial, educational and cultural links to the destination countries while allowing participants to extend their business networks. They help Canadian businesses gain greater access to new markets, develop long-term trade and investment opportunities, build international networks and promote Canadian values.

- **Team Canada missions** – led by the Prime Minister, the Minister for International Trade, provincial premiers and territorial government leaders, Team Canada missions are a unique partnership in Canada’s international business development efforts to increase trade and create jobs and growth in Canada. Team Canada missions have helped thousands of Canadian businesses gain access to senior government and private-sector leaders in international markets, directly contributing to billions of dollars of new business. See [www.teamcanada.gc.ca](http://www.teamcanada.gc.ca).
- **Canada Trade Missions** – building on the successful Team Canada formula, ministerial-led Canada Trade Missions provide another vehicle for businesses to develop trade and investment opportunities in key markets. See [www.teamcanada.gc.ca](http://www.teamcanada.gc.ca).
- **Sectoral missions** – the Trade Team Canada Sectors organize trade missions for specific industry sectors, help with trade fairs and provide country and market intelligence. Visit their Web site at [tts.ic.gc.ca](http://tts.ic.gc.ca).
- **Others** – provincial and territorial governments, regional development agencies and industry associations also organize and host trade missions to the U.S. and abroad.

## Obtaining in-market assistance

### Canadian Trade Commissioner Service

In-market assistance includes services such as the provision of business leads and introductions to potential clients, foreign buyers, distributors and other contacts. One essential source for such help is the Canadian Trade Commissioner Service (TCS).

The TCS has an overseas network of more than 800 trade commissioners working in more than 140 cities abroad. All trade offices provide the following six core services, free of charge: Market Prospect, Key Contacts Search, Local Company Information, Visit Information, Face-to-face Briefing and Troubleshooting. Trade Commissioners offer in-market assistance to Canadian businesses of all sizes, across all sectors, which have researched and selected their target markets. Visit [www.infoexport.gc.ca](http://www.infoexport.gc.ca) and select *Our Offices Abroad*. If you require assistance in researching and selecting your target market, contact trade commissioners in Canada (page 6).

## Bidding on a Project

### Proposal preparation service

Don't just win. Win smart. Every proposal is a contract in the making. Make sure yours is one you can live with after you close the deal. CCC can help. Their contracting experts can advise you on a vast range of issues for both technical and commercial proposals, from favourable payment milestones and clear terms of acceptance to the availability of dispute resolution mechanisms and the overall acceptability of terms and conditions. See [www.ccc.ca/proposal](http://www.ccc.ca/proposal).

## Assistance with contracts

### Contract structuring and negotiation service

You've made the sale. Now comes the hard part. International contracts can be enormously complex—and demanding. If you're concerned about making sure you're well-positioned to succeed, CCC's contracting experts can help, giving everything from advice on contract structure and negotiation strategies to rolling up their sleeves and working with you at the table to get the terms you need to succeed. Go to [www.ccc.ca/negotiation](http://www.ccc.ca/negotiation).

### Contract management service

Reduce your administrative burden. CCC's Contract management service—which includes contract monitoring and administration, foreign exchange, and receivables discounting—can free your company from the administrative burden that sometimes comes with international contracts. At the same time, their experts will help you reduce payment lead times and stabilize liquidity flows while minimizing the risk of non-payment. See [www.ccc.ca/management](http://www.ccc.ca/management).

If you have not already filed an Export Declaration form with Statistics Canada, now is the time to do so. See CAED on page 7.

CCC has a contract negotiation service that can help you sort out the legalities of a deal. See page 15.

## Dealing with logistics, customs, laws and regulations

These are vast and complex subjects. The following resources will give you a basic understanding of the issues and provide help in dealing with them.

- **Customs guide** – The Canada Border Services Agency's *Exporting Goods from Canada: A Handy Customs Guide for Exporters* is available at [exportsource.ca/guides](http://exportsource.ca/guides).
- **Logistics guides** – International Trade Canada offers two publications about stowage and packing for international shipments. *Safe Stowage: A Guide for Exporters* and *Export Packaging: A Guide for Exporters* are available at [www.infoexport.gc.ca/shipping/menu-e.htm](http://www.infoexport.gc.ca/shipping/menu-e.htm). And don't forget your old friend, *Step-by-Step Guide to Exporting* – Chapters 5, 6 and 8 have information about legal and shipping matters.
- **ExportSource** – ExportSource offers a whole warehouse of information on logistics, customs, laws and regulations. Take a look at the valuable resources at [exportsource.ca](http://exportsource.ca).
- **Incoterms 2000** – Incoterms are the 13 basic terms used in international sales contracts. Since not knowing them can make your life difficult, you should learn more about them at [www.iccwbo.org/index\\_incoterms.asp](http://www.iccwbo.org/index_incoterms.asp) or in the glossary of the *Step-by-Step Guide to Exporting* (see page 3).
- **Export Alert** – Register for this Standards Council of Canada service at [www.scc.ca/online/export\\_e.html](http://www.scc.ca/online/export_e.html) to be notified of proposed regulatory changes in the international market. The Standards Council also operates an Information and Research Service to assist exporters in obtaining information on standards, technical regulations and conformity assessment requirements in foreign markets. This service can be reached at [info@scc.ca](mailto:info@scc.ca) or online at [www.scc.ca/infocentre/info\\_res\\_e.html](http://www.scc.ca/infocentre/info_res_e.html).
- **Intellectual Property Toolkit** – The IP Toolkit helps direct you through useful information about Intellectual Property (IP). It contains information, instructional modules, links and highlighted glossary terms that answer most IP questions asked by businesses and entrepreneurs. Find it at [www.cipo.gc.ca](http://www.cipo.gc.ca).

# 5

## Paying Your Way: **Planning Your Export Financing**

### **Understanding export financing**

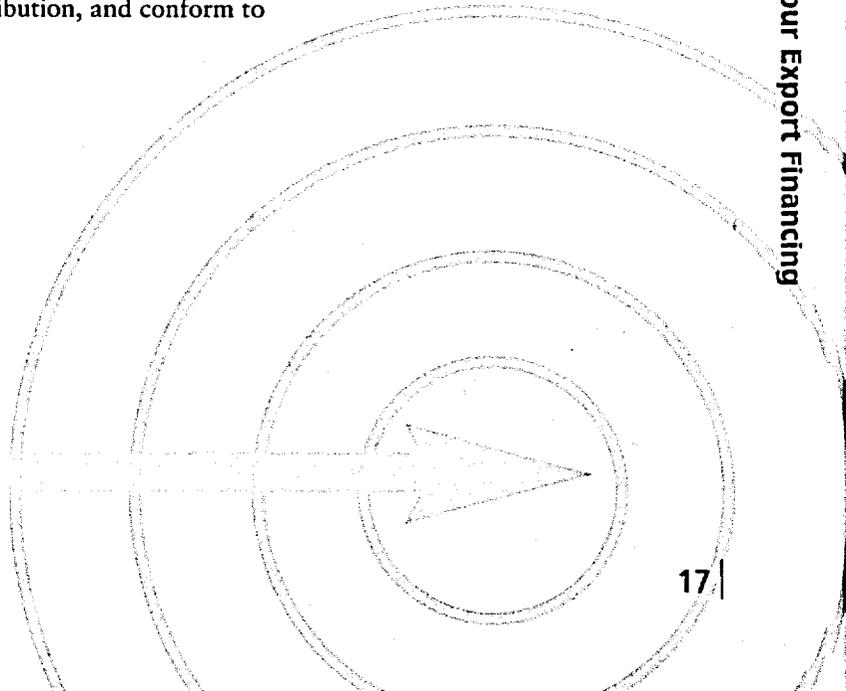
Trading in the international market is more complicated than trading in a domestic one, and the financial side of any export venture reflects this. A good grasp of the kinds of transactions and agreements involved will make your success much more likely. You can get a basic overview of the subject through:

- TCI's *Step-by-Step Guide to Exporting*, Chapter 7, which provides an overview of export financial planning, payment methods, bonding and risk insurance;
- TCI's *Introduction to Export Finance*, which covers the subject in more detail (see [exportsource.ca/finance](http://exportsource.ca/finance)); and
- EDC's website, which offers a range of trade finance services, at [www.edc.ca](http://www.edc.ca).

### **Needs assessment and counselling**

For assistance with your specific export requirements, go to these resources:

- the Business Development Bank of Canada (BDC) at [www.bdc.ca/exporting](http://www.bdc.ca/exporting), whose specialists will help you assess global opportunities, increase your production capacity, establish international trade contacts and distribution, and conform to international regulations; and
- Trade commissioners in Canada (see page 6).



## **Market development funding**

You may be able to get financial help to support your entry into a market. There are various programs and agencies that provide such services.

### **Regional development agencies**

Agencies such as the Atlantic Canada Opportunities Agency, Western Economic Diversification, CED-Q in Quebec, or Fednor in northern Ontario (part of Industry Canada) may be able to assist you. For a list of these agencies, refer to the “Federal Members” section on page 23.

### **Provincial/territorial governments**

Some provincial and territorial government departments responsible for exporting also provide market development funding. Refer to the “Provincial/Territorial Partners” section on page 24 for a full list of contacts.

## **Obtaining working capital**

What do you do if you’ve landed a large export order but need more capacity to fill it? This often means obtaining additional working capital. Two institutions may be able to help you.

### **Business Development Bank of Canada (BDC)**

BDC provides flexible financing for the development of international markets, R&D, product modifications, new production equipment or technology. Call 1 877 232-2269 or go to [www.bdc.ca/exporting](http://www.bdc.ca/exporting).

### **Export Development Canada (EDC)**

Providing working capital solutions to exporters is one of EDC’s major activities. Exporters requiring working capital may use Pre-Shipment Finance or Pre-Shipment Guarantees or the Master Accounts Receivable Guarantee (MARG). Contact EDC at 1 866 260-4446 or go to [www.edc.ca/financing](http://www.edc.ca/financing).

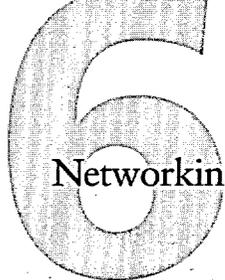
## Foreign buyer financing

EDC provides direct loans to foreign purchasers of Canadian capital goods so they can buy your product. It can also arrange financing through lines of credit or promissory note purchases. Refer to [www.edc.ca/SMEloans](http://www.edc.ca/SMEloans).

## Mitigating foreign risk

Exporting carries certain financial risks, the most obvious of which is not getting paid. You can protect your company from such problems through EDC, which offers:

- **Accounts Receivable Insurance** – Covers up to 90 percent of your losses if your foreign buyer doesn't pay. A wide variety of commercial and political risks, including buyer bankruptcy and default, is covered. Refer to [www.edc.ca/ARInsurance](http://www.edc.ca/ARInsurance).
- **Single Transaction Insurance (EXPORTProtect)** – Covers up to 90 percent of your losses on your export contracts for services and/or capital goods. Refer to [www.edc.ca/exportprotect](http://www.edc.ca/exportprotect).
- **Bond products** – If you need to post or provide a Bid Bond, Performance Bond or Warranty Bond, EDC offers Performance Security Guarantees to your bank to assist with surety letters or bank letters of guarantee. EDC also insures against a wrongful call from the foreign buyer. Refer to [www.edc.ca/bonding](http://www.edc.ca/bonding).



## Networking the World: **E-Business for Exporters**

### **Are you B2B or B2C?**

Are you already doing business electronically in Canada? If so, there may be a natural next step for you: using the Internet to connect your company to customers, partners and suppliers outside the country.

Many businesses have reduced their costs and increased productivity by using the Internet for sales, procurement, customer relations and communications. Even if you're not into e-business yet, it may be a logical next step and a very good way to break into exporting.

Depending on your product or service, you might want to concentrate on Business to Business (B2B), in which your transactions are entirely with other companies. Alternatively, your best model may be Business to Customer (B2C), where you deal directly with customers online.

### **Ebiz.enable**

No matter what your current e-business position may be, you'll find essential information and help through Industry Canada's ebiz.enable site at **[strategis.gc.ca/ebizenable](http://strategis.gc.ca/ebizenable)**. This is a portal to resources that can help SMEs adapt and adopt e-business to the full range of their business functions.

The e-business Trade RoadMap, at **[strategis.gc.ca/etraderoadmap](http://strategis.gc.ca/etraderoadmap)**, is specifically intended for companies that are potential exporters of products or services. It runs the gamut from readiness assessment through generation of trade leads to electronic customer support.

You'll also find a tool to help you determine the potential Return on Investment new information technologies can bring to your business. The tool features a comprehensive ROI spreadsheet. See **[strategis.ic.gc.ca/epic/internet/inee-ef.nsf/en/h\\_ee00632e.html](http://strategis.ic.gc.ca/epic/internet/inee-ef.nsf/en/h_ee00632e.html)**.

Ebiz.enable will also guide you to many other resources, from finance to case studies, that will help you develop your company's presence on the Web. If you need to know something about e-business, check here first.

6

Networking the World: **E-Business for Exporters**

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A distinction has evolved between e-business and e-commerce. *E-commerce* tends to refer to online financial transactions alone. *E-business* includes not only online transactions but also other types of information exchange. Examples would be online servicing of customers, or communications with business partners.

## E-Business resources from BDC

For more e-business resources directly from BDC, go to [www.bdc.ca](http://www.bdc.ca) and click the E-Business link. You'll find a selection of useful information about financing your e-business venture, as well as links to business tools and other sources of guidance.

BDC also offers a popular and affordable program called E-strat, short for E-strategy. It provides you with e-business fundamentals and the latest models and applications to help you make informed decisions as you develop your e-business action plan. You can work either within a group or one-on-one with BDC's e-business consultants. For more information, call 1 877 232-2269 or go to [www.bdc.ca/estrat](http://www.bdc.ca/estrat).

## Other e-business resources

The Web has far more sources of information about e-business than can be listed in detail here. Three that you'll find useful are:

- **BusinessGateway.ca** – the e-business link on the home page of this Government of Canada Web portal will connect you to a range of resources on e-business, including practical information organized by region. See **BusinessGateway.ca**.
- **SourceCAN** – discover thousands of domestic and foreign e-business opportunities. Sign up to research or post bids and/or pursue strategic partnerships with a host of global businesses in this secure online trading environment. Go to [www.sourcecan.com](http://www.sourcecan.com).
- **The Canadian e-Business Initiative** – you'll find this at [www.cebi.ca](http://www.cebi.ca). It's a voluntary, private-sector-led partnership that aims to further Canada's e-business success by focusing on productivity, leadership and innovation. Check out the Resource Centre and the SME Workbench for guides and tools.



## Finding Your Way: Industry Sector Resources for Exporters

### Understanding Trade Team Canada Sectors

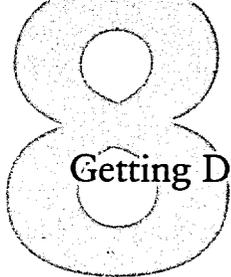
Trade Team Canada Sectors (TTCs) are partnerships between federal and provincial governments and firms and industry associations. These teams share priorities and pool resources to promote the products and services of Canadian industry in the following sectors:

- aerospace and defence;
- agriculture products, agri-food and seafood;
- automotive;
- bio-industries;
- building products;
- cultural goods and services;
- electric power equipment and services;
- environmental industries;
- health industries;
- information and communications technologies;
- oil and gas equipment and services;
- plastics; and
- service industries.

If your business falls into one of these categories, go to [tts.ic.gc.ca](http://tts.ic.gc.ca) and click the appropriate link. You'll be taken to a set of resources or contacts selected especially for your industry.

In addition to the Trade Team Canada Sectors, several federal departments and agencies offer programs designed specifically for exporters in key industry sectors. They include:

- **Agriculture and Agri-Food Canada** – the Agri-Food Trade Service provides access to international market information, exporter preparedness and exporter service activities for the Canadian agriculture, food and seafood sectors. Information on Canadian products and suppliers is also available for non-Canadians. See [www.ats.agr.gc.ca](http://www.ats.agr.gc.ca).
- **Canada Mortgage and Housing Corporation** – CMHC International promotes Canada's housing systems around the world, offers professional consulting services to foreign clients and provides support to Canadian companies looking to do business abroad. See [www.cmhc.ca/international](http://www.cmhc.ca/international).
- **Canadian Heritage** – Trade Routes is a program designed to help cultural sector entrepreneurs take full advantage of international business opportunities. Support is available across all cultural sectors. See [www.canadianheritage.gc.ca/routes](http://www.canadianheritage.gc.ca/routes).



## Getting Directions: **Where to Go for Help**

TCI's network includes federal departments and agencies, in addition to provincial/territorial partners and other key export service providers across Canada, all working together to assist Canadian companies with their export ventures.

### **Team Canada Inc**

**exportsource.ca**

1 888 811-1119

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### **Federal Members**

Agriculture and Agri-Food Canada

**www.ats.agr.gc.ca**

Atlantic Canada Opportunities Agency

**www.acoa.ca**

1 800 561-7862

Canada Economic Development Agency  
for Quebec Regions

**www.dec-ced.gc.ca**

Canada Mortgage & Housing Corporation

**www.cmhc.ca**

1 800 668-2642

Canadian Commercial Corporation (CCC)

**www.ccc.ca**

1 800 748-8191

Canadian Heritage

**www.canadianheritage.gc.ca**

1 866 999-7233

Canadian International  
Development Agency

**www.acdi-cida.gc.ca**

1 800 230-6349

Environment Canada

**www.ec.gc.ca**

1 800 668-6767

Export Development Canada

**www.edc.ca**

1 866 260-4446

Fisheries and Oceans Canada

**www.dfo-mpo.gc.ca**

1 613 993-0999

International Trade Canada

**www.international.gc.ca**

Industry Canada

**strategis.gc.ca**

1 800 328-6189

National Research Council Canada

**www.nrc-cnrc.gc.ca**

1 877 672-2672

Natural Resources Canada

**www.nrcan.gc.ca**

1 613 995-0947

Statistics Canada

**www.statcan.ca**

1 800 263-1136

Western Economic Diversification Canada

**www.wd.gc.ca**

1 888 338-9378

1 888 811-1119

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### **Regional Trade Networks**

Trade Team British Columbia  
Trade Team Alberta  
Trade Team Saskatchewan  
Canada-Manitoba Trade and  
Investment Team  
Canada-Ontario Export Forum  
Quebec Regional Trade Network  
Trade Team New Brunswick

Trade Team PEI  
Trade Team Nova Scotia  
Trade Team Newfoundland Labrador  
Regional Trade Network NWT  
Regional Trade Network Nunavut

For further information on the regional trade network serving your province or territory, log on to [exportsource.ca/rtn](http://exportsource.ca/rtn).

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### **Provincial/Territorial Partners**

British Columbia Ministry of Small  
Business and Economic Development  
[www.gov.bc.ca/cse](http://www.gov.bc.ca/cse)

Alberta Economic Development  
[www.alberta-canada.com/export](http://www.alberta-canada.com/export)

Saskatchewan Trade & Export Partnership  
[www.sasktrade.sk.ca](http://www.sasktrade.sk.ca)  
1 877 313-7244

Manitoba Trade & Investment Corporation  
[www.manitoba-canada.com](http://www.manitoba-canada.com)  
1 800 529-9981

Ontario Exports Inc.  
[www.ontarioexportsinc.com](http://www.ontarioexportsinc.com)  
1 877 46-TRADE

Québec : ministère du Développement  
économique et régional  
[www.mderr.gouv.qc.ca](http://www.mderr.gouv.qc.ca)  
1 866 680-1884

Business New Brunswick  
[www.gnb.ca/0398](http://www.gnb.ca/0398)  
1 506 444-5228

Nova Scotia Business Inc.  
[www.novascotiabusiness.com](http://www.novascotiabusiness.com)  
1 877 297-2124

Prince Edward Island Business  
Development  
[www.peibusinessdevelopment.com](http://www.peibusinessdevelopment.com)  
1 800 563-3734

Newfoundland & Labrador: Innovation,  
Trade & Rural Development  
[www.success.nfld.net](http://www.success.nfld.net)

Nunavut: Department of Sustainable  
Development  
[www.gov.nu.ca/sd.htm](http://www.gov.nu.ca/sd.htm)

Northwest Territories - Investment  
and Economic Analysis  
[www.gov.nt.ca/RWED/iea/index.htm](http://www.gov.nt.ca/RWED/iea/index.htm)

Yukon Economic Development  
[www.economicdevelopment.gov.yk.ca](http://www.economicdevelopment.gov.yk.ca)

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### **Other key partners**

Business and trade associations  
Canada Business Service Centres

Educational institutions  
Municipal governments  
Private sector export service providers

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