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# Focus on the United States



Minister for International Trade      Ministre du Commerce International  
Ottawa, Canada K1A 0G2

## Message from the Minister

The majority of Canadians know that our economy is inextricably linked with that of the United States. Our longstanding and substantial trading relationship is the largest in the world. In fact, a staggering 80 per cent of all the products and services we sell outside of Canada go to the United States.

In today's highly competitive global business environment, Canadian exporters must continue to look to new and emerging world markets for their products and services. But in our efforts to reach out to all parts of the world, we should not forget that just a few kilometres away lies the world's largest and most open market. It is a market that holds Canadians and their products and services in high regard, as well as one that is easily accessible by Canadian exporters and investors.

Because of its proximity and similar business environment, the United States is the logical first choice for new exporters, especially small and medium-sized companies, to embark on their journey into the world of international trade.

Another important characteristic of this market is that it is not just one market but a multiplicity of different regions, each of which offers unique and diverse opportunities for Canadian companies in all sectors.

There is no other market in the world that holds such a broad range of opportunities for Canadian business. From the automotive giants of Michigan and the industrial conglomerates of the Midwest to the leading-edge information technology centres of Silicon Valley and New England and the world-leading entertainment meccas of Los Angeles and New York, the United States is by far the most lucrative market for Canadian exports.

I am confident that the information contained in this booklet on the United States markets will be of great value to Canadian companies, small and large, new and experienced, that are looking for a receptive destination for their products and services.

Yours sincerely,

Hon. Sergio Marchi

# Stars and Stripes Forever

Canada and the United States share the largest and most comprehensive trading relationship in the world. Two-way trade in goods and services reached \$445.4 billion in 1996 — over \$1.2 billion a day.

The United States buys 80 per cent of our exports. We buy 22 per cent of their exports. Canada-U.S. trade supports about 2.4 million jobs in Canada and directly generates 28 per cent of our gross domestic product. In a nutshell, we are each other's best customers.

The value of this unique commercial relationship cannot be overestimated. Without the strength of our export trade, and increased investment since the North American Free Trade Agreement (NAFTA) came into effect, Canada could have easily slipped into a recession. Exports have been our strongest economic stimulant throughout the 1990s. And almost all of those exports are heading south of the border.

## Star-spangled boom

Nine years after the Canada-U.S. Free Trade Agreement (FTA) took effect on January 1, 1989,

business between the two countries is booming. Canadian merchandise exports to the United States surged by a remarkable 77 per cent. We not only buy each other's products and services, we enjoy visiting one another — good news for Canada's tourism industry. In 1996, 13 million Americans visited Canada, generating \$4.8 billion in revenue, and Canadians made 15.3 million trips to the United States.

*Canada is the world's seventh-largest exporter of goods. In 1996, merchandise exports to the United States were up 7.4 per cent, and export of services increased by 8.9 per cent. Overall, Canada recorded a \$17.1-billion surplus in trade with the United States.*

As each other's closest ally and trading partner, Canada and the United States are inextricably tied to events and conditions north and south of the border. Our exports depend on our southern neighbour's economic stability and prosperity, just as their exports rely on our economic fitness.

Relationships as closely knit and substantial as those between Canada and the United States are complex and far-reaching. For the two countries, maintaining open and beneficial bilateral ties is not a luxury but a necessity.

From the signing of the FTA in 1989 and the NAFTA in 1994 to some 239 side agreements covering everything from defence cooperation and access to commercial airways to Great Lakes water quality, Canada and the United States have been very successful at working out the dos and don'ts of their partnership.

*Most tariffs between the United States and Canada were phased out by January 1998.*



## Inside

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## Good news for Canada: U.S. economy in good shape

The U.S. economy is in remarkably good shape. For six straight years, it has shown growth and durability. In 1997, economic growth averaged a healthy 3.5 per cent, and this is good news for Canada.

*In 1996, Canadians sold almost twice as much to the United States as we did to Japan, and more than to all 15 members of the European Union combined. The province of Ontario alone sells more to the United States than does Japan.*

Maintaining these ties, however, is not something that is easily accomplished. This fact quickly becomes apparent when you consider the breadth and diversity of the issues that face our respective governments every day — whether it is the monitoring of cross-border movement of people and commerce,

*Continued on page 18 — Stars*

## Opportunities...Opportunities...Opportunities Just a Stone's Throw Away

One of the world's largest and most open markets — and right next door (three quarters of Canadians live within 300 kilometres of the U.S. border) — the United States is the logical first choice for both new and experienced Canadian exporters.

Its proximity, relative ease of access, similarity of language, culture and legal systems, and demand for virtually every type of product or service produced by Canadian companies make the United States the most accessible and practical market for most Canadian exporters.

Spurred by the globalization of markets and the technological revolution, U.S. industries are repositioning themselves to face ever-increasing competition. American companies are seeking new products, technologies and services and, now more than ever, are looking beyond their borders for strategic partners to help expand sales in the United States and beyond. The end result: new opportunities for Canadian companies.

The shift toward knowledge-based industries has put a whole new perspective on Canadian exports to the United States. While exports of manufactured products, particularly in the automotive sector, continue to top the export list, there has been explosive growth in recent years in such areas as information technology, telecommunications, environment, biotechnology, cultural industries, and business and professional services.

While it is tempting to think of the United States as one market, in fact it is many markets. Different geographic regions have developed different industry strengths that require a targeted approach to ensure successful export development.

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### Canadian Representation in the United States

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# Opportunities — Continued from page 3

## Regions

**The Northeast region** covers a market of nearly 6 million people and is home to 33 of the Fortune 500 industrial companies, including eight in Upstate New York. The Niagara and Champlain corridors form a vital economic link between Canada and the United States. The Upstate New York region is often the first entry point into the U.S. market for new Canadian exporters. Approximately \$125 billion in two-way trade crosses the Ontario-New York border each year. It is a natural first sales target for consumer products, and there are attractive opportunities in the information technology, environmental, tourism, biotechnology and medical products and service sectors.

*For more information, contact the Canadian Consulate General in Buffalo.*

**The New England market** encompasses 13 million people. Buying power is excellent; wages are 16 per cent above the national average. The economic revival of the region is evident, with an employment rate one point below the national average and an upswing in bilateral merchandise trade with Canada to the tune of \$15.9 billion in goods sold last year. With its sophisticated university and research infrastructure, New England continues to be at the forefront of many emerging technologies. Boston boasts a rapidly growing community of software and biotechnology firms, and as a result of this innovation, the city has acquired the second-largest concentration of venture capital in the United States.

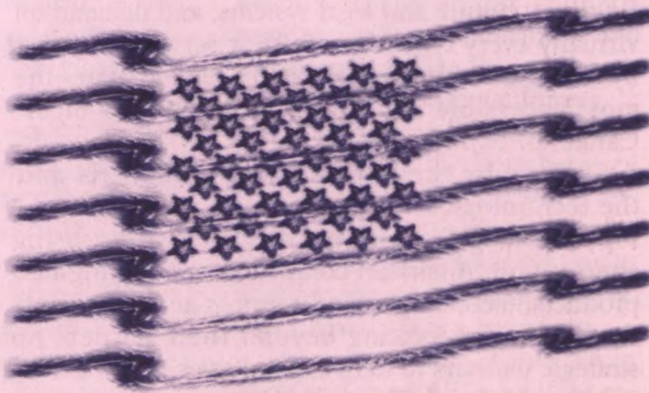
New England is the principal point of entry and major market for Eastern Canadian fisheries products; 50 per cent of the U.S. seafood business passes through the Boston area. The sophistication of the American seafood consumer and the demand for greater variety make this an attractive market for Canadian fish, seafood and aquaculture companies.

*Contact: Canadian Consulate General, Boston*

**The Tri-State area** of New York, New Jersey and Connecticut, with a population roughly equivalent to Canada's but a GDP 38 per cent greater, accounts for \$25 billion of Canada's \$206-billion annual merchandise exports to the United States. Almost 25 per cent of major U.S. corporate headquarters are based in the area (115

of the Fortune 500 companies), including the North American headquarters of many European and Japanese multinationals.

New York City, the country's international business and financial centre, is home to three major U.S. television networks and several large media-entertainment conglomerates, as well as leading academic and



cultural institutions. The emergence of a new multimedia cluster known as "Silicon Alley," which specializes in the development of on-line products, services and content, presents real opportunities for Canadian information-technology (IT) firms seeking strategic partners. More than 2,000 new media companies are located in lower Manhattan alone.

The recent passage of the \$1.75-billion New York Clean Water/Clean Air Bond Act, and the \$300-million Port of New Jersey Revitalization, Dredging and Environmental Clean-up Bond Act, is evidence of the region's commitment to the environment, which also spells "sales" for Canadian environmental firms.

*Contact: Canadian Consulate General, New York*

**The Mid-Atlantic region**, which includes Washington D.C., Maryland, Virginia and eastern Pennsylvania, represents the second-largest technology cluster in the United States. A high per capita income sustains a strong retail sector, and many of the region's 60 Fortune 500 companies are world leaders in telecommunications, information technology, aerospace and the environment. The National Institutes of Health, plus a concentration of renowned universities, form the core of a flourishing life sciences sector. Washington is the entry point for the \$50-billion

## Opportunities

U.S.-government procurement market and is also headquarters to the World Bank Group and the Inter-American Development Bank, of interest to Canadian firms seeking access to projects in developing countries.

Contact: Canadian Embassy, Washington

**The Midwest**, manufacturing heartland of America, has undergone a dramatic turnaround in the last 10 years. Its transformation from "rust belt" to "growth belt" has made the region particularly attractive for Canadian exporters. Last year two-way trade reached \$37 billion, making the region one of the largest world markets for Canadian products. In addition to the traditional agricultural and processed food industries, which continue to expand, Chicago is now home to 61 of the Fortune 500 companies. It is the second financial centre of the United States; the transportation hub for rail, air and sea, with huge inland seaports; and the leader in trade fair facilities, including three year-round exhibition centres for apparel, merchandise and franchising.

The region offers promising strategic partnering opportunities in a variety of fields, among them telecommunications industries, which have grown in a cluster around major IT corporations, including the headquarters of Motorola. Future openings for export sales are significant; annual purchasing requirements of the 23,000 manufacturing firms in Illinois alone exceed \$125 billion annually, and there are a substantial number of aerospace contracts available through

Boeing McDonnell in St. Louis, Missouri.

Contact: Canadian Consulate General, Chicago

**The Upper Midwest region**, a block of states bordering on western Canadian provinces, makes up 20 per cent of the total area of the United States. Minnesota, home to 32 of the Fortune 500 companies and the region's most populous state, has an affinity with Canada; Minneapolis is a sister city

to Winnipeg. The history, geography and "good neighbourliness" of this area create a high acceptance of Canadian products. In 1996 the region accounted for \$21.8 billion in bilateral trade.

High-technology and knowledge-based enterprises, including medical technology, have joined traditional areas of agriculture, food processing and manufacturing as drivers of the regional economy. Rising oil and gas exports continue to be important to Western Canada. Some of the United States' leading high-tech firms such as Honeywell and Unisys are based here, along with most of the major agri-food giants, including General Mills and International Multifoods.

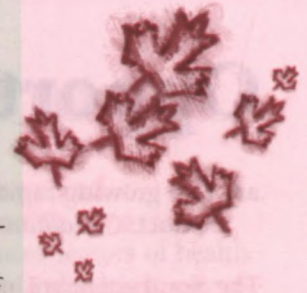
Contact: Canadian Consulate General, Minneapolis

**The Great Lakes States** area (Michigan, Ohio, Indiana and Kentucky) — considered by Americans as the "Mid-West market" — has a population of 31 million and a combined GDP of \$660 billion. It is the gateway for Canada's vital automotive trade — a sector that accounts for 32 per cent of Canadian exports to the United States as a whole. Headquartered here are 54 of the Fortune 500 companies, which have combined sales of US\$726 billion.

There are large U.S. and Japanese transportation-sector manufacturing and assembly facilities in all four states, but the region is also well diversified economically, providing opportunities for the Canadian exporter in almost

every industrial sector, including agri-food, primary metals, rubber/plastics, chemicals/pharmaceuticals, building products, and information technologies. Industrial research facilities operated by institutes such as Edison, Battelle, the National Center for Manufacturing Sciences, and major universities

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## Opportunities — Continued from page 5

are also growing rapidly in importance.

Contact: Canadian Consulate General, Detroit

### The Southeastern United States,

with Atlanta at the hub and a population of over 47 million, has been the fastest-growing region in the United States over the past six years.

Forty-three of the Fortune 500 companies are headquartered in the region, and it now leads other regions in the six major retail segments — food, apparel, automotive, furnishings, pharmaceuticals, and leisure. There has been a rapid expansion of professional service industries, particularly in health care, transportation and communications — sectors that have made the region a prime target for investment promotion and technology transfer. Atlanta is a leading test market for business-to-business services, including software and telecommunications applications. It has a flourishing high-tech industry and offers opportunities for strategic alliances in specialized niches such as biotechnology and site remediation.

Contact: Canadian Consulate General, Atlanta

**The Southwest region**, revolving around Dallas and Houston, is a boom area of 33 million people. It has a GDP higher than Canada's, is home to 50 Fortune 500 companies (up from 37 just 10 years ago) and is taking on new prominence as the NAFTA gateway to Mexico's market of 90 million. Interest in Canadian products is growing rapidly, and trade with Canada exceeds the area's trade with the United Kingdom, France and Germany combined.

Opportunities for Canadian firms can be found in the information technology, environment, energy, medical/health care, agri-food and consumer product/service sectors. Texas's IT sector is second only to California's in employment and exports, and is first in job growth, capital investment and semiconductor production. Houston is the world centre for major oil and gas project decisions, and the resurgence of Gulf

of Mexico offshore activity is creating demand for equipment and services and providing opportunities in the environmental sector. Promising

consumer-product and agri-food opportunities are based on the projected, higher-than-national-average growth in retail sales and personal income to 2001.

Contact: Canadian Consulate General, Dallas

**The State of California**, with a population of 32 million, constitutes the world's seventh-largest economy. California is Canada's biggest market for natural gas and is a prime target for a range of Canadian

aerospace, defence, biotechnology and, in particular, information-technology products. The San Francisco Bay/Silicon Valley area is home to 7,000 high-tech companies, representing a combined market value of \$450 billion. The Los Angeles/San Diego corridor accounts for a further 19,000 technology companies and the largest consumer market in the United States. California is the acknowledged world leader in the field of multimedia applications, in a U.S. market expected to reach US\$24 billion by the year 2000. Los Angeles is, of course, vitally important to the Canadian entertainment industries, providing ever-expanding opportunities for companies interested in the production, distribution and financing of film, commercials and television programs. California is also a principal export point for the United States to trade with the Orient.

Contacts: Canadian Consulate General, Los Angeles; Canadian Trade Offices, San Francisco and San Jose

**The Pacific Northwest** corner of the United States, a market of 11 million people, accounted for bilateral trade of \$18.4 billion in 1996.

With the steady movement of business from California and other parts of the United States to the Seattle and Portland areas, annual growth rates in the region have been well above the U.S. average.



# Opportunities

Companies such as Microsoft and Boeing dominate the region's high-tech economy. Computer components and software, biomedical equipment, biotechnology research and aerospace-related industries are all growing rapidly.

Companies in the Pacific Northwest have close ties with firms in Western Canada, which has resulted in joint promotional activity in several industry sectors, most notably biotechnology and computer software.

Contact: Canadian Consulate General, Seattle

## Sectors

Following are notes on a few industry sectors offering business opportunities for new Canadian exporters. For more information, refer to the market studies on the relevant sectors, available from the DFAIT InfoCentre or on the *ExportSource* Web site.

### Aerospace and defence

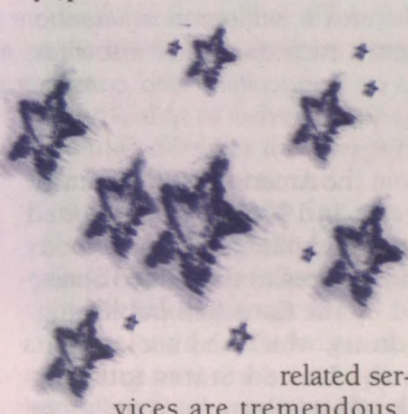
Over the next 10-20 years, the demand for new commercial aircraft is estimated at close to 16,000 planes, equivalent to \$1.1 trillion, and an additional 1,500 intermediate-sized planes, many of which will emerge from the Boeing plant in Seattle, built with a high degree of Canadian product and expertise.

On the defence side, the recent \$100-million modernization of the early warning system, the Regional Operations Control Center (ROCC) program, between Canada and the United States means that Canadian defence and aerospace firms can anticipate exciting opportunities.

### Information technology and telecommunications

There is no industry in the United States that moves at the speed of the information technologies, which account for about 51 per cent, or US\$250 billion, of the global market for computer hardware and software.

Opportunities for Canadian suppliers of computer hardware, software, telecommunications equipment and



related services are tremendous.

With 2 million new cable TV subscribers and 8 million new cellular telephone subscribers every year, plus the popularity of the Internet, there are "hot" markets waiting for innovative Canadian products.

The gradual deregulation of the telephone industry country-wide is opening new avenues, and Canada is already well established in the United States as a favoured supplier of telecommunications equipment and services. With a 20-per-cent share of the US\$12-billion telecommunications import market, Canada is the United States' second-largest supplier, after Japan.

The need for telecommunications management software alone generates US\$1 billion in sales and is anticipated to grow an average of 30 per cent annually.

### Biotechnology and medical/health care

The life sciences sectors of health care and bio-industries, covering pharmaceutical and medical devices, as well as applications to agriculture and environment technology, continue to be subject to rapid development. The United States' biotechnology industry is made up of some 1,300 companies, and the estimated growth potential in this area is enormous.

Also of note to Canadian biotechnology firms is the emerging trend of U.S. medical, biotechnology and pharmaceutical industries to partner with foreign companies and with academic and specialty research groups. Canadian companies are highly regarded for expertise in areas such as cancer and AIDS therapy, gene mapping and identification, clinical trials, drug development, and agricultural and environmental biotechnology. This respect is evident in the strength of foreign investment in Canadian biotechnology companies, which has averaged between \$75 and \$100 million annually since 1994.

The U.S. health care market, approaching \$1 trillion and accounting for 40 per cent of world demand, is the largest in the world. Pressure on government and health care providers to contain costs has encouraged the growth of options outside of hospitals and clinics. As a result, demand for home health care and outpatient goods and services is growing rapidly.

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Opportunities

## Opportunities — Continued from page 7

### Environment

The large U.S. market for environmental products and services, valued at over US\$180 billion and expected to grow to US\$207 billion in the near future, offers unprecedented opportunities for Canadian firms. Canadian penetration of the environmental products and services market averages between \$15 and \$20 billion a year.

Water and waste management, environmental energy sources, process prevention technology, site remediation, risk assessment and cost/benefit analysis are all areas in which Canadian firms have demonstrated considerable expertise and innovation.

### Business and professional services

The business and professional services market continues to be the fastest-growing segment of the services sector in the United States. Historically, small Canadian firms have done well in the United States because of their innovative approaches and ability to move quickly into niche markets. Canadian management consultants and professional trainers have responded to the U.S. business need to restructure and adapt to new business conditions. Many consultants draw on their cultural and linguistic heritage to build up international networks in partnership with U.S. companies.

### Cultural industries

The U.S. market is a natural extension of Canada's domestic arts and culture market. Proximity and shared cultural tastes have meant considerable success for Canada in exporting its cultural products and services to the United States, as well as in attracting investment, particularly

*The United States is still our most important market for traditional exports such as natural resources, manufactured products and agricultural and consumer goods.*

from the American entertainment sector. In 1996, Canada exported some \$3 billion of cultural goods and services to the United States, led by the Canadian publishing industry, which had book exports to the United States totalling \$9 million (sales to Western Europe were second at \$2 million). American television and film producers frequently use Canada as a film production location, with features shot in Vancouver, Toronto and Montreal in recent years. Foreign film producers in Canada generate work for a range of Canadian companies, from video editors to catering.

### Agriculture and food

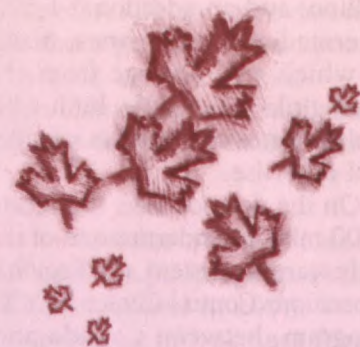
The appetite for processed food and beverages is huge in the United States. Each year, over 250 million American consumers spend more than \$400 billion in this sector, making the United States the world's largest processed food importer and Canada's largest export market.

Consumers in the United States tend to have a high level of disposable income and are willing to try new products. Canadian exporters will find many opportunities for specialty and gourmet food items, products aimed at ethnic markets, and natural, nutritious and fresh food and seafood that are healthy, tasty and safe, as well as convenience foods.

### Energy products and technology

The export of oil, natural gas, electricity, coal and products made from petroleum and coal still represent a major proportion of Canada's total exports.

Canadian firms have developed specialized techniques and equipment for secondary oil-well recovery and unique subsurface mining machinery for oil-sands extraction. Canada is also recognized as a world leader in sour-gas gathering and treatment facilities. Δ





# First-time Exporter's Guide to U.S. Markets

*Anyone with the right product, price, delivery and marketing strategy can sell in the United States.*

For most new exporters, the United States is the logical place to start selling their products and services outside of Canada. This section will help new exporters get the information and assistance they need to successfully prepare for the vast and lucrative market south of the border.

## How do I prepare for exporting and who is there to help me?

Preparing yourself for entry into the U.S. market requires some diligent homework, but there is a wealth of information available.

Your first stop should be one of the 12 **Canada Business Service Centres (CBSCs)** located across Canada. The primary source of information for small businesses, these centres combine the services of federal and provincial governments and, in some cases, the private sector together under one roof. Your first point of access to the full range of government services and sources of information, CBSCs have experienced staff on

hand to help you cut through red tape, research your export questions and direct you to the best sources of additional information.

For the CBSC nearest you, refer to the listing in the Blue Pages of the phone book, or visit the CBSC Web site at [www.cbsc.org](http://www.cbsc.org).

Available from these offices and on the Internet are three invaluable guides:

- *Your Guide to Government of Canada Services and Support for Small Business* and
- *10 Steps to Export Success* (both on [strategis.ic.gc.ca](http://strategis.ic.gc.ca)) and
- *Guide to Export Services* ([www.infoexport.gc.ca](http://www.infoexport.gc.ca)).

Topics covered include financing, accessing new markets, export information, tax requirements and services, export training programs and services, and a variety of other useful notes about how to start your exploration of the export market.

The Government's *InfoExport* and *Strategis* Web sites offer additional advice and information on getting ready to export to

the United States. *InfoExport's* "On the Road to Exporting" is particularly useful. The *ExportSource* Web site ([exportsource.gc.ca](http://exportsource.gc.ca)) offers an export preparation tool to assist small and medium-sized companies become "export-ready."

## I've heard that the NEBS program can help new exporters. What is NEBS?

The New Exporters to Border States (NEBS) program provides vital practical orientation for Canadian companies interested in selling to the United States.



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## Toll-free Team Canada Inc Export Information Service

The new toll-free Team Canada Inc Export Information Service connects businesses to the full range of government export services and expertise. Whether you are currently exporting, or are new to the opportunities of global markets, this service will make it easier to find the right program, service or expert to consult. Your call is answered by a trained information officer ready to provide answers to your questions and transfer your call directly to the many export services available. The service is available Monday to Friday, 9 a.m. to 5 p.m., in every time zone in Canada.

1-888-811-1119

## First-time Exporter's Guide — Continued from page 9

NEBS introduces companies to the essentials of exporting via training sessions and first-hand exposure to contacts and market information on U.S. border states. NEBS Plus is a recent expansion of the program, designed to help more experienced exporters investigate markets in other U.S. regions.

NEBS and NEBS Plus missions are often planned around trade shows to give participants an in-depth look at a specific business sector. Missions last from one to three days and may include:

- pre-mission briefing on export services and programs available from the Canadian and provincial governments;
- travel to a Canadian post in the United States;
- briefing on border procedures;
- presentation by U.S. manufacturers' representatives, sales agents or distributors;
- tour of a relevant trade fair;
- visits to local wholesalers or retailers;
- briefing on local U.S. markets;
- meetings with Canadian Consulate trade officers and potential agents or distributors; and
- distribution of export information guides and kits.

A fee of \$100 applies to each company representative. The government may cover up to two nights hotel accommodation, as well as assistance on a case-by-case basis with trade show entrance fees. Air fare, transportation and personal expenses are the responsibility of the participant.

### Who qualifies?

Canadian companies incorporated and operating in Canada that have an interest in but are not yet exporting to the United States on a regular basis are eligible for NEBS programs.

Canadian companies currently exporting to the United States that have sales of less than \$2.3 million are eligible for NEBS Plus missions to other U.S. regions.

### How do I apply?

Contact your nearest International Trade Centre.

### What can International Trade Centres in Canada and Canadian posts in the United States do for me?

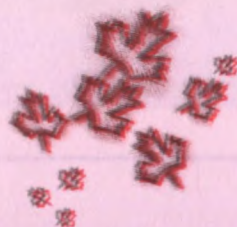
The International Trade Centres (ITC), located across Canada, work with partners at other levels of Government to help Canadian exporters plan appropriate export strategies and take advantage of opportunities in foreign markets. Trade officers can provide current information on international markets, joint ventures and technology-transfer opportunities, trade fairs and missions, and trade-related conferences and seminars.

ITCs can also assist export-ready companies prepare a marketing plan, a key element before considering entering any export market and especially important when dealing with highly competitive U.S. markets. With a detailed marketing plan in hand, you are better positioned to take advantage of the services offered by trade commissioners at the

Canadian offices in the United States.

Trade commissioners and business development officers at Canadian consulates in the United States know local business environments and can help you penetrate regional markets. Trade commissioners can promote your company to local customers; screen local industry contacts; advise on market channels; identify opportunities; advise on local competition; recommend appropriate trade fairs; identify suitable foreign firms to act as agents; help you find credit and business information on potential foreign partners; intercede to help solve problems with duties, taxes or foreign exchange; and advise and assist you with foreign joint ventures and licensing.

*The Canadian consulates are best able to assist you if you are export-ready.* They will require complete information about your business, including contact information, detailed description of products and their competitive advantages, "sales pitch," business goals, marketing plans, activities in the market and supply capabilities.



## First-time Exporter's Guide

### What is WIN Exports and how do I register?

The World Information Network for Exports — WIN Exports — is the Department of Foreign Affairs and International Trade (DFAIT)'s computerized database of Canadian exporters and their capabilities. Accessed by DFAIT's trade commissioners and by Team Canada Inc partners (the federal and provincial government departments involved in international business development) and the

International Trade Centres, the system is used to match Canadian sources to foreign purchase requirements.

To register, contact your local ITC, fax a request for a registration form to 1-800-667-3802 or (613) 944-1078, or access the form on the *Exportsource* website. You may also call 1-800-551-4WIN (944-4WIN from the National Capital Region).

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### International Trade Centres in Canada

#### Vancouver, Yukon

Tel: (604) 666-0434

Fax: (604) 666-0954

#### Northwest Territories

Tel: (403) 495-2176

Fax: (403) 495-4507

#### Edmonton

Tel: (403) 495-2944

Fax: (403) 495-4507

#### Calgary

Tel: (403) 292-4575

Fax: (403) 292-4578

#### Saskatoon

Tel: (306) 975-5315

Fax: (306) 975-5334

#### Regina

Tel: (306) 780-6124

Fax: (306) 780-8797

#### Winnipeg

Tel: (204) 983-5851

Fax: (204) 983-3182

#### Toronto

Tel: (416) 973-5053

Fax: (416) 973-8161

#### Montreal

Tel: (514) 283-6328

Fax: (514) 283-8794

#### Moncton

Tel: (506) 851-6452

Fax: (506) 851-6429

#### Charlottetown

Tel: (902) 566-7443

Fax: (902) 566-7450

#### Halifax

Tel: (902) 426-7540

Fax: (902) 426-5218

#### St. John's

Tel: (709) 772-5511

Fax: (709) 772-5093

### Canadian Trade Offices in the U.S.

#### Washington - Embassy

Tel.: (202) 682-1740

Fax: (202) 682-7726/7795

#### Atlanta - Consulate General

Tel.: (404) 532-2000

Fax: (404) 532-2050

#### Miami - Consulate Trade Office

Tel.: (305) 579-1600

Fax: (305) 374-6774

#### Boston - Consulate General

Tel.: (617) 262-3760

Fax: (617) 262-3415

#### Buffalo - Consulate General

Tel.: (716) 858-9500

Fax: (716) 852-4340

#### Chicago - Consulate General

Tel.: (312) 616-1860

Fax: (312) 616-1877/1878

#### Dallas - Consulate General

Tel.: (214) 922-9806

Fax: (214) 922-9815

#### Detroit - Consulate General

Tel.: (313) 567-2340

Fax: (313) 567-2164

#### Los Angeles - Consulate General

Tel.: (213) 346-2700

Fax: (213) 346-2767

e-mail: [congen@ix.netcom.com](mailto:congen@ix.netcom.com)

#### San Francisco - Consulate

Trade Office

Tel.: (415) 543-2550

Fax: (415) 512-7671

e-mail: [general@cdntradesf.com](mailto:general@cdntradesf.com)

#### San Jose - Consulate Trade Office

Tel.: (408) 289-1157

Fax: (408) 289-1168

e-mail: [bcox@cdntrade.com](mailto:bcox@cdntrade.com)

#### Minneapolis - Consulate General

Tel.: (612) 332-7486

Fax: (612) 332-4061

e-mail:

[td.mnpls@mnpls01.x400.gc.ca](mailto:td.mnpls@mnpls01.x400.gc.ca)

#### New York - Consulate General

Tel.: (212) 596-1628

Fax: (212) 596-1793

e-mail:

[cngny@cngny01.x400.gc.ca](mailto:cngny@cngny01.x400.gc.ca)

#### Seattle - Consulate General

Tel.: (206) 443-1777

Fax: (206) 443-9662/9735

e-mail:

[seacons@seattle-consulate.org](mailto:seacons@seattle-consulate.org)

For Internet addresses, see Guide to Web Sites on page 14.

Focus on  
the United States

# Crossing the 49<sup>th</sup>



## How do I get my product across the border hassle-free?

Although the duties on most Mexican, Canadian and U.S. goods have been effectively eliminated as of January 1, 1998, duties on third-country goods still apply. All sovereign countries monitor what crosses their borders, and all merchandise coming into the United States must still clear U.S. Customs. Exporters must take this into account when developing a marketing plan.

Currently, the Customs Border Services Branch of Revenue Canada holds one-day seminars on cross-border issues, called Customs Information Days.

For more information on the seminars, call (613) 957-7256. For general information, contact Wendy McCauley, Revenue Canada, tel.: (613) 954-6820.

For details on U.S. Customs — regulations, information required on imported goods and other information — follow the links to the U.S. Customs site indicated in *ExportSource*.

To stimulate cross-border trade, efforts have been made to free up the flow of goods and people between the two countries via the Canada-United States of America Accord on our Shared Border, signed in February 1995. The Accord aims to reduce costs for government and business by sharing resources, streamlining border-crossing processes, introducing electronic customs declaration, and undertaking more effective inspection.

## What can a Customs broker do for me?

Customs clearance is a complex

process that can give rise to frustrating and expensive delays if proper advance preparation has not been carried out.

A reputable, full-service Customs broker will act as a trade facilitator, providing the information necessary to help your company negotiate the various steps involved in Customs clearance. Brokers will also advise regarding tariff classifications, duty rates and other fees collected by Customs, valuation rules, FTA rules of origin, Customs country-of-origin marking requirements, labelling requirements and current modernization/automation programs.

Customs brokers are listed in the Yellow Pages. For further advice contact your nearest ITC office or the Canadian consulate located in your target export region of the United States.

## How do I cross the border on business?

The system for crossing the border on business is not perfect, but here are some tips to help you.

To enter the United States under the NAFTA, you must be a Canadian (or Mexican) citizen. You must prove admissibility under all existing U.S. immigration laws. You must also establish that you fall into one of four categories of business travellers: Business Visitor, Professional, Trader and Investor, or Inter-company Transferee.

**Business Visitors** are persons who are engaged in international business activities related to research and design, growth, manufacture and production, marketing, sales, distribution and after-sales service,

but who will not receive remuneration from a U.S. source.

To qualify you must be a Canadian citizen travelling for business purposes, be conducting business that is international in scope, have a principal place of business with your "salary base" in Canada, and present a letter stating the purpose of the business trip — preferably a letter of invitation from the company or companies you will be visiting. You should also have your Canadian passport.

**Professionals** are persons who seek to enter the United States to engage in business activities at a professional level. This is especially necessary for people selling their services or skills as a consultant, trainer or designer.

To qualify you must be a Canadian citizen engaged in an occupation listed in Section D of Annex 1603 of the NAFTA (this list is included in the *ExportSource* Web site), be qualified to work in the occupation in which you will be engaged (you may need to bring a copy of your professional certification), and have a contractual agreement with a U.S. client or a pre-arranged employment agreement.

**Traders** are business people who conduct substantial trade in goods or services. To qualify you must be a Canadian citizen acting as an executive or supervisor for an enterprise that is either Canadian, American or Mexican, and whose predominant activity is the sub-

## Crossing the 49th

stantial trade of goods between Canada and the United States.

**Investors** are business people seeking to establish, develop, administer, or provide advice or key technical services to the operation of an investment to which they or their enterprise has committed or are about to commit a substantial amount of capital. Employees of traders and investors whose job duties are supervisory or executive in nature may also qualify.

To qualify you must be a Canadian citizen who has invested or is about to invest substantially in an operating commercial U.S. enterprise.

Traders and Investors must apply for a U.S. non-immigration visa at a U.S. consulate before leaving, and must provide proof of citizenship and identity.

**Intra-company Transferees** are business people employed by an enterprise that is seeking to render services to a branch, parent, subsidiary or affiliate of that enterprise, in a managerial or executive capacity or in a manner that involves specialized knowledge. To qualify you must be a Canadian citizen in an executive or managerial capacity, engaged in a similar position within the enterprise for at least one year, and transferring to an enterprise that has a clear relationship with the enterprise in which you are currently employed. If the position is one that involves specialized knowledge, you will need to provide evidence that you possess such knowledge and that it is required for the proposed employment.

Every Canadian service provider must obtain an I-94 form from U.S. immigration authorities to conduct business in the United States. Depending on the purpose of your visit, you may qualify for a Business Visitor Status Visa (no fee), a Professional Status Visa (\$50), a Trader and Investor Status Visa (\$75), or an Intra-company Transferee Visa (\$75).



**Performing Artists** are Canadian entertainers in a creative field such as music, opera, dance, theatre or the circus who have a signed contract with an enterprise in the United States for single or multiple performances. Such artists require a temporary employment visa.

**For more information**, consult the pamphlet entitled *Guide for Canadian Performing Artists Entering the United States* (available on the *ExportSource* Web site).

### Some practical advice

Tell the truth — that you are there for business purposes. Border officials have access to databanks and are entitled to ensure that you are not contravening U.S. labour regulations. If in doubt, call the border point in advance to find out what documentation you need to take with you.

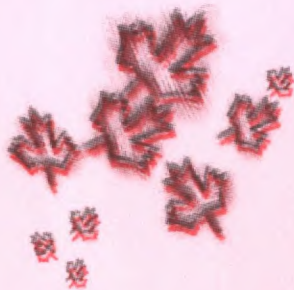
Make sure that accompanying spouses and dependants meet existing immigration requirements for temporary entry.

### Where to find information

For more detailed information on the cross-border movement of business persons under the NAFTA, visit the *InfoExport* Web site ([www.infoexport.gc.ca/nafta/cross-border/16006-e.asp](http://www.infoexport.gc.ca/nafta/cross-border/16006-e.asp)) or the United States Immigration and Naturalization Service Web site ([www.ins.usdoj.gov](http://www.ins.usdoj.gov)).

DFAIT also publishes the following booklets — available at the Department's InfoCentre or under "Publications" on the DFAIT Web site:

- *Cross-Border Movement of Business Persons and the North American Free Trade Agreement* (under "NAFTA" on the DFAIT Web site);
- *The Guide for Canadian Performing Artists Entering the United States*;
- *Crossing the 49th: A Compendium of the Bumps on the Road for Canadians Going South*;
- *Mexico – Tips for Business and Travel*;
- *Working Abroad: Tips for Young Canadians*; and
- *Travel Reports*. Δ



# Guide to Web Sites

## Federal government

**Department of Foreign Affairs and International Trade (DFAIT):**  
[www.dfait-maeci.gc.ca](http://www.dfait-maeci.gc.ca)

This is the motherlode for exporters — 11,723,667 hits in 1997 alone. The site contains a broad spectrum of information on international trade, exporting, export services and statistics. You will find market information by region and sector; *Canada's International Business Strategy* (CIBS); *Directory of Canada's Trade Commissioner Service*; information on the Program for Export Market Development (PEMD); and Frequently Asked Trade Questions.

**InfoExport:** [www.infoexport.gc.ca](http://www.infoexport.gc.ca)

Team Canada Inc, a partnership of federal and provincial government departments and regional trade organizations, has created a Web site to help you prepare an export plan, develop a market entry strategy, and guide you through the implementation of your strategy.

**ExportSource:** [exportsource.gc.ca](http://exportsource.gc.ca)

Team Canada Inc's on-line resource for export information, *ExportSource*, brings together information on market research, export financing, trade statistics, export contacts, trade shows and missions, and export regulations and logistics.

**Strategis:** [strategis.ic.gc.ca](http://strategis.ic.gc.ca)

Another gold mine of advice. Industry Canada's business data storehouse on the Web has a wealth of information on international business opportunities and business information arranged by sector.

## Canadian posts in the United States

Information about U.S. markets is available to Canadian exporters from Web sites created by the Canadian Embassy and most of the Canadian consulates located in the United States. You will find data on trade and investment promotion services, market studies, regulatory requirements, industry analyses and links to other business sites in Canada and the United States. These sites can be found via the DFAIT site or through the following individual addresses:

**Boston:** [www.dfait-maeci.gc.ca/~boston/](http://www.dfait-maeci.gc.ca/~boston/)

**Buffalo:** [www.canadianconsulatebuf.org](http://www.canadianconsulatebuf.org)

**Dallas:** [www.canada-dallas.org](http://www.canada-dallas.org)

**Detroit:** [www.dfait-maeci.gc.ca/~detroit/](http://www.dfait-maeci.gc.ca/~detroit/)

**Chicago:** [www.canadaonlinechicago.net](http://www.canadaonlinechicago.net)

**Los Angeles:** [www.cdnconsulat-la.com/](http://www.cdnconsulat-la.com/)

**New York:** [www.canada-ny.org](http://www.canada-ny.org)

**San Francisco/San Jose:** [www.cdntrade.com/](http://www.cdntrade.com/)

**Seattle:** [www.canadian.consulate-seattle.org/](http://www.canadian.consulate-seattle.org/)

**Washington Embassy:** [www.cdnemb-washdc.org/](http://www.cdnemb-washdc.org/)

## Provincial government

**British Columbia — BC Trade and Investment Office (BCTIO):**

[www.ei.gov.bc.ca/directory/bctio/default.htm](http://www.ei.gov.bc.ca/directory/bctio/default.htm)

**Alberta — International Business Information Service (IBIS):**

[www.edt.gov.ab.ca/ibis/index.htm](http://www.edt.gov.ab.ca/ibis/index.htm) and

Alberta Economic Development -

[www.edt.gov.ab.ca](http://www.edt.gov.ab.ca)

**Saskatchewan — Saskatchewan Trade and Export Partnership (STEP):**

[www.sasktrade.sk.ca/about/index.html](http://www.sasktrade.sk.ca/about/index.html) and

Trade Team Saskatchewan: [www.tradeteam.sk.ca](http://www.tradeteam.sk.ca)

**Ontario — Open Network Trade Resource**

Access, Inc. (onTRAC): [www.ontrac.yorku.ca/](http://www.ontrac.yorku.ca/)

**Quebec — Quebec Association of Export Trading Houses/Association des Maisons de Commerce Extérieur du Quebec (AMCEQ):**

[www.amceq.org/index.html](http://www.amceq.org/index.html)

**Nova Scotia - Trade Team Nova Scotia (TTNS):**

[ttns@gov.ns.ca](mailto:ttns@gov.ns.ca)

**Newfoundland — Trade Team Newfoundland:**

[www.netfx.iom.net/ttn/](http://www.netfx.iom.net/ttn/)

**Prince Edward island - Trade development Centre:**

[www.gov.pe.ca/edt](http://www.gov.pe.ca/edt)

## Banks

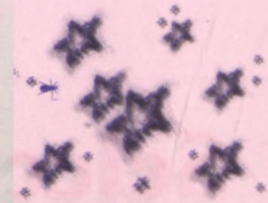
**Business Development Bank of Canada (BDC):**

[www.bdc.ca](http://www.bdc.ca)

"Canada's Small Business Bank," BDC offers financial and management services for small and medium-sized exporters preparing to enter foreign markets and for those already active in the export field.

**Northstar Trade Finance Inc.:** [www.northstar.ca/](http://www.northstar.ca/)

Owned by the Bank of Montreal, the British Columbia Trade Development Corporation, the Ontario Ministry of Economic Development and Trade, and the Dalhousie Financial Corporation, Northstar offers export financing for small to medium-sized Canadian companies looking to expand sales into international markets.



## Guide to Web Sites

### Export Development Corporation (EDC):

[www.edc.ca/](http://www.edc.ca/)

EDC is a Crown corporation that operates as a commercial financial institution providing risk management services to small and medium-sized exporters.

### Royal Bank of Canada Trade Services:

[www.royalbank.com/english/trade/index.html](http://www.royalbank.com/english/trade/index.html)

The Royal Bank offers a catalogue of trade products and services, including letters of credit, export documentary collections, and advance payment guarantees.

### Scotiabank Foreign Exchange/Trade Services:

[www.scotiabank.ca/](http://www.scotiabank.ca/)

The Scotiabank provides a range of banking services and assistance for new and experienced exporters.

### Other useful sites

#### U.S. Trade Center: [ustradecenter.com/](http://ustradecenter.com/)

Designed to offer trade assistance to Canadian companies exporting to the United States, this site, sponsored by the U.S. Trade Center in Buffalo, includes information on U.S. Customs, law, taxes, immigration, banking, freight forwarding, and market advice services.

#### International Center for Canadian-American Trade (ICCAT):

[members.aol.com/intlcenter/icpr.htm](http://members.aol.com/intlcenter/icpr.htm)

With four major components — a training centre, a research centre, the North American Trade Center, and a 21st century resource centre — the ICCAT site provides trade services to small and medium-sized businesses on both sides of the border.

#### Canadian Commercial Corporation

[www.ccc.ca](http://www.ccc.ca)

Trade assistance for Canadian companies, including information on U.S. Government opportunities.

#### Canadian Exporters' Catalogue:

[www.worldexport.com/cecd.html](http://www.worldexport.com/cecd.html)

#### Thomas Register of American Manufacturers:

[www.thomasregister.com](http://www.thomasregister.com)

### U.S. Commercial Service

[www.ita.doc.gov/cscanada](http://www.ita.doc.gov/cscanada)

Home Page of the commercial service at the U.S. Embassy, Ottawa

U.S. Fedworld. One-stop shopping to U.S. government information: [www.fedworld.gov/](http://www.fedworld.gov/)

U.S. Customs: [www.customs.ustreas.gov/](http://www.customs.ustreas.gov/)

U.S. Department of Commerce - International Trade Administration: [www.ita.doc.gov/](http://www.ita.doc.gov/)

Useful source for trade information by region and sector.

### U.S. Food and Drug Administration:

[www.fda.gov/](http://www.fda.gov/)

### U.S. Immigration and Naturalization Service:

[www.ins.usdoj.gov/](http://www.ins.usdoj.gov/)

Commerce Net - Industry Association for Internet Commerce: [www.commerce.net](http://www.commerce.net)

Good location for finding information on U.S. suppliers

### NAFTA regulations

Everything and anything you ever needed or wanted to know about cross-border shipping.

### Department of Foreign Affairs-NAFTA:

[www.dfait-maeci.gc/english/trade](http://www.dfait-maeci.gc/english/trade)

NAFTAnet: [www.nafta.net/](http://www.nafta.net/)

NAFTA Resources Directory:

[www.hiline.net/hiline/gate/nafta.shtml](http://www.hiline.net/hiline/gate/nafta.shtml)

Guide to North American Free Trade Agreement:

[www.tradingfloor.com/nafta.htm](http://www.tradingfloor.com/nafta.htm)

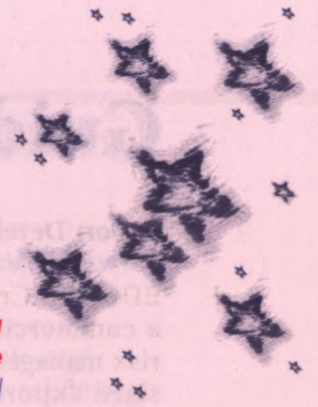
NAFTACConnect: [www.naftaconnect.com/](http://www.naftaconnect.com/)

### Other information sources

#### Newsletters for Canadian businesses on U.S. market opportunities

Newsletters, supported by the United States Business Development Program and catering to the North American business market, focus on individual industry sectors and encourage Canadian businesses to seek new markets in the United States. Among the newsletters are *InfoTech News*, *New Directions (Giftware and Crafts)*, *U.S. Environmental Market*, *U.S. Transportation Market*, and *Washington Notes* (see the September 15, 1997 issue of *CanadExport* for descriptions). These newsletters will soon be available on the Internet. Δ

# Selected 1998 Trade and Investment Activities



The following list of upcoming trade and investment activities in the United States is intended **as a general overview only**. Some of the events are in the early planning stages and **all details are subject to change**. For information about the NEBS missions listed, contact your nearest International Trade Centre. For details on Trade shows please see instructions on page 18 overleaf.

\*NEBS = New Exporters to Border States seminar

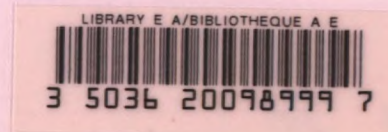
| Date             | Event   | Location          |
|------------------|---|-------------------|
| April 15-18      | Western National Mining Conference            | Colorado Springs  |
| April 15-19      | Agri-food: Expo Alimentos + NEBS*             | Puerto Rico       |
| April 17-19      | Kitchen and Bath Show '98                     | Chicago           |
| April 21-26      | Furniture Exhibition + NEBS                   | High Point, NC    |
| April 22         | Aeronautics Simulation                        | Orlando, FA       |
| April 22-23      | Industrial Suppliers NEBS                     | Minneapolis       |
| April 22-23      | Multisector NEBS                              | Detroit           |
| April 23         | Building Products and Services NEBS           | Detroit           |
| April 25-27      | Cajun & Acadian Music Industry NEBS           | Lafayette, LA     |
| April 28-29      | Buildings New York                            | New York          |
| April 28-29      | New England Dairy & Deli Show                 | Boston            |
| April 28-30      | Welding & Fabrication Expo                    | Detroit           |
| April 29-30      | Infotech Expo '98                             | Chicago           |
| April 29-30      | Plant Engineering and Maintenance             | Indianapolis      |
| April 30 - May 3 | National Machinery Dealers Association        | Seattle           |
| May 1-2          | Northeastern Forest Products                  | Springfield, MA   |
| May 3-7          | Offshore Technology Conference + NEBS         | Houston           |
| May 3-6          | Food and Marketing Institute '98 + NEBS       | Chicago           |
| May 5            | World Trade Association Expo                  | Minneapolis       |
| May 5-6          | Fashion - Style Industry, Accessories         | New York          |
| May 5-7          | ENVIRO Expo + NEBS                            | Boston            |
| May 12-14        | Automotive & Manufacturing Exhibition         | Detroit           |
| May 13           | Intimate Apparel Salon                        | New York          |
| May 13-14        | Sporting Goods NEBS                           | Detroit           |
| May 13-14        | Contract Canada - office furniture market     | Washington        |
| May 13-14        | Multisector NEBS                              | Buffalo           |
| May 15           | Great Lakes IT Venture Capital Conference     | Chicago           |
| May 16-19        | National Restaurant Association Exposition    | Chicago           |
| May 17-20        | American Gas Association Exposition           | Seattle           |
| May 18-20        | National Industrial Fastener                  | Columbus, OH      |
| May 18-21        | Canada Week at Major Grocery Exhibit          | Atlanta           |
| May 18-21        | Environmental Technology NEBS                 | Atlantic City, NJ |
| May 19-21        | Clean Tech '98 Expo                           | Rosemont, IL      |
| May 19-23        | World Trade Week                              | St. Louis         |
| May 20-21        | Information Technology Expo + NEBS            | Denver            |
| May 20-24        | Environment Expo                              | Orlando, FL       |
| May 25-28        | Electronics Industries Association Exposition | Seattle           |
| May 26           | Medical Partnering Event                      | Buffalo           |



## Trade and Investment Activities

| Date             | Event  | Location          |
|------------------|--|-------------------|
| May 26-30        | World Trade Week                               | Chicago           |
| May 27-28        | Film and Video Industry NEBS                   | Boston            |
| May 30 - June 4  | American Society for Training & Development    | San Francisco     |
| June             | Professional Services Sector Industry NEBS     | Detroit           |
| June             | Apparel NEBS                                   | Seattle           |
| June             | Human Genome Partnering Seminar                | Seattle           |
| June             | Telecom Partnering                             | Dallas            |
| June 2           | International Fashion Boutique Show            | New York          |
| June 3-4         | Electrical Exposition and Conference           | Chicago           |
| June 10-11       | Plant Engineering & Maintenance                | Boston            |
| June 11-12       | Waste Expo                                     | Chicago           |
| June 14-16       | Environment Mission                            | Oakridge, TN      |
| June 14-18       | Bio'98 - Biotechnology exhibition              | New York          |
| June 22-24       | Minneapolis Gift Mart                          | Minneapolis       |
| June 22-24       | World IT Conference                            | Washington        |
| June 22-25       | International Food Technologists Convention    | Atlanta           |
| June 23-25       | Plastics Fair                                  | Cleveland         |
| June 24-27       | Building Materials NEBS                        | San Francisco     |
| June 28-30       | Restaurant and Supermarket Expo + NEBS         | Houston           |
| June 29          | Security Systems Expo                          | Bedford, MA       |
| June 29          | American Library Association Conference        | Washington        |
| June 28 - July 1 | Summer Fancy Food Show                         | New York          |
| July             | Mass Transit Transportation NEBS               | Boston            |
| July             | Technology Transfer & Partnering Mission       | Chicago           |
| July 7-11        | AmericasMark Giftshow                          | Atlanta           |
| July 18-19       | United States Air and Trade Show               | Dayton, OH        |
| July 18-20       | National Sporting Goods Expo + NEBS            | Chicago           |
| July 18-20       | Speciality Foods Manufacturers                 | Minneapolis       |
| July 20-21       | Western New York Giftshow                      | New York          |
| July 24-26       | Lawn, Garden and Power Equipment               | Louisville, KY    |
| July 27-28       | Designers Collection + Men's Exclusive Fashion | New York          |
| August           | National Hardware show                         | Chicago           |
| August           | Astronautics Technology Transfer               | Chicago           |
| August           | Life Sciences and Medical Investments          | Seattle           |
| August 3-7       | U of Michigan Automotive Executive Seminar     | Traverse City, MI |
| August 4         | Accessories and Style Industries Show          | New York          |
| August 9-13      | American Correctional Association              | Detroit           |
| August 10-11     | Seattle Gift Show + NEBS                       | Seattle           |
| August 18-20     | Gas Purchase & Technology Show                 | Boston            |
| August 21-23     | Farwest Show + Horticultural NEBS              | Portland          |
| August 28-30     | Foodservice Industry Show                      | Orlando           |
| August 25        | International Fashion Boutique                 | New York          |
| August 29-Sept 2 | Electrical Distributors West - Exposition      | Seattle           |

U.S. buyers and investors are regularly invited to trade shows and business promotion events in Canada. These incoming missions are too numerous to include in this list.



# Planning for Trade Shows

*Trade shows are an excellent way to meet potential clients and to identify business opportunities.*

Despite the increase of electronic commerce, the trade show remains an important way to cement a business relationship by personal contact — vitally important in the U.S. context.

## How do I plan for a trade show?

To get the most out of trade shows, you need to:

- match events with your market strategy;
- know your industry in the United States;
- develop clear targets for business development and specific events;
- notify clients and business associates two to three months in advance that you are coming;
- work with trade commissioners in Canada and at the post. Inform them of your product, your marketing plans, and your objectives;
- plan your itinerary carefully, allowing appropriate time between appointments;



- make sure that you don't run short of professional material (company literature and business cards);
- plan your follow-up campaign before you leave Canada.

## How do I find out about trade shows?

You can find information on trade shows and missions on the Internet at *Strategis* ([strategis.ic.gc.ca](http://strategis.ic.gc.ca)), *Trade Show Central* ([www.TSCENTRAL.com](http://www.TSCENTRAL.com)), the *Meeting Planner's Trade Show Directory* ([www.mmmaweb.com](http://www.mmmaweb.com)) and *Expoguide* ([www.expoguide.com](http://www.expoguide.com)). Trade show information is also available on the Web sites designed by Canadian consulates in Boston, Buffalo, Dallas, and Washington. (See Guide to Web Sites on p. 14 for addresses.) Δ

## Stars and Stripes Forever

— Continued from page 2

managing shared fisheries resources, establishing energy policies or working to protect and conserve our environment. The business of doing business together is in itself monumental.

### Not only trade but investment too

As it is with trade, the United States is Canada's most important source of investment, and Canada invests more in the United States than in any other country. In 1996, U.S. business invested \$113 billion in Canada — about 67 per cent of our total stock of foreign investment.

Not only has the NAFTA made it easier for our goods and services to enter the U.S. and Mexican markets, it has also enhanced the attractiveness of Canada in the eyes of foreign investors.

*Three jobs out of ten in Canada are a result of foreign direct investment in Canada.*

Much of this investor confidence in Canada is a direct result of the Agreement's provisions that ensure greater certainty and stability for investment through the fair, transparent and non-discriminatory treatment of both investors and their investments.

Add to these facts the findings of a recent study by the international consulting firm KPMG (see the November 3, 1997, issue of *CanadExport*), and Canada is looking better and better to foreign investors every day. The study, which compared the cost of doing business in Canada, the United States and five European countries, found Canada to be the most cost-effective country in which to establish a business. Δ

## How to be a Successful David to their Goliath: Tips for Doing Business in the United States

### 1. Know your market

Focus is the key. The United States is not just one market, but five or six different regions where connections and distribution channels can vary widely. Find out how your sector works in the region, take time to do a thorough market assessment and develop a precisely targeted marketing strategy.

### 2. Obtain market studies

Getting information on foreign markets is integral to your successful market entry. Market information on sector opportunities for a wide variety of goods and services is available on the *InfoExport* Web site at [www.infoexport.gc.ca](http://www.infoexport.gc.ca)

### 3. Know the rules and regulations

Become familiar with the marketing and merchandising requirements at all levels of government affecting your product. There are important differences in how business is done, and notwithstanding NAFTA and a more liberalized trading environment, there are still barriers, such as the "Buy American" factor, that may limit your access to the market.

### 4. Know how to quote prices

Firms must quote in U.S. dollars on a "delivered" basis to U.S. customers. FOB ex-Canada is not an option. U.S. buyers and distributors want goods delivered to their door, with Customs clearances and other ancillaries taken care of by supplier. Develop the transportation/Customs expertise needed to quote and supply successfully.

### 5. Promote your product with flair

The U.S. market is so large that offering a product without supporting merchandising and marketing materials is not enough. Companies must develop product literature, promotional information and advertising to distinguish themselves from the competition.

### 6. Understand the importance of salesmanship

Pricing and the ability to supply in volumes often much larger than your entire Canadian market are critical to your export success. The lower Canadian dollar does not necessarily guarantee competitiveness. Be ready to spend money in order to make money, as part of your market strategy.

### 7. Include media relations in your marketing plan

Press reports of your company in the Canadian and U.S. media can influence sales of your product to consumers and of your company stock to investors. An article in a reputable business publication is considered to be objective and therefore more credible than advertising. It will pay to work with a professional communicator.

### 8. Consider your options for sales networks

Distributors and manufacturers representatives play an important role in making business happen in the United States. If you are considering a U.S. address to import and distribute your

goods, inquire about state taxes from a U.S. accounting firm

### 9. Form a strategic alliance with another firm

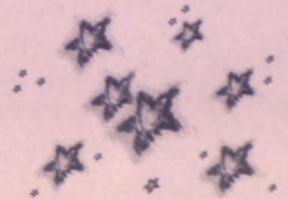
A formal relationship between two entities that have shared goals and economic interests, a strategic alliance with another firm (Canadian or U.S.) can put your company in a better position to find clients, fulfil contracts, and compete in the international market. The Canadian trade offices in the United States can help you find a partner.

### 10. Be ready to provide local after-sales service and technical support

Your company is often better served by linking up with U.S.-based counterparts (through partnering, licensing, or franchising), rather than trying to service the market directly from Canada.

### 11. Check your insurance

Protect yourself from legal action against your product or service with liability insurance, and consider export credit insurance as security in the event of non payment of bills. EDC (page 15) and private insurance companies can advise you.  $\Delta$





## First-time Exporter's Guide — Continued from page 11

### Who can help me find a manufacturers representative?

The Canadian trade commissioner in your chosen region may be able to supply you with a list of distributors or manufacturers representatives in your market and area.

### Commercial lists

Published lists of manufacturers representatives are available, including:

Verified Directory of Manufacturers' Representatives  
(from MacRae's Industrial Directories)

87 Terminal Drive  
Plainview, NY 11803

National Directory of Manufacturers' Representatives

(from McGraw-Hill Book Co.)  
1221 Avenue of the Americas  
New York, NY 10020

Manufacturers' Agents National Association  
23016 Mill Creek Road, P.O. Box 3467  
Laguna Hills, CA 92654

Association of Industry Manufacturers Representatives

222 Merchandise Mart, Suite 1360  
Chicago, IL 60654  
Tel.: (312) 464-0092

Business Products Industry Association  
301 North Fairfax Street  
Alexandria, VA 22314

Tel.: (703) 549-9040

Electronics Representatives Association  
20 East Huron

Chicago, IL 60611  
Tel.: (312) 649-1333

National Association of General Merchandise Representatives

111 East Wacker Drive, Suite 600  
Chicago, IL 60601

Tel.: (312) 644-6610

National Electrical Manufacturers Representatives Association

200 Business Park Drive, Suite 301  
Armonk, NY 10504

Tel.: (914) 273-6780

### Trade and professional associations

The following major trade and professional associations have membership directories that may help you find a representative.

Agricultural and Industrial Manufacturers Representatives Association

5818 Reeds Rd, Suite 201  
Shawnee Mission, KS 66202-2704  
Tel.: (913) 262-4511

### Other ways to find manufacturers representatives

Agents often circulate at trade shows and may express their interest in locating product lines. You can also find agents through search organizations; by advertising in the *Wall Street Journal*, local newspapers, or industry trade publications; or by word of mouth from recommendations.

The NEBS training program includes a component on how to find and manage a producer/distributor relationship.  $\Delta$

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