

DISCOVER NEW MARKETS



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MAKING THE JUMP TO EXPORTING

Making the jump from entrepreneur to exporter can be exhilarating and enticing. After all, what could be more exciting than discovering new markets such as India, China, Russia, South Africa and Chile.

Your skills and know-how helped you build your business. But you may be asking yourself: Why risk it all by venturing into unknown territory? Well, you don't have to go it alone. For more than 60 years, EDC has helped Canadian exporters like you grow their business and maintain peace of mind through our services and products. Not only can we help you manage risks such as non-payment or political upheaval, we can even make sure you close the sale by providing bonds and financing.

YOU'RE NEVER TOO SMALL OR TOO UNIQUE TO START EXPORTING

Not sure if your company is big enough to export? Today, more than 80 per cent of EDC's customers are small- and medium-sized companies, coming from diverse industry sectors, with distinct requirements. That means we have solutions that are smart, flexible and creative – and in tune with the wide-ranging needs of Canadian businesses like yours.

THE RIGHT TIME TO EXPORT IS RIGHT NOW

As the global marketplace becomes more accessible, there have never been more exciting exporting opportunities for your business. That's why EDC has representatives in strategic markets throughout South America, Central Europe, Mexico, India, China, Russia, the Gulf Cooperation Council states and South East Asia. Like knowledgeable business guides to the exporting world, they're right there to help you facilitate new export opportunities and navigate through the intricacies of almost 200 markets around the globe.



**BEYOND
NORTH AMERICA:
THE NEW WORLD
OF GLOBAL
VALUE CHAINS**

About global value chains

Globalization has caused companies worldwide to divide their products or services into components and, instead of obtaining those components domestically, acquire them from other countries through international trade. This business model comprises all the linked activities needed to bring a product or service from conception to consumer, and is called a global value chain (GVC).

Whether you export or not, your company has very likely been affected by the three major forces driving the growth of GVCs. The first is transportation; as logistics costs fall, a firm can move its goods and services over greater distances without losing competitiveness. If you've relocated some of your production abroad, thus moving it farther from your Canadian customers, you've become part of a global value chain.

The second driver of GVC growth has been the advent of more flexible, adaptable and cheaper information and communication technologies (ICT). If distance has become less of a constraint on your foreign operations, it's likely that better ICT has been partly responsible. Advances in ICT have also made it possible to trade in services that depend on the rapid movement of large volumes of data (such as software development or financial services) or real-time communications (such as online medical diagnosis or teleconferencing).

The third GVC driver is that the world's countries have been reducing barriers to international trade while establishing more and more free trade agreements. If you export to the U.S., the North American Free Trade Agreement has probably made it easier for you to do business there.

Benefiting from global value chains

It's quite possible that your company is part of a global value chain even if you're not an exporter – if your customers are all in Canada but you acquire some of your production inputs from a foreign country that has labour-cost advantages, you're linked to a GVC¹. This is a very simple and basic way of benefiting from a GVC, but there are several other ways to take advantage of them.

Provide an intermediate input for an existing value chain

If your product is something that another company (either Canadian or foreign) uses as an intermediate input for its own activities within a GVC, you may be able to link into that chain by becoming a supplier to the company. This is a very common approach and certainly the simplest, since it closely approximates the traditional model of production and/or exporting. For SMEs, particularly those with niche technologies or specializations, GVCs provide new opportunities for selling to multinationals and their suppliers, especially as these firms outsource activities that were previously carried out internally.

Develop your own global value chain through outsourcing

If your company manufactures either finished products or intermediate inputs for other companies, you can use outsourcing to set up your own GVC. This means that you acquire your own intermediate inputs, such as raw materials, components, subsystems and other goods and services, from foreign suppliers, and use them to manufacture your finished product or intermediate input in Canada (or in another country, for that matter).

Use FDI to connect to or establish a global value chain

By investing abroad you can gain immediate access to a foreign market, allowing you to expand your sales and promote your company's growth. There is a considerable spectrum of investment approaches, ranging from the passive to the active.

You might, for example, become part of a GVC in a passive manner, simply by investing in a foreign company while taking little or no part in its operations. Purchasing a foreign firm, or setting up a joint venture or partnership with a foreign company, might also work for you; either of these strategies lets you take advantage of the other firm's assets and experience, which will increase your competitiveness in the local market and give you better control of local production and distribution networks. This approach can be very cost-effective if you obtain existing production and distribution capabilities through the investment and don't need to build them from the ground up.

At the active end of the spectrum, you could become a full participant in a foreign market by establishing a wholly-owned subsidiary there. This investment strategy presents a range of advantages that can help you benefit from the GVCs of which your company is already a part. Perhaps the most important of these advantages is that you aren't dependent on a partner, so you control the direction your subsidiary will take. You also have direct contact with your end users, which is good for developing new products and for building solid customer relationships.

Focus on service sectors

The service sector provides many opportunities in the financial, educational, consulting, environmental, engineering and architectural sectors, to name just a few. Even if you're primarily a manufacturer, you may be able to move up the value chain by branching into value-added services related to your sector, such as design, distribution, marketing and logistics.

¹ In this sense, of course, GVCs have been in existence for centuries – the sugar used by a confectioner in 19th-century Montreal, for instance, would likely have been imported from the Caribbean

FINDING THE RIGHT REPRESENTATIVE



Six steps to export success

Most countries have vastly different social and business cultures, languages and government regulations. That's when having the right representative can mean the difference between success and failure.

More than a middleman

Establishing a local office instead of using a representative is always a possibility. However, it's expensive and rarely needed in the early stages. In some countries, this isn't even an option – you can't operate without a state-approved representative.

Even where representation isn't mandatory, it can still make sense. Representatives are familiar with local conditions and can help you find buyers, arrange distribution channels, handle documentation and provide after-sales service. If your sale involves complex contracts, a representative is almost a necessity.

From agents to trading houses

There are three basic types of representatives, but the boundaries among them are blurred. A big import-export firm, for example, may include them all under one roof.

- ▶ An agent is an individual or firm you employ, usually on commission, to sell your product or service.
- ▶ A distributor is a firm you choose for its distribution channels; it buys your product and then on-sells it.
- ▶ Full-service trading houses handle multiple aspects of exporting, such as market research, transportation and advertising. Some firms buy your product outright, while others may act as agents on commission.

Choices, choices

The first step is to understand what market you're going after and how that market is segmented: by industry, region, political or economic divisions. Then you pick a representative whose capabilities match your market segment.

One way to find a potential representative is through contacts at trade fairs or sources such as the Canadian Trade Commissioner Service, which has officers in Canadian embassies and consulates abroad. Trade associations and local chambers of commerce (both American and Canadian) are also helpful. You might also consult suppliers and companies in your sector to ask for recommendations.

You can check out representatives through TRACE (Transparent Agents and Contracting Entities), a non-profit organization that pre-vets intermediaries by offering them an opportunity to submit to an independent due diligence review. TRACE then shares the results with its member companies. For more information, visit www.traceinternational.org.

Trading warily

If you have an attractive product or service, you may be approached by firms wanting to represent you. Don't sign up with the first to come along, even if they have a sterling reputation. Examine all your options.

Be even more careful when people make unlikely claims of past success, or push you to sign on the grounds that only they can complete the sale. If you're entering a large market such as China or India, you may not want to give all your business to a single representative. Explore the feasibility of splitting the market into zones of responsibility and find an effective representative for each one.

FINDING CUSTOMERS



Finding potential customers starts with discovering where and how they live. This requires careful research, because entering a strategic market does involve a certain amount of risk. Such risks arise from political, cultural, economic, regulatory or financial factors, and learning about them will help steer you away from markets that could cause you problems, such as facing a deeply entrenched domestic competitor or being subject to extremely high tariffs.

On the opportunity side, research will help you focus on the markets that offer the best potential for your product and aid in deciding which entry strategy your company should use.

Where to find sales leads

You can start by visiting the Canadian Trade Commissioner Service's site at www.tradecommissioner.gc.ca and registering with its Virtual Trade Commissioner. This personalized web service can provide market information and business leads to match your international business interests.

The Canada Business website, at www.canadabusiness.ca, is one of the best online resources for all types of export information. It links to many Canadian market information websites and provides information on government and private sector services, market and sector information, trade statistics, trade leads and potential partners.

Tracking market indicators is another way of identifying possible customers. EDC offers several tools that will help you do this; refer to the Country Information page at www.edc.ca/search/CountryInformation.asp, and to the Subscriptions page at www.edc.ca/edcsecure/SUB/subscriptions_e.asp.

For companies in the agri-food sector, a wealth of market studies and country reports is available through the Agri-Food Trade Service website of Agriculture and Agri-Food Canada; you'll find it at <http://ats-sea.agr.gc.ca>.

Finally, the CanadExport online newsletter covers trade opportunities, export programs, trade fairs, business missions and much more. Go to www.tradecommissioner.gc.ca to obtain your free subscription.

Opening the door

How you intend to enter your chosen market is a key question, because it helps determine the kinds of customers you'll seek out. Will you sell directly to your product's end users, or will you operate through a local partner of some sort?

Having a local partner or distributor to represent you is often the best way because you then have someone who knows the country and the cultural climate, as well as how business is done and which people are good contacts. A trusted local partner can be of major importance, for example, in establishing a network to sell to local distributors.

Whether you use an intermediary or deal with the end user directly is often determined by the nature of your product. For example, a buyer of a million-dollar machine will probably want to deal with you directly. But if you're selling a million units of a \$5 product, a distributor might be a better option.

Calling on customers

In one important respect, there's little difference between an end user and a distributor – they're both your customers. The question is, once you've decided on a market, how do you actually identify these potential customers?

One way is to contact the Canadian Embassy in the target country. Trade Commissioners there will respond with information about market prospects and local companies, and can help with visits to the market, key contact searches and face-to-face briefings. For example, they might introduce you to members of the local Chamber of Commerce or local trade associations; you could then open discussions with these contacts and follow up with an on-the-ground visit to establish personal relationships and perhaps make your first sale. If you've already identified a company as a potential customer, the embassy can also help by telling you more about the company and how it fits into the local scene.

Customs of the country

It's easier to enter a strategic market if you are aware of the local culture. In some countries, for example, people are reluctant to say no directly or to admit that they're not really interested in doing business. Trade Commissioners can tell you what the norms are, which will help you avoid confusion or embarrassment.

But the most important key to entering a new market is patience. You may find that everything takes a lot longer, with distance, language, culture, politics and economics all adding their own layers of complexity.

CHECKING OUT POTENTIAL BUYERS



You should always verify a prospective buyer's credit-worthiness and financial solidity before committing to a deal. For certain overseas markets you can use EXPORT **Check**, a cost-effective online service offered by EDC, where you can check out the financial profile of your buyer before you export.

Your Canadian bank may also have a relationship with a domestic bank that can report on the buyer's reputation. If you're willing to spend money, there are consulting firms and credit reporting agencies both abroad and in Canada that will help you check out a buyer. This can be expensive, but may be worthwhile if it uncovers serious risks for your company.

Insuring against non-payment

Perhaps the most serious of these risks is non-payment – what would you do if your foreign purchaser, whom you assumed was reliable, can't or won't pay for goods or services received? If the future of your company hangs on the deal, this is a nightmare scenario. Even if it doesn't, the impact of non-payment can be severe and lasting.

You can protect your company from such a disaster through Export Development Canada's Accounts Receivable Insurance (ARI). ARI protects you against non-payment by covering up to 90 per cent of your losses resulting from a wide variety of commercial and political risks. Better still, you'll be able to free up your capital and possibly extend more attractive payment terms and credit options to new customers. For details, visit www.edc.ca/english/insurance_accounts_receivable.htm.

IP Considerations

A Canadian company's information and processes can be considered more valuable than its actual product or service. Misappropriation of intellectual property (IP), through reverse engineering or outright theft, can be a serious blow. Consequently, you have to ensure that a buyer, or even your joint venture partner or agent, won't walk off with your IP once the contract is signed. Countering such risks may require elaborate precautions, both legal and operational in nature – one Canadian business went so far as to place a trusted employee in a buyer's plant to keep the buyer from poaching a key manufacturing formula.

In some countries, IP protection can be a real problem. Some markets lack regulatory frameworks to safeguard against this kind of loss. The Trade Commissioner Service is constantly on the lookout for companies that are abusing IP and these are reported to their own officials. As a result, the service is well placed to help Canadian companies understand the IP risks of a particular market. And don't forget to consult a legal professional with experience in the market.

SETTLING THE CONTRACT



No matter whether you or a representative does the negotiating, you'll reduce your risks if the contract's terms and conditions are clear and precise. At the minimum, they should describe:

- ▶ the legal entities entering into the contract;
- ▶ the contract's validity conditions;
- ▶ the goods or services to be provided, together with their purchase price and the specific details concerning payment, inspection and delivery terms;
- ▶ any warranty and/or maintenance terms and conditions;
- ▶ the entity responsible for obtaining any import/export licenses;
- ▶ any contract performance security requirements such as bank letters of guarantee or surety bonds;
- ▶ the remedies available if the buyer defaults or cancels;
- ▶ the provisions for independent mediation or arbitration to resolve disputes, and the jurisdiction where this would take place; and
- ▶ the contract completion date.

Avoiding assumptions

In Canada, signing a contract ends the negotiations. But in some countries, this merely means that you and the buyer have agreed to do business. Serious negotiations begin after signing.

If you're in this situation, be careful not to make more initial concessions to your buyer than necessary. If you do, and your buyer later requests more negotiations, you may have to concede more than you can really afford.

Negotiating through a representative

A reputable local representative can help you avoid such problems. However, you should always carefully review any contract that an agent brings you. If it appears too one-sided or lacks crucial information, it may affect your ability to fulfill the contract and to receive payment. If you are required to give a power of attorney to an agent, consult your lawyer and be sure to limit the agent's authority to only the business matter at hand. You should also ensure that the buyer who is actually responsible for payment signs the contract – if only you and the agent sign it, you have no written evidence that the buyer owes you the money, and you might have trouble getting paid.

Understanding licensing and intellectual property

Not all export deals involve shipping a Canadian product to the buyer; many involve licensing.

A license is the granting of the rights to use your company's proprietary technology and/or intellectual property. It usually doesn't involve granting all property rights, but rather a selection of them.

Again, the contract must be precise about the licensee's rights and where they are valid. Vagueness about these rights can create serious problems. For example, if the licensee uses

your technology to create other technologies, this can severely undermine the value of your original technology.

You must also be precise about the territory where the license is valid. Otherwise, your licensee may begin selling your product in a market that you intended to license to somebody else, and you'll lose the second sale.

Establishing payment terms

You'll do better in contract negotiations if you know what payment terms you can reasonably request. Small- to medium-size exporters usually obtain a down payment of at least 15 per cent of the contract price, either on signing or within 30 days after signing. The balance is normally paid on shipment of goods.

There are many variations of this and you'll have to decide whether a given variation is one you can accept. When making the decision, consider factors such as your experience (if any) with the buyer, your experience with the market and your cash flow requirements.

Particularly if you're in the construction industry, avoid accepting a "pay-when-paid" clause in the contract. This means that your buyer has to pay you only when the end-user pays him; consequently, you're giving control of your revenue stream to a third party who may not be a signatory to the contract.

COPING WITH LICENSING AND CUSTOMS



Cultural differences can also affect attitudes to payment – in some strategic markets, it's an affront to demand payment when payment is due. To get around this, make it clear from the start that you expect to be paid on the due date, in the right account and in the right currency. Otherwise, be prepared to allow some additional time for payment.

Contract performance security requirements

Foreign buyers often expect exporters to provide financial security to ensure that they'll honour their commitments at the bidding and performance stages. This security can be an on-demand bank letter of guarantee, a standby letter of credit or a surety performance bond. In all these cases, make sure the contract clearly stipulates your performance obligations, as well as the conditions under which your buyer can make a valid call for non-performance on the guarantee or bond.

Obtaining contract insurance and bonding

Exporting carries two major contractual risks:

- ▶ Until you invoice your buyer, you need to protect your contract performance costs from political risks or contract cancellation.
- ▶ After you invoice, you need to protect against non-payment.

To help you deal with these issues, EDC can provide you with Contract Frustration Insurance or Accounts Receivable Insurance against possible losses that result from specific political, commercial or buyer risks. EDC's contract bonding programs can also help you obtain the required contract performance security instruments without restricting your working capital, by providing support to your bank or surety company that will ensure that the needed bonds or guarantees are issued.

Shipping goods internationally

Suppose you've signed the contract and now you need to get your product to your foreign buyer. International shipping is complicated and time-consuming, however, and using a freight forwarder may save you trouble and expense. You can hire these agencies to negotiate a rate with a carrier, or have them do everything from arranging insurance to finding a reputable customs broker. Some forwarders specialize in shipments to certain countries, while others concentrate on particular types of goods. Check the Canadian International Freight Forwarders Association website at www.ciffa.com for more information.

Finding out who the importer is

When you're exporting to most countries, you'll need to file an export declaration with Canadian customs before moving your goods out of Canada. That's straightforward enough. But when your shipment arrives at your customer's border, how involved do you need to be with the customs regulations and procedures there?

This depends on the delivery terms and whether you will be the "importer of record"; that is, the company legally responsible for moving the goods across the border and for paying the requisite taxes and duties.

For example, if your buyer wants you to deliver the goods with the duty paid, this means that you'll have to act as the importer of record. In many strategic markets, however, a company that has no local business presence can't act in this capacity. Consequently, before you agree to deliver your product with the duty paid, be sure that your customer's country will in fact permit you to be the importer of record.

And even if you are the importer of record, you still can't afford to ignore the other country's customs procedures. Delays at customs could affect when or whether you get paid, or at the very least affect your relationship with your customer.

Getting help with customs

Most Canadian exporters use customs brokers based in Canada. These firms work directly with a broker in the buyer's country, who will clear your goods through local customs. In many countries, you're legally required to use a local broker.

A sales representative may also help. Some offer expertise in areas such as marketing or distribution networks and while they aren't licensed customs brokers, they may be familiar enough with customs procedures to help with the importation process.

Different markets, different customs

Your customs arrangements will depend on your product and its foreign market. But to ensure your compliance with local customs regulations, you should understand your target country's requirements, either through your own research or by obtaining expert advice.

One of the most important considerations is understanding which documents you need to clear customs.

One such document is the pre-shipment inspection certificate, which verifies that the value on the invoice is the actual value of the goods. Customs authorities in many countries don't have a way of checking that an invoice value is legitimate. As a result, some of them require inspection of a shipment before it leaves the country of export. The companies that provide these inspections then issue a pre-shipment inspection certificate, which is presented to the customs authorities in the importing country. Without the certificate, the goods can't enter the country.

Understanding import licenses

Usually, Canadian exporters can freely ship to foreign buyers simply by complying with the customs procedures of the buyer's country. Depending on the nature of your exports and your market, however, you may run into the complications of import licensing.

An import license is a special permit that some countries require for importing certain goods, such as agricultural products, animals and pharmaceuticals. Depending on the country, either you or the importer may be required to hold the license. In either case, you should be aware of any licensing requirements well before you ship your goods.

Obtain professional advice about licensing laws before entering a new market. For example, India is attempting to eliminate much of the need for licensing, while Argentina is very rigid about licensing requirements. Then there are situations where a country brings in new legislation that will have a detrimental impact on Canadian exporters. Managing this kind of risk is critical, and legal advice can help you move your goods safely abroad.

Problem-free customs clearance

The principles of getting your exports smoothly through foreign customs are fairly simple:

- ▶ Complete all customs requirements before you ship the goods. Don't wait until they're at the border to discover that you need a pre-shipment inspection certificate or an import permit or license.

- ▶ Make sure the documents are consistent and complete in terms of quantities, descriptions and so on. For example, when using part numbers, also provide a written description that will help classify the goods for customs purposes.
- ▶ Make sure the documents match the shipment exactly. If you toss in a few promotional items at the last moment and they're not on the invoice, it may create problems for your importer.
- ▶ If you use a customs broker, make sure you pick a reputable one. If possible, also choose a broker who deals with your type of product.
- ▶ Finally, and especially when entering a new market, obtain expert advice from sources who are familiar with that market's customs procedures and regulations.
- ▶ If you follow these basic guidelines, your goods should sail through your buyer's customs without a problem – a result that you and your customer will both appreciate.

Using Incoterms

To provide a common terminology for international shipping and minimize misunderstandings, the International Chamber of Commerce (ICC) has developed a set of terms known as Incoterms. These are listed and described in the Glossary under International commerce (INCO) terms. More information is at the ICC website at www.iccwbo.org/incoterms.

KEEPING YOUR CUSTOMERS



Reliable customer retention depends on several factors. Reasonable prices and high-quality products will certainly help keep your buyers' loyalty, but these in themselves can't always guarantee a long-lasting relationship. A crucial added ingredient is customer service. Understood in its broadest sense, this means how the entire sale is handled, from the time your sales or marketing people first encounter your buyer, through the order and delivery process, to the provision of any after-market support the customer may need. From your buyers' point of view, customer service includes the whole experience of purchasing something from your company. If it was a good experience they'll be back.

Cushioning culture shocks

Customers will evaluate your service quality according to their own cultural values. This means that clear communication is of paramount importance right from the beginning. Difficulties can often be avoided if the seller and buyer are both clear on what they can and can't do in the transaction. If that's established, a customer will be more likely to feel that the seller has met expectations, and will be satisfied with the results.

Does this mean you're always better off to sell through a local representative rather than directly to the end users of your product or service? There's no hard-and-fast answer to this question – it all depends on the characteristics of your company and your product or service.

Going it alone

Customers who have done business with you may eventually prefer direct contact. This can be a good thing, because it suggests that the customer is committed to maintaining the relationship.

Such direct exporter-customer contact is becoming more common. For the exporter, this means finding the resources that will allow the company to be in tune with the customer's needs. A Chilean mining company, for example, wanted to deal directly with a Canadian bearing supplier rather than go through an intermediary. As a result, the Canadian firm set up

its own distribution centre in the mine complex, so it could put the bearing supply and the associated technical expertise exactly where they were needed. This is an example of value-added service that helps you keep customers.

Dealing through an intermediary doesn't mean you can disregard the influences of the local culture. Local intermediaries are part of their cultures, after all, and while they may not be your product's end user, they're still customers – and very important ones at that.

These representatives can choose products from suppliers all over the world. In Asian and Middle Eastern cultures, it often boils down to personal relationships that establish trust, proving to them on a personal level that you are a credible supplier, that you meet your commitments, that your product is sound and that you stand behind it. All this has to happen before many representatives will even consider representing you. But once that trust is established they will stay with you.

Common values and bottom lines

The relationships that help you keep customers in new markets are built on clear communication and mutual understanding. This requires face-to-face meetings, regular email and telephone contacts, and an informative, easy-to-use web site – anything that will keep the lines of communication open and nurture trust. There's a balancing act involved in such communication.

Most customers, regardless of where they live, want the same basic things: a quality product, responsiveness to their inquiries, timely delivery and a vendor who's there when needed and who settles problems promptly and fairly. Providing these services on the other side of the world, however, is a bit more difficult than doing it domestically.

Ultimately, then, keeping your customers depends on sticking to a few well-known principles of quality and service, translated in terms of local conditions. If you're successful at it, whether you do it yourself or through an intermediary, your customers will keep coming back for more of what you have to offer.

INDIA

Economic growth in India is being driven by the country's highly entrepreneurial and rapidly globalizing private sector. Indian firms are looking for partnerships, technologies, products, services, and expertise in sectors ranging from aerospace to biotechnology, and forecasters predict that the country will have one of the world's five largest economies within 30 years.



Useful information

- www.international.gc.ca/commerce ▶ International Trade Canada web site. Select Around the World, then Asia-Pacific, then India
- www.india.gc.ca ▶ Canadian Embassy in India
- www.hciottawa.ca ▶ High Commission of India in Canada
- www.canada-indiabusiness.ca ▶ Canada India Business Council
- www.iccc.org ▶ Indo-Canada Chamber of Commerce
- www.ibef.org ▶ India Brand Equity Foundation

Top picks

Aerospace

India's aviation industry is one of the fastest growing in the world. The sector will require not only new aircraft and avionics but also much-expanded maintenance and overhaul facilities. Training services are also key.

Biotechnology

The Indian biotech industry is projected to reach US\$5 billion in annual revenues by 2010. Vaccines, human and animal healthcare, clinical trials and contract research are the sector's key growth areas.

Information and telecommunications technology

Opportunities abound in gaming and animation, infrastructure for wireless and wired networks, web services, cable and broadcast television, and radio.

Environment

India's current environmental technology market is worth more than US\$5 billion annually, and the growth rate may soon reach 20 per cent. Municipal solid waste management is projected to comprise a quarter of the total market by 2010.

Energy

India's electricity supply falls 30 per cent short of demand. Conventional and renewable energy technologies are needed, including equipment, services, supplies, R&D and training.

Construction and infrastructure

The construction sector is poised to grow at double-digit rates, and there is a huge untapped market for green materials. More opportunities are emerging as infrastructure upgrades to airports and railways become a priority.

Agribusiness

The food-processing sector, which is growing at 12 per cent annually, needs vastly improved cold storage systems as well as new processing and packaging machinery.

Dos and don'ts

Dos

- ▶ Tap into the pool of Indo-Canadian professionals with extensive experience in the Indian market and knowledge of its requirements and intricacies.
- ▶ Commit to fostering relationships and building trust.
- ▶ Tailor your marketing strategy. For example, companies selling goods need to partner with local distributors; service or solutions providers need to provide quality after-sales service.
- ▶ Provide opportunities for technology and knowledge transfer.

Don'ts

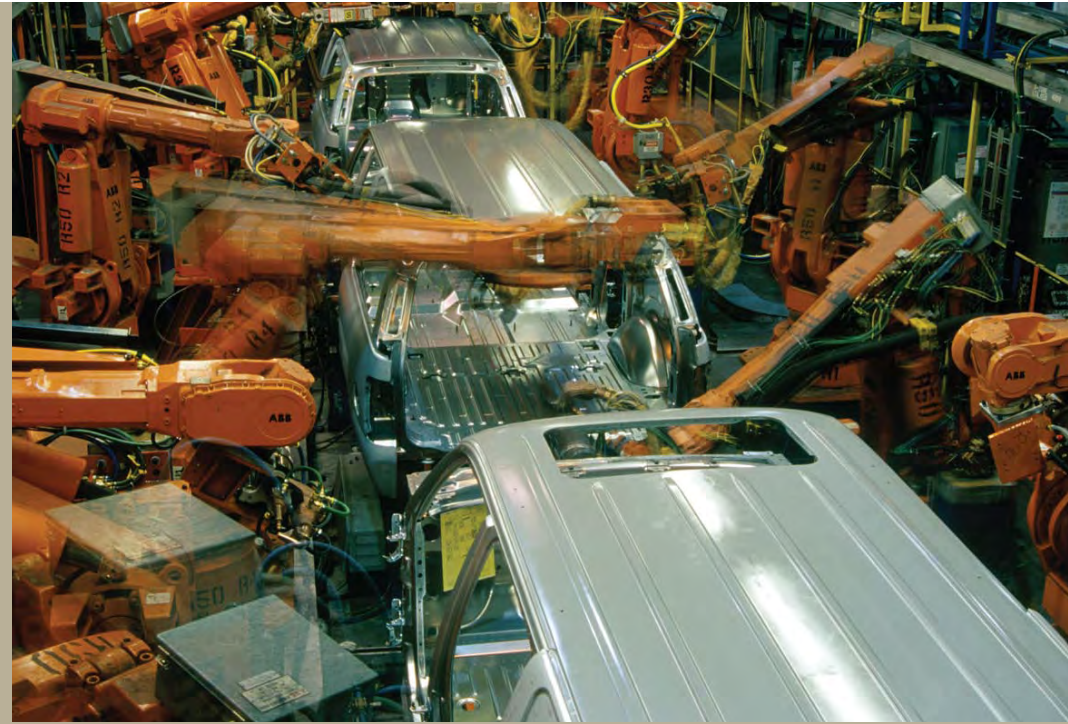
- ▶ Don't try to do everything from Canada. Face-to-face meetings are crucial. Local business people also respect the commitment displayed by senior-level involvement.
- ▶ Don't market off-the-shelf solutions.
- ▶ Don't assume that local offices can be established quickly and cheaply. Qualified staff can be expensive; locations in high-traffic, urban centres can be costly and bureaucratic approvals slow.

QUICK FACTS

Population:	1.15 billion (2008 est.)
Official language:	Hindi, spoken by 30% of the population; English is the most important language for business communication
Main imports:	crude oil, machinery, gems, fertilizer, chemicals
Canadian exports:	agri-food and fertilizer, pulp and paper, aircraft and aircraft parts, minerals, machinery, measuring and control instrumentation, IT equipment.
Largest import partners:	China 9.4%, Saudi Arabia 7.2%, U.S. 6.3%, Switzerland 4.9%, United Arab Emirates 4.7% (UN Comtrade, 2006)
Climate:	Varies from tropical monsoon in south to temperate in north
Currency:	Indian rupee (INR)
Time difference:	UTC+5.5 (9.5 hours ahead of Ottawa during daylight savings time (DST))
Business hours:	Banks are open from 10 a.m. to 2 p.m. Monday to Friday, and 10 a.m. to 12 noon on Saturday. Businesses are usually open from 9 a.m. to 5 p.m. Shops and markets open around 10 a.m. (varies with city) and close at 8 p.m.; markets are usually closed on Sunday and public holidays.
Government office hours:	10 a.m. to 5 p.m., Monday to Saturday; closed every second Saturday

MEXICO

As well as undergoing economic restructuring over the past decade and a half, Mexico has also undertaken massive reform of its political, legal and regulatory systems. The process is not complete, but the Mexican government is committed to it and reform continues to proceed regardless of economic changes. This has meant a multitude of opportunities for Canadians working in sectors such as energy, agri-food and telecommunications.



Useful information

- www.international.gc.ca/commerce ▶ International Trade Canada web site. Select Around the World, then United States and Mexico, then Mexico
- www.mexico.gc.ca ▶ Canadian Embassy in Mexico
- www.sre.gob.mx/canadaingles ▶ Embassy of Mexico in Canada
- www.cancham.org.mx ▶ Canadian Chamber of Commerce in Mexico
- www.investinmexico.com.mx ▶ Investment information on Mexico
- www.tradecommissioner.gc.ca ▶ The Canadian Trade Commissioner Service

Top picks

Agri-food

Mexico is the world's 13th largest importer of agri-food products; nearly 70 per cent of these are intermediate or consumer goods. Good prospects include frozen and processed foods, ready-to-eat foods, food ingredients, snack foods, meat, fish and seafood, and health and wellness products.

Automotive

Auto and auto parts are the largest bilateral trade sector between Canada and Mexico, and the auto sector is Mexico's largest manufacturing export industry. Mould making, stamping dies, machine tool builders, automation equipment and presses are all in demand.

Electricity, oil and gas

Mexico's energy sector will be a government priority until at least 2012, and large sums are to be invested in the development and maintenance of the energy infrastructure.

Environment

Mexico's market for environmental infrastructure and services is growing fast. The current government, in power until 2012, has ambitious environmental plans and has identified waste water treatment and solid waste management as priorities in this sector.

Information and communications technologies

There are good opportunities for selling innovative products to small and medium-sized companies, especially infrastructure software, 3G broadband technologies, and voice, video and data services.

Mining

As world metal prices rise, levels of exploration and production in Mexico will rise with them. Safety equipment, environmental remediation technologies, exploration technologies and advanced mining and mineral-processing equipment are all needed.

Dos and don'ts

Dos

- ▶ A lot of business is concluded over breakfast and lunch. Expect to take up to two hours, and if you are the seller or set up the meeting, pick up the bill.
- ▶ Although it is common practice for Mexicans to greet each other with a kiss on the cheek, in a business setting a handshake suffices.
- ▶ Confirm all meetings by telephone the day of the meeting, or the afternoon before if it's for breakfast the next day.
- ▶ Always take copies of the most relevant files and legal documents with you because you never know when they will be required. It is also important to take photocopies and originals of your passport as proof of identification when you're closing a sale.

- ▶ When closing a sale in a public sector, you may be required to bring notarized copies of the articles of incorporation or other evidence of the legal status of your company, as well as a certificate verifying your authority to sign contracts on its behalf.

Don'ts

- ▶ Never use the telephone to close a sale.
- ▶ Don't hire anyone without talking to a lawyer first. The rigidities of the law make firing difficult.
- ▶ Don't be impatient. In Mexico, time is not money.

QUICK FACTS

Population: 109.9 million (2008 est.)

Official language: Spanish, spoken by approximately 92% of the population

Main imports: electrical equipment, machinery, automotive parts, plastics, agricultural commodities (UN Comtrade 2007)

Canadian exports: agri-food, metalworking machines, steel mill products, electrical equipment, car parts for assembly, repair parts for motor vehicles

Largest import partners: U.S. 49.8%, China 10.5%, Japan 5.8%, South Korea 4.5%, Germany 3.8% (UN Comtrade 2007)

Climate: Varies from tropical to desert

Currency: Mexican peso (MXN)

Time difference: UTC-6 (Mexico has three time zones; Mexico City is 1 hour behind Ottawa during DST)

Business hours: In Mexico City and Monterrey, most offices are open from 9 a.m. to 5 p.m. but they can be open as late as 7 p.m. Most people leave for lunch at 2 p.m. and take between one to two hours. Government office hours: The federal branch of the Mexican government has tried to institute a 9 a.m. to 6 p.m. schedule, but staff tend to stay later.

Government office hours: Local governments open at 10 a.m. and leave late after a long lunch break.

RUSSIA

Russia's booming economy is pulling in imports from around the world. A stroll through downtown Moscow helps to drive home the fact that Russia wants, needs and can afford the world's products: luxury cars and hotels line the streets, and construction works are on the go everywhere. Russia's banking sector has benefited from macro-economic stability and Russia's interior holds many of the world's richest natural resources. Canadian firms are well positioned to offer technologies and services related to mining, oil and gas, construction and agriculture.



Useful information

- www.international.gc.ca/commerce ▶ International Trade Canada web site. Select Around the World, then Europe, then Russia
- www.russia.gc.ca ▶ Canadian Embassy in Russia
- www.rusembcanada.mid.ru ▶ Embassy of the Russian Federation in Canada
- www.cerbanet.org ▶ Canada Eurasia Russian Business Association
- www.tradecommissioner.gc.ca ▶ The Canadian Trade Commissioner Service

Top picks

Agricultural machinery

Russia's farmers need to replace much of their aging agricultural machinery. While Russian suppliers are therefore interested in joint ventures to provide equipment such as heavy tractors, large combine harvesters, seeders, sprayers, irrigation equipment and cultivators, there are still excellent opportunities for companies to supply equipment from Canada.

Agri-food

Many Russian processors and stores are seeking quality ingredients and products from abroad. Opportunities are especially good in the packaged food market and in the hotel and restaurant sector, which need premium products such as wine, quality meats and specialty seafood.

Construction

Housing construction is a major Russian policy focus. Imported construction materials are popular due to their higher quality and the rising cost of domestic supplies. Opportunities for Canadian firms include establishing joint manufacturing ventures, participating in commercial and cultural/sporting projects, and exporting prefabricated structures and building components.

Mining

Selling to Russia's mining sector requires a substantial investment of time and effort to enter, but the industry can be extremely lucrative. There's a market here for goods and services related to project management, mining and mineral processing, environmental assessments and remediation workplace safety and cold-climate operations.

Oil and gas

Russia's oil and gas industry is a very challenging sector but can also be very profitable. The harsh northern climate gives Canadian companies an edge in supplying the hardware, services and technical expertise needed for the exploration, development, extraction and refinement, and modernization of existing oil and gas projects.

Dos and don'ts

Dos

- ▶ Being on time for meetings, especially in the large cities of Moscow and St. Petersburg, can be a challenge due to frequent traffic congestion. Leave extra time between meetings and obtain a cell-phone that works in Russia so that you can advise customers about scheduling difficulties. They will understand, provided you make the effort.
- ▶ Scheduling an appointment can be a tremendous challenge, so persistence and patience are essential. Once your appointment is scheduled (which often only happens very late), reconfirm to avoid cancellation.
- ▶ The giving and receiving of business cards (including a Russian language version) is important.
- ▶ Presentations should be thoroughly prepared, detailed, factual and translated into Russian.
- ▶ Learn the language; at the very least learning a few key phrases is greatly appreciated.
- ▶ Commit to servicing your product; Russians expect you to be available for follow up.
- ▶ Personal relationships are critical to building trust. Be prepared to spend time with your customers outside of the office environment.

Don'ts

- ▶ No doesn't necessarily mean no. You have to bargain and be persistent to get what you want.
- ▶ Do not try to do business over the phone.

QUICK FACTS

Population:	140.7 million (2008 est.)
Official language:	Russian, many minority languages.
Main imports:	vehicles and vehicle parts, machinery, electrical equipment, instruments, plastics, pharmaceuticals, iron and steel, railway equipment, rubber (UN Comtrade 2007)
Canadian exports:	agri-food, machinery, agricultural equipment, mining equipment, aircraft and aircraft parts, instruments, plastics
Largest import partners:	Germany 13.9%, China 12.8%, Ukraine 7%, Japan 6.7%, U.S. 5% (UN Comtrade 2007)
Climate:	Ranges from cool in the north through humid continental in central Russia; sub-arctic in Siberia to tundra climate in the polar north
Currency:	Russian ruble (RUR)
Time difference:	UTC+3 (Russia has 11 time zones; Moscow is 8 hours ahead of Ottawa during DST)
Business hours:	Generally from 9 a.m. to 5 p.m., Monday through Friday; most employees work from 10 a.m. to 6 p.m.
Government office hours:	Mondays to Fridays: 10 a.m. to 5 p.m.

CHINA

With a growing domestic market and comparatively low labour costs, China is attracting both foreign direct investment and value-added manufacturing jobs from around the world. Its growing wealth, massive population and apparently insatiable appetite for natural resources such as oil and metals, as well as consumer products, have many international analysts predicting that the 21st century belongs to China.



Useful information

- www.international.gc.ca/commerce ▶ International Trade Canada web site. Select Around the World, then Asia-Pacific, then China
- www.beijing.gc.ca ▶ Canadian Embassy in China
- www.chinaembassycanada.org/eng ▶ Embassy of the People's Republic of China in Canada
- www.ccbc.com ▶ Canada China Business Council
- www.amcham-china.org.cn ▶ American Chamber of Commerce in China – select Business Intelligence from the main menu
- www.tradecommissioner.gc.ca ▶ The Canadian Trade Commissioner Service

Top picks

Healthcare

China's need for medical devices and health care is increasing rapidly because of its aging population. Demand is growing for products such as orthopedic and rehabilitation equipment, assistive devices, specialized beds and laboratory instruments. There is also a need for inexpensive diagnostic technologies for use in poorer and rural areas.

Infrastructure

Highway, rail, airport and marine port construction continue to lag behind China's growing needs. In demand are new construction and improvements to existing transportation networks, water supply and water treatment systems, advanced generation telecommunications systems and telecommunications systems.

Environment

China's growth has been environmentally costly. Most of the country's rivers and some of its land are severely polluted, while urban air quality can be hazardous to human health. The market for environmental goods and services includes the sectors of air pollution and emissions control, water and wastewater management, solid waste management and alternative and renewable energy sources.

Construction

China is largely self-sufficient in basic construction materials such as cement, but there are large potential markets for advanced Canadian materials such as wall materials, doors, windows, lighting equipment, and heating, ventilation and air conditioning systems.

Automotive

Canadian parts and aftermarket suppliers may find customers here for gearboxes, vehicle body parts, automotive electronics and other sophisticated components. Maintenance products are also in demand, such as filters, lubricants and batteries; so is pollution control equipment and equipment for emissions testing.

Dos and don'ts

Dos

- ▶ While bowing was once a Chinese tradition, and is still common in neighboring countries, the Chinese have mostly dropped the habit, especially when dealing with Westerners. A slight bow often accompanies the handshake, but do not bow from the waist in the style of the Japanese.
- ▶ Make the effort to have business cards, brochures and company executive biographies available in Chinese.
- ▶ Greet the oldest or the person with highest seniority before others.
- ▶ Address the Chinese by Mr, Mrs, Miss plus the family name (which usually appears first on the business card) or by professional title such as Doctor. Married women always retain their maiden name.

Don'ts

- ▶ Public displays of anger or hostility are considered inappropriate.
- ▶ Clicking fingers or whistling is considered rude.
- ▶ Don't take action that causes a person to lose face; rather seek to resolve conflicts in a peaceful manner.
- ▶ Don't be surprised if you are asked personal questions about your life – to many Chinese this is normal conversation and part of the "getting to know you" process.

QUICK FACTS

Population:	1.3 billion (2008 est.)
Official language:	Mandarin, with many dialects throughout the country
Main imports:	electrical equipment, machinery, fuels and oils, instruments, ores and minerals, plastics, chemicals, aircraft and aircraft parts (UN Comtrade 2007)
Canadian exports:	pulp and paper, chemicals, minerals and ores, machinery, plastics, agri-food, aircraft and aircraft parts
Largest import partners:	Japan 14%, South Korea 10.9%, other Asian countries 10.6%, U.S 7.3% (UN Comtrade 2007)
Climate:	extremely diverse; tropical in south to sub-arctic in north
Currency:	Chinese yuan (CNY) note: also referred to as the Renminbi (RMB)
Time difference:	UTC+8 (12 hours ahead of Ottawa during DST)
Business hours:	Offices in major cities are generally open from 8 a.m. to 5:30 p.m.
Government office hours:	8 a.m. to 5 p.m. Mondays to Fridays, with an hour break at noon

BRAZIL

Since 1994, Brazil has been through a process of economic reform that has stabilized the economy, allowed for significant export and import growth and encouraged foreign investment. In order to improve its international competitiveness, Brazil requires massive investment in its energy and transportation infrastructure, as well as improvements to its legal and tax systems.



Useful information

- www.international.gc.ca/commerce ▶ International Trade Canada web site. Select Around the World, then Latin America and the Caribbean, then Brazil
- www.brazil.gc.ca ▶ Canadian Embassy in Brazil
- www.brasembottawa.org ▶ Embassy of Brazil in Canada
- www.ccbc.org.br ▶ Brazil Canada Chamber of Commerce
- www.braziltradenet.gov.br ▶ Brazil TradeNet. Trade and Foreign Investment news and regulations from Brazil
- www.tradecommissioner.gc.ca ▶ The Canadian Trade Commissioner Service

Top picks

Oil and gas

Petrobras, Brazil's largest oil and gas company, is expected to invest US\$50 billion in exploration, production, gas pipelines and petrochemicals by 2010. This is taking place in Brazil, neighbouring South American countries, the Gulf of Mexico and Africa. The company is also expected to modernize existing refineries and build one to two new ones.

Power

Brazil's power generation sector needs annual investments of roughly \$4.7 billion to avoid shortages. Private investment in renewable energy projects – mainly small hydro plants, wind power and biomass – is growing thanks to a government program called PROINFA.

Mining

Brazil is diversifying its mining activity, with a new wave of investment in non-ferrous metals such as copper, nickel, gold, aluminum and bauxite. It is also moving from open-pit to underground mines, which will require mineral extraction machinery, underground mining equipment, rock-drilling and earth-boring tools, and airborne survey systems.

Pulp, paper and forestry products

Brazil is expecting to spend US\$21 billion by 2012 to plant, harvest and transform its forests to reduce dependence on imports. Canadian companies can explore opportunities in engineering services, machinery and equipment, and research and development.

Infrastructure

The federal government's growth acceleration plan, Programa de Acelerao do Crescimento (PAC), was unveiled in 2007. The program involves funding projects in the oil and gas, transportation and sanitation sectors and aims to spur US\$235 billion of infrastructure development between 2007 and 2010.

Dos and don'ts

Dos

- ▶ Relationships are as important as legal documents in business.
- ▶ Although business is often discussed and deals concluded in social situations, always formalize these agreements with a formal contract.
- ▶ Use a local agent/representative.

Don'ts

- ▶ Business is usually discussed after a meal unless your host brings it up first.

QUICK FACTS	
Population:	191.9 million (2008 est.)
Official language:	Portuguese
Main imports:	fuels and oils, machinery, electrical equipment, plastics, instruments, vehicles and vehicle parts, chemicals (UN Comtrade 2007)
Canadian exports:	fertilizers, machinery, electrical equipment, fuels and oils, newsprint, agri-food, minerals, chemicals, railway equipment, instruments, aircraft parts
Largest import partners:	U.S. 15.7%, China 10.5%, Argentina 8.6%, Germany 7.2%, Nigeria 4.4% (UN Comtrade 2007)
Climate:	Mostly tropical but temperate in the south
Currency:	Brazilian Real (R\$ – BRL)
Time difference:	UTC-3 (Brazil has four time zones; Brasilia is 1 hour ahead of Ottawa during DST)
Business hours:	Start between 8 to 9 a.m. to 5 and 6 p.m., with a one-hour lunch break at noon
Government office hours:	Start between 8 to 9 a.m. to 5 to 6 p.m., with a one-hour lunch break at noon

VIETNAM

Vietnam's economy has been expanding at up to 8.5 per cent annually in recent years and shows no signs of slowing down. This growth, plus ongoing economic reform and a youthful population of 86 million, have combined to create a quickly evolving business environment in which consumer goods and services, aviation, telecommunications, information technology, power generation and oil and gas exploration are major opportunity sectors.

Useful information

- www.international.gc.ca/commerce ▶ International Trade Canada web site. Select Around the World, then Asia-Pacific, then Vietnam
- www.dfait-maeci.gc.ca/asia/vietnam ▶ Canadian Embassy in Vietnam
- www.vietnamembassy-canada.ca ▶ Embassy of Vietnam in Canada
- www.asiapacific.ca ▶ Asia Pacific Foundation of Canada



Top picks

Agri-food

Vietnam is currently a net exporter of food. However, as per-capita income continues to rise, the country's appetite for meat and more diverse food selection will increase along with it, which in turn will create a demand for imports. Rising affluence has already increased demand for imported, consumer-ready foods such as dairy products, snack foods and packaged foods. Vietnam is a high producer and exporter of seafood so there is limited opportunity in that niche for Canadian imports.

Aviation

Vietnam has designated aviation as a priority sector. By 2020, the government will have invested US\$8 billion in fleet expansion, \$5 billion in building and upgrading airports, and US\$2 billion in airport operation and air traffic management.

Information and communications technology (ICT)

Vietnam's ICT industries need a wide range of equipment, software, goods and services in most subsectors, including telecommunications and network infrastructure, value-added services, cell phone networks, satellite communications, broadcasting and the Internet.

Oil and gas

Vietnam's oil and gas industry is a major purchaser of imported technology, services and equipment. There are good opportunities in exploration, collection and transport, processing and distribution.

Power

Vietnam's predicted economic growth means a skyrocketing need for industrial and residential power. In demand will be consulting and engineering services, installation and construction services, overhaul and maintenance services, machinery, equipment, materials and spare parts. Hydroelectric expertise is especially sought-after.

Services

Financial and insurance services are expanding rapidly, as consumers with rising incomes put more money into investments and purchase additional insurance.

Dos and don'ts

Dos

- ▶ When seeking to initiate contact with a Vietnamese businessperson, try to be introduced through a third party such as a mutual friend, acquaintance or known business associate.
- ▶ Vietnamese prefer face-to-face discussions over telephone calls or letters. Be prepared for numerous business meetings, which will tend to be highly formal. Normal business attire consists of a suit and tie for men and a suit or dress for women.
- ▶ Most business and official meetings are conducted in Vietnamese, so be sure to hire a reliable interpreter.

Don'ts

- ▶ "Face" is extremely important to many Vietnamese. Don't put your Vietnamese counterparts in an embarrassing situation, especially in front of their peers or superiors.
- ▶ Don't show frustration if decisions are hard to obtain. The business culture values consensual decisions, and your Vietnamese counterparts must agree among themselves before they decide on a course of action. This can take time.
- ▶ Don't try to hurry the deal-making process. The larger the deal, the longer and more complicated the negotiations will be.

QUICK FACTS

Population:	86.1 million (2008 est.)
Official language:	Vietnamese
Main imports:	fuels and oils, machinery, electrical equipment, iron and steel, plastics, synthetic fibres, organic chemicals, instruments, (UN Comtrade 2006)
Canadian exports:	agri-food, fertilizers, iron and steel, electrical equipment, machinery, wood and wood products, pulp and paper, plastics, pharmaceuticals instruments
Largest import partners:	China 16.5%, Singapore 14%, other Asian countries 10.7%, Japan 10.5%, South Korea 8.7% (UN Comtrade 2006)
Climate:	tropical in south; monsoonal in north with hot, rainy season (May to September) and warm, dry season (October to March)
Currency:	Vietnamese dong (VND)
Time difference:	UTC+7 (11 hours ahead of Ottawa during DST)
Business hours:	8:00 a.m. to 5:00 p.m. Monday to Friday, with a one-hour lunch break at noon; Saturdays, 8:00 a.m. to 11:30 a.m.
Government office hours:	8:00 a.m. to 5:00 p.m. Monday to Friday, with a one-hour lunch break at noon



THE GULF COOPERATION COUNCIL

The Gulf Cooperation Council consists of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE). It was formed in 1981 to enhance the economies and security of its six members. A combination of oil wealth and sensible planning has transformed it into a large and affluent market that has limited restrictions on foreign ownership and welcomes overseas trade and investment. Increases in the price of oil have left the GCC awash in capital, which has caused a spectacular boom all across the regional economy.



Useful information

- www.international.gc.ca/commerce ▶ International Trade Canada web site. Select Around the World, then Middle East and North Africa, then either the UAE or Saudi Arabia
- www.saudiarabia.gc.ca ▶ Canadian Embassy in Saudi Arabia; also covers Bahrain and Oman
- www.kuwait.gc.ca ▶ Canadian Embassy in Kuwait; also covers Qatar
- www.uae.gc.ca ▶ Canadian Embassy in the UAE
- www.canada-arabbusiness.org ▶ Canada Arab Business Council
- www.tradecommissioner.gc.ca ▶ The Canadian Trade Commissioner Service

Top picks

Healthcare

Canada already sells a large range of healthcare services and products to Kuwait and the UAE, but there's a growing demand for medical devices and supplies, hospital equipment and supplies, pharmaceuticals and healthcare facilities management.

Agri-food

Agri-food companies should take a close look at this market. Specialty foods such as honey, maple syrup, frozen desserts, and hotel- and restaurant-ready foods offer numerous possibilities. Convenience foods and ready-to-eat foods are popular because of the local taste for eating out. Bulk commodities such as canola are also imported in quantity, especially by Dubai in the UAE.

Oil and gas

The regional boom has opened up numerous subsectors for small- and mid-sized companies that can provide products, services and expertise for oil and gas exploration and development.

Construction

Green building technologies are sought after in the UAE, since all new buildings there must now be constructed to very high environmental standards. Abu Dhabi's Masdar Initiative will create a zero-carbon-emissions city from the foundations up, which will present many opportunities for companies with advanced environmental expertise.

Educational services

The UAE's education and training sector presents significant potential for Canadian institutions and companies. English as a second language, programs for hospitality and financial services, off-shore campuses and international schools are just some of the possibilities.

Dos and don'ts

These vary somewhat from state to state, but the following general guidelines apply to business situations in which local people are involved.

Dos

- ▶ Try to use the traditional Islamic greeting of "Assalamu alaikum" (peace be with you) in suitable situations. The proper reply to this greeting, when you receive it, is "Wa alaikum assalam" (and peace be with you).
- ▶ Be aware that doing business in Arabic cultures revolves much more around personal relationships, family ties, trust and honour than in the West. There is a tendency to place personal matters above all else, so that business relationships are built on mutual friendship and trust.
- ▶ Names are often confusing. Get the names of those you will meet, speak to, or correspond with. Learn both their full names and how they are to be addressed in person before you meet.

Don'ts

- ▶ Don't forget that Arabs have a long history of trade and are excellent negotiators. Hagglng takes places everywhere and decisions are made slowly. Bureaucratic formalities tend to add to delays. Don't use high pressure tactics as they will be counter-productive.
- ▶ Don't expect to maintain a strict schedule of meetings and negotiations, as the importance attached to courtesy and hospitality can cause delays that prevent this. In consequence, expect to make appointments for times of day rather than specific hours. You will, however, be expected to be punctual if there is a set time for a meeting.
- ▶ Don't violate local dress customs. Appropriate business dress for men is shirt and trousers during the day with jacket and tie in the evening. Women should be careful to dress conservatively. In the UAE, do not adopt native clothing as this may be offensive.

QUICK FACTS	
Population:	38 million (2008 est.)
Official language:	No "official" language; Arabic is indigenous to the GCC states, while English is commonly used as the language of business
Main imports:	machinery, iron and steel, vehicles, electrical equipment, instruments, aircraft and aircraft parts, chemicals, gems, apparel (UN Comtrade 2005, excluding Kuwait ²)
Canadian exports:	ores and minerals, iron and steel, aluminum, agri-food, paper and newsprint, wood and wood products, machinery, electrical equipment, instruments, oil and gas equipment, chemicals, motor vehicles, plastics, pharmaceuticals, aircraft and aircraft parts, gems
Largest import partners:	U.S 10.9%, Japan 9.5%, China 7.4%, India 6.9% (UN Comtrade 2005, excluding Kuwait).
Currency:	Bahraini dinar (BHD), Kuwaiti dinar (KWD), Omani rial (OMR), Qatari riyal (QAR), Saudi riyal (SAR), UAE dirham (AED)
Time difference:	Saudi Arabia, Bahrain, Qatar and Kuwait, UTC+3 (7 hours ahead of Ottawa during DST); UAE and Oman, UTC+4 (8 hours ahead of Ottawa during DST)
Business hours:	varies from state to state, with the five-day working week beginning on Saturday, not Monday
Government office hours:	varies from state to state, with the five-day working week beginning on Saturday, not Monday

² Comtrade import statistics later than 2005 are not available for the GCC as a whole. Kuwait has not filed import statistics with Comtrade since 2001 and is therefore not included in the 2005 data.

SOUTH AFRICA

With abundant natural resources and well-developed financial, communications, and transport systems, South Africa has become a middle-income, emerging market with standards similar to those of developed countries. Business opportunities exist across a wide range of sectors, including mining equipment and services, oil and gas equipment and services, transportation, information and communication technologies, infrastructure and power.



Useful information

- www.international.gc.ca/commerce ▶ International Trade Canada web site. Select Around the World, then Sub-Saharan Africa, then South Africa
- www.southafrica.gc.ca ▶ Canadian High Commission in South Africa
- www.southafrica-canada.ca ▶ South African High Commission in Canada
- www.canadasachamber.com ▶ Canada South Africa Chamber of Business
- www.tradecommissioner.gc.ca ▶ The Canadian Trade Commissioner Service

Top picks

Agri-food

South Africa's agri-food sector is very developed and is the commercial gateway for agri-food products entering Sub-Saharan Africa. Other than bulk commodities such as grains and meat, the country shows a growing appetite for prepared foods, organic and natural products, specialty and snack foods, and gourmet baked goods.

Power

To meet growing demand, the state-owned electricity utility plans to double generation, transmission and distribution capacity to 80,000 MW by 2025. This project will need supplies, equipment and new distribution technologies, as well as engineering, project management and construction services.

Information and communications technologies

South Africa's ICT sector is the largest in Africa and is poised for sustained growth. Growth areas include broadband and wireless transmission, bandwidth capacity enhancement, hardware, communications software and equipment, smart business applications and e-government applications.

Mining

South Africa is among the world's largest producers of ores, metals and diamonds. It needs mining equipment ranging from crushers to ventilation equipment and mining trucks parts, as well as new, specialized technologies linked to cost cutting, safety and systems control.

Transit infrastructure

South Africa's rail and urban transit systems are being extensively rebuilt. Engineering, consulting and project management services are needed, as are supplies, parts, equipment and expertise for upgrading and rehabilitating the existing infrastructure and rolling stock.

Dos and don'ts

Dos

- ▶ With most South Africans, a firm handshake is the most common form of greeting. When addressing someone, use Mr or Mrs, but not Ms.
- ▶ Business customs in South Africa are generally similar to those in Canada and Western Europe. South African businesspeople tend to dress conservatively and will expect you to do the same.
- ▶ Personal relationships are important. The initial meeting is often used to establish a personal rapport and to determine if you're trustworthy.

Don'ts

- ▶ Don't be late for meetings. South African businesspeople make every effort to be on time for appointments, which should be set up in advance of a business visit.
- ▶ Avoid the hard sell and don't be overly aggressive about deadlines or the speed of decision-making; this will be counterproductive.
- ▶ Don't see negotiations as a no-holds-barred contest. South Africans prefer to build consensus in a deal so that all sides can gain something.

QUICK FACTS

Population:	43.8 million (2008 est.)
Official language:	there are 11, but English is the business language
Main imports:	fuels and oils, machinery, vehicles and vehicle parts, electrical equipment, instruments, apparel, aircraft and aircraft parts, ceramic products (UN Comtrade 2007)
Canadian exports:	agri-food, machinery, electrical equipment, ores and minerals, metals, instruments, chemicals, aircraft and aircraft parts, pharmaceuticals
Largest import partners:	Germany 11.7%, China 10.7%, U.S. 7.7%, Japan 6.6%, U.K. 4.8% (UN Comtrade 2007).
Climate:	mostly semiarid; subtropical along east coast
Currency:	Rand (ZAR)
Time difference:	UTC+2 (6 hours ahead of Ottawa during DST)
Business hours:	weekdays from 8:00 a.m. to 1:00 p.m., and 2:00 p.m. to 4:30 p.m.; for banks, weekdays from 9:00 a.m. to 3:30 p.m., and Saturdays from 8:30 a.m. to 11:00 a.m.
Government office hours:	weekdays from 8:00 a.m. to 1:00 p.m., and 2:00 p.m. to 4:30 p.m.

CHILE

Chile's economy is stable, inflation is low and the country is considered to be one of the best places to do business in Latin America. Better yet, because of the Canada-Chile Free Trade Agreement, Canadian exporters of almost all industrial and agricultural products enjoy virtually duty-free access to the Chilean market. Business opportunities exist in the power, environmental, mining and forestry sectors.



Useful information

- www.international.gc.ca/commerce ▶ International Trade Canada web site. Select Around the World, then Latin America and the Caribbean, then Chile
- www.chile.gc.ca ▶ Canadian Embassy in Chile
- www.chile.ca ▶ Embassy of Chile in Canada
- www.ccs.cl ▶ Santiago Chamber of Commerce
- www.tradecommissioner.gc.ca ▶ The Canadian Trade Commissioner Service

Top picks

Power

Chile will require a total of 7,500 MW of new power generation over the next 15 years. Investment, equipment and services are needed to develop hydroelectric, renewable energy and thermal energy projects. Environmental impact assessments are also required before a power project can begin, which presents opportunities in the environmental sector.

Environment

Good prospects for Canadian firms exist in goods and services for water treatment, solid waste minimization and recycling, air pollution and emissions control and renewable energy.

Mining

The Chilean mining industry needs imported services and technologies for both its mines and its mining infrastructure. This includes power generation, environmental engineering, water treatment, pollution control, sulphur reduction, engineering and maintenance services and mine waste management.

Forestry

During the past 30 years, Chile has developed a significant forest industry based on its well-managed tree plantations. The sector continues to expand and will require new capital investments in harvesting and processing equipment, as well as in maintenance services and infrastructure improvements such as transportation and road construction.

Dos and don'ts

Dos

- ▶ Make appointments a few weeks before you go to Chile. January and February are the summer holidays so try to avoid scheduling appointments at that time.
- ▶ When you meet someone in Chile, a handshake is customary. When meeting large groups, it is good etiquette to shake hands with all those present.
- ▶ Address people by their surnames and Mr, Mrs or Miss. Most Hispanics have two surnames, one from the father and one from the mother. Usually only the father's surname is used.
- ▶ Be prepared to entertain your business prospects at hotels or restaurants, and pay the bill if you invited them. It is also polite to offer to pay if they invited you, although they won't likely allow this.

Don'ts

- ▶ A comfortable "personal distance" is closer in Chile than in Canada, so don't appear ill at ease if people stand very near you when conversing.
- ▶ Never criticise people in public or cause embarrassment to anyone. Keep your word even in small things or you'll be considered untrustworthy.
- ▶ Don't use hard-sell tactics or be overbearing – this never works in Chile. And don't be afraid to compromise, as this shows you value the business relationship at least as much as the financial aspects of the deal.

QUICK FACTS

Population:	16.5 million (2008 est.)
Official language:	Spanish
Main imports:	fuels and oils, machinery, vehicles, electrical equipment, plastics, cereals, iron and steel, apparel (UN Comtrade 2006).
Canadian exports:	fuels and oils, machinery, agri-food, electrical equipment, paper and paper products, instruments, pharmaceuticals, aircraft and aircraft parts
Largest import partners:	U.S. 16%, Argentina 12.9%, Brazil 12.2%, China 10%, South Korea 4.7% (UN Comtrade 2006).
Climate:	Temperate; desert in the north; Mediterranean in central region; cool and damp in the south
Currency:	Chilean peso (CLP)
Time difference:	UTC-4 (same as Ottawa during DST)
Business hours:	9:00 a.m. to 5:00 p.m., Monday through Friday, with a two-hour lunch break at 2:00 p.m.
Government office hours:	9:00 a.m. to 4:30 p.m., Monday through Friday

Now that you've covered the basics...

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