NOVA SCOTIA
EXPORT NEWS

California Offers Opportunities for the Experienced Exporter

California: it's big (its economy and population are the size of Canada's), rich, glitzy and upscale to the point of decadence. It holds out the promise of the big time and big money. But the advice the Canadian trade office in Los Angeles has for potential Nova Scotia exporters might be compared to the counsel a sober aunt would give to a starry-eyed youngster heading for Hollywood: be careful, California can be rough on the innocent.

The specific advice of Consul and Trade Commissioner Wally Staples to exporters, especially small ones, is: cut your teeth on another part of the U.S. market first, attend a trade show (it can be arranged through the Los Angeles office), identify a niche for your product, then go for it. And in doing all this, pay special attention to your distribution system.

The first thing for any exporter to know about California, says Staples, is that it's large and diversified and is the most competitive—perhaps ruthless is the word—market in the U.S. The Pacific Rim countries are very active there, in addition to American producers. That's why, he says, attention to distribution and also supply is a critical factor.

Peter Korecki, marketing manager, Polymer International (N.S.) Inc., (centre) accepts a certificate of merit for marketing, awarded under the Canada Awards for Business Excellence, by Rob Russell, Regional Executive Director for Industry, Science and Technology Canada,(l) and Cumberland Colchester Member of Parliament Bill Casey (r).

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Canada's exports to California, and vice versa, are roughly at $5 billion a year and increasing. Natural gas, newsprint, aircraft parts, telecommunications equipment, electricity and office machines are the big export items (computers, fresh produce, aircraft and electronic components are mostly what come back). The most important product from Atlantic Canada is fish, with exports made by big and small companies alike. Mussel sales especially are growing at the moment. Carl Light, the seafood specialist in the 53-person trade mission (the second-largest in the U.S. after New York), used fish to under-

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score the point about supply. Anyone looking to make a sale without being prepared to follow up—a problem with Atlantic fish exporters in the past—is cutting his own throat, says Light. "The buyer here will say: 'either you're going to sell to me all the time, or not at all'."

Wally Staples has a list a mile long of goods and services that are or could be sold in California. Following are a few categories that might ignite exporter interest in Nova Scotia. In contemplating them, says Staples, one must keep in mind certain consumer habits—the jogging suit is standard weekend wear, people tend to live in their cars and eat on the fly, and everything tends to be upscale.

Food and agriculture
The opportunity is for specialty or gourmet foods, and also for natural foods without additives, generally sold in specialty stores. If you can plug into a diet craze, of which there are many, you'll thrive. For the consumer market, it helps if foods are prepared and microwaveable. "Ease of preparation is a big factor," says Staples. "People here are either on the freeway or in the office, rarely at home." Anything new in food handling and packaging might also have a chance.

Fish
There's a premium for fresh fish, especially for the restaurant trade, but there's a demand for frozen as well.

Computer software and accessories
Software with specific applications and specialized computer accessories can often find a niche.

Pollution control
Toxic waste management, air and water monitoring, environmental consulting and other environment-related services constitute a fair-sized industry open to new ideas and techniques.

Crafts, antiques, giftware, novelties
With a lot of money rolling around, there's a market for high-value, well-made items.

Wally Staples, Consul and Trade Commissioner, Canadian Consulate General, Los Angeles

Toys
With as many working mothers as in all of Canada, there's a demand for educational toys and games in particular

Sporting goods
The opportunity is for equipment for outdoor sports: boating, surfing, cycling, jogging, etc.

Clothing
Clothing in California is mostly sportswear, a lot of it in large sizes—obesity and the soft climate seem to go together.

Mining
Like Nova Scotia, Califoria has been reworking old gold mines. There's also coal mining. There's therefore an opening for new mining technologies or ideas.

Military production
California gets one third of all U.S. defence contracts. Canadian firms do a large amount of subcontracting in aircraft sub-assembly, electronics, etc. The trade office has a sub-office dealing with military production near the Los Angeles airport.

The Los Angeles trade office, which also covers Arizona and other parts of the U.S. southwest (there's also a Canadian trade office in San Francisco which covers northern California and other parts of the west), is involved in some 50 major trade shows a year, a dozen of them international in scale. These shows are the mechanism through which any would-be exporter should make first contact, says Staples. "Come to the show, not to exhibit at first, but to get an idea of competition, prices and the kinds of distribution channels being used. You'll meet distributors at the show just by being alert and introducing yourself. You'll also meet other Canadians who might have gone the same route. The name of the game is networking—picking the brains of knowledgeable people. From there, you can get to work on your distribution."

Meanwhile, he emphasizes, before you ever get there it's useful to have dipped your toe elsewhere in the American market, especially for exporters at such a great distance as Nova Scotia. The competition in California can be a shock to the uninitiated.

The trade office's address is 300 South Grand Ave. Los Angeles, California 90071. Phone: 213-687-7432, or contacts can be made through the International Trade Centre in Halifax (426-7540).■

—Ralph Surette

New Exporters Mission Slated for April

The International Trade Centre of Industry, Science and Technology Canada, in co-operation with the Nova Scotia Department of Industry, Trade and Technology, is once more taking a group of potential exporters to Boston on a New Exporters to Border States mission. The mission, scheduled for April 12-14, 1989, offers potential exporters a crash course in exporting.

For further information, call Ed Kendall at 426-9957.■

New Exporters to U.S. South Program Available

New Exporters to United States south, or NEXUS, is a new program which has been developed to lead Canadian exporters, who traditionally do business in the northern U.S., into expanding their trade activities farther south in the states.

"The program is intended to help firms identify what areas, in addition to their traditional markets, are appropriate for their expansion," according to Senior Trade Commissioner Doug Rosenthal of the Halifax International Trade Centre.

"Nova Scotia companies might look to an area such as Cinncinati, for example, which has market characteristics similar to Nova Scotia. It's not a trendy market; consumers are looking for durable, high quality, competitive goods and the area has a strong industrial base and its own distribution network."

Exporters are realizing that the U.S. is made up of several regional markets, and that different approaches are needed in various areas, says Mr. Rosenthal. "Most fish distribution used to be handled out of Boston, whereas now other markets such as Chicago or San Diego—which have their own market preferences—are being satisfied through regional distributors."

NEXUS is modelled after the successful New Exporters to Border States (NEBS) missions, and companies who have "graduated" from NEBS missions to success in the northern U.S. market will likely form a nucleus of NEXUS participants. Companies will qualify for participation in a NEXUS mission if they have demonstrated a sustained and successful marketing effort to the northern states over a number of years. Groups of company representatives in the same industry sector will be assembled by International Trade Centres.

Since NEXUS participants will be experienced exporters, the missions will concentrate on providing participants with an outline of the market characteristics of the sector in question and a program to gain distribution and sales exposure. Missions might be built around a particular event, such as a trade show, or individual programs could be arranged for each company to introduce them to manufacturers'agents, important contacts in the distribution channel and buyers.

The Halifax International Trade Centre is interested in planning a NEXUS mission in the 1989/90 fiscal year. Company representatives interested in participating are invited to contact the International Trade Centre, at 426-7540.■

Landing a CIDA Contract

Last year the Canadian International Development Agency (CIDA) awarded thousands of contracts in Canada, worth more than $1 billion in total. Yet very few Nova Scotia firms obtained—or even bid on—those contracts. For example, in 1987/88 only 23 CIDA contracts for consulting or construction services were awarded to Nova Scotia firms or individuals; in dollar value, these contracts accounted for two percent of the CIDA total.

Most Nova Scotia business people have heard of CIDA, and know that it buys Canadian goods and services to provide as aid to developing countries. But how many people know what that aid really consists of and—of greater importance, from a business perspective—how to land a CIDA contract?

To illustrate the composition of CIDA's aid program, and describe the

Last year the Canadian International Development Agency (CIDA) awarded thousands of contracts in Canada, worth more than $1 billion in total.

Agency's procurement procedures, we focus on CIDA's activities in one region of the developing world . . . the Commonwealth Caribbean. Nova Scotia's trading links with that region date back to the 18th century, and today our province shares many characteristics with the Commonwealth Caribbean, such as use of the English language and dependence on external trade.

CIDA provides more than $100 million of assistance per year to English-speaking Caribbean nations. Sectors receiving CIDA aid include fisheries, port and airport construction and management, water supply, agriculture and highways.

The major Commonwealth Caribbean recipients of CIDA aid in 1987/88 were Jamaica, St. Vincent, Belize and Grenada, with Jamaica accounting for more than one-third of the total. Jamaica is the only Commonwealth Caribbean nation included among the 30 priority countries world-wide where 75 per cent of CIDA's bilateral aid is to be concentrated in the future.

CIDA's emphasis in Jamaica is on rural development, and the priority sectors are agriculture, small-business development and infrastructure such as bridges and small-scale power plants. Projects in health and education are being considered.

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The person directly responsible for CIDA's program in Jamaica is David Chaplin, a senior program manager in the Americas Branch, one of four "geographic area" branches at CIDA headquarters in Hull, Quebec. (The others are Anglophone Africa, Francophone Africa and Asia.) He cites two CIDA projects in Jamaica that have a Nova Scotia connection.

The first aims at strengthening the Jamaican Agricultural Society (JAS), a cooperative of small farmers. Under this project, the Nova Scotia Agricultural College obtained a contract from CIDA to supply management training and other technical assistance to promote the "institutional development" of the JAS.

The second project is the Morant River Mini-Hydro Project, for which JB Technical Services Ltd. of Dartmouth supplied consulting engineering services.

For a firm interested in bidding on CIDA contracts—in the Caribbean or elsewhere—the best source of general information is CIDA's Business Cooperation Branch. It can provide detailed written information about procurement procedures as well as assistance in navigating the bureaucratic maze at CIDA headquarters.

The first step for companies—such as consulting firms and construction contractors—that wish to obtain CIDA contracts for services is to register with CIDA through the Business Cooperation Branch. Companies that wish to obtain contracts to supply *goods* (that range from flour to fish to fertilizer) must register with the Department of Supply and Services; CIDA's Business Cooperation Branch can also help.

Registering a company is generally not a cumbersome procedure. John Jay, president of Nova Port Ltd. in Halifax—which has obtained several CIDA contracts in the Caribbean—describes it as "dead easy." A more difficult, but most important, step in landing a CIDA contract—particularly one for the supply of services—involves a company doing all that it can to ensure that it is placed on the list of bidders that will be invited to bid on specific contracts. This means that a firm must keep up to date on CIDA's ongoing and planned projects, so that it can express specific interest in projects for which it has services to offer.

CIDA assists many fisheries projects in the Caribbean. (Dilit Mehta, photo)

The key is informal contact with the appropriate country desk at CIDA, or with sector specialists in the Professional Services Branch, says CIDA's David Chaplin.

"The important thing for firms to do is express interest," Chaplin says. "What we [at CIDA] try to do is answer their questions."

A small company interested in obtaining a CIDA contract for the first time might decide that the time and effort needed to maintain contacts at CIDA are more than it can afford. Nova Port's John Jay and CIDA's David Chaplin both advise such companies to consider going into a joint venture with, or becoming a sub-contractor to, another firm that *does* have a "track record" at CIDA. CIDA's Business Cooperation Branch regularly publishes lists of firms that currently hold CIDA contracts.

CIDA itself has taken a number of steps to make it easier for smaller Canadian companies to learn about CIDA's activities and procedures. The most recent initiative was the December 1988 posting, on a pilot basis, of CIDA representatives in the federal government's International Trade Centres in Vancouver and Montreal.

Plans for an officer in the Halifax ITC await evaluation of Vancouver and Montreal.

Until that happens, CIDA headquarters will continue to be the focal point for Nova Scotia businesses interested in learning about opportunities in what CIDA terms "the business of development."■

—Jim Houston

Caribbean is Well-suited to Atlantic Canadian Companies

Ken Whiting can think of any number of perfectly good business reasons why Nova Scotia companies can—and realistically should—consider the Caribbean as a market for their goods and services. And some less than businesslike reasons as well. "Like sun and sand in February," he laughs.

But the Caribbean's potential as an export market, Whiting is quick to point out, is no laughing matter. Whiting, a Canadian trade commissioner based in Barbados, came to Halifax recently to meet with would-be Nova Scotia exporters to outline the opportunities available to them in the Caribbean.

The main point he stressed to the steady stream of local businesspeople who lined up to talk to him is that the Caribbean is especially well suited to the small- to medium-sized companies that predominate in Atlantic Canada.

"The Caribbean is a market in which you can find entire countries that have only 7,000 people," he explains. "The biggest country in my area is Barbados, and its population is only 250,000 people. What that means is that the big guys [large multinational companies] figure it's too small to worry about, so they generally leave smaller companies alone in this market. And that opens up lots of opportunities for small companies to establish a place for themselves and their products on the islands."

It's equally true, he adds, that companies interested in bidding for government contracts or on projects funded by various multilateral financing institutions, will generally not face the intense competition involved in similar projects elsewhere. "They're mostly small projects," he says, "but how many Atlantic Canadian companies would be in a position to take on a $300-million project anyway?"

If the Caribbean marketplace isn't huge by world standards, it's one that is generally welcoming to outsiders, especially Canadians. One reason for that, Whiting says, is that the Caribbean's infrastructure is not only friendly but familiar as well.

Several of Canada's chartered banks, for example, have long histories in the Caribbean. The Bank of Nova Scotia actually had an office in Jamaica before it had one in Toronto, and today, Scotiabank—along with the Royal Bank of Canada and the Canadian Imperial Bank of Commerce—maintains a significant presence in the Caribbean. A number of well-known Canadian accounting firms, such as Clarkson Gordon, also have offices there too. To make things even easier, the language of business—"certainly anywhere where there is a tourism industry"—is English.

Nova Scotia's historical trade with the Caribbean, Whiting says, stands local businesses in especially good stead in the region. "The people in the Caribbean know Nova Scotia and they like to deal with companies from there," he says.

Although there are still vestiges of the old rum-and-molasses-for-saltfish-and-lumber trade, Nova Scotia's exports to the Caribbean today are far more diverse than salted fish (which, in fact, is now considered a luxury product in the Caribbean), ranging from apple juice and processed food products to school furniture.

"We even get our Christmas trees from Nova Scotia," Whiting says. "They usually arrive with a boatload of PEI potatoes."

But the potential for Canadian firms in the Caribbean is even greater than simply selling primary produce and manufactured goods. There are also plenty of opportunities for everyone from engineering consultants to high tech manufacturers to become involved in development projects sponsored by Canadian and Caribbean governments as well as by international agencies.

The Canadian International Development Agency (CIDA), for example, was recently involved in a project to upgrade 22 airports in the Commonwealth Caribbean. "Nova Scotia high tech companies were involved in pro-

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Ken Whiting, Trade Commissioner, Barbados, discusses export opportunities during Marketplace '88 in Halifax.

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viding navigational equipment for that project," Whiting says.

"And Canadian companies have been very successful in winning contracts from the Inter-American Bank [an international development bank, in which Canada is a member and that invests in projects in the developing world] too," he says. He cites one recent $12-million IAB fisheries project, for which Canadian companies supplied not only the freezing equipment but also the fish tables used to process the fish.

There are also opportunities for Nova Scotia companies to win contracts for projects funded by the Caribbean Development Bank. Although it is the smallest of the multilateral development banks, Whiting suggests that may be a plus for would-be Canadian contractors, since only companies from member countries of the bank are eligible to bid for its projects. "Because this bank is small, the number of countries eligible to bid on jobs is small, and the countries eligible *don't* include either the United States or Japan."

If you'd like to find out more about specific opportunities you might be able to take advantage of in the Caribbean, Whiting suggests you follow "the usual line. Talk to the International Trade Office in the Industry Science and Technology Canada office in Halifax. They're very aware of what's going on and they can guide you in the right direction.

"When it comes down to the nitty gritties, that's probably the time when you'll want to see us," Whiting says of himself and his fellow on-the-spot trade commissioners. In addition to the Barbados office, Canada maintains trade commissioners specializing in the Caribbean in Jamaica, Cuba, Trinidad, Venezuela (for Spanish speaking countries) and Atlanta (to deal with United States-related Caribbean islands such as Puerto Rico).

"There are lots of opportunities out there," Whiting says. "What you have to do is to plug into the [federal government's information and assistance] network, and then get out there and hustle."■

—Steven Kimber

Seminars Deal with U.S. Customs/ Selling to the U.S. Government

If you manufacture anything from A to Z you may be interested in exporting to the United States and possibly selling to the U.S. Government. Business people from across the province attended two, full-morning seminars in recent weeks to find out if these possibilities are in the cards for their business' future.

The first seminar (Jan. 12, 1989), attended by 110 maritimers, focused on changes to U.S. customs regulations as a result of the Free Trade Agreemet, or FTA; the second seminar (on Feb. 2, 1989) focused on selling to the United States government, both were sponsored by the Canadian Exporter's Association and the Department of External Affairs.

One of the main thrusts of the seminar on customs changes was the general rules of origin, or GROs. Lee Noyes, a senior imports specialist for the U.S. Customs Service explained that the FTA has four general rules of origin eligibility requirements which feature seven interpretive rules. These rules can be found in general note 3C7, in the tariff schedule.

Noyes says that 3C7 discusses the term 'Originating in Canada,' which means "that the product has cleared the hurdles of the FTA and will easily break the red tape and enter the United States. It does not mean, however, 'Country of Origin' as you may have traditionally known that term in exporting circles."

After sorting through semantics like this it is not surprising that Noyes summmed up by pointing out that there are several ways of appealing rulings of FTA elgibility.

A $180 billion pie?

"The United States government has bought everything from bat guano to mechanical bulls, so if you have a product we probably buy it," said Tony Nonan, of the General Services Administration, or GSA, at the seminar on

External Affairs and ISTC spokespersons, U.S. and Canadian Customs officials and a Canadian customs broker discuss changes to customs procedures during a recent Canadian Export Association seminar in Halifax.

February 2.

Also speaking at the seminar was Judy Bradt, from the Canadian Embassy in Washington and Chad Cormell, project director of Government Counseling Limited of Springfield Virginia.

"The United States government bought $180 billion worth of goods and services in 1987 and the opportunities are there if you want them," says Bradt, who added that "the embassy has several services to offer, and is there to assist you and help your firm see some of that budget."

Under the FTA, Canadian companies can bid on an equal footing with American companies on any U.S. government contract over $25,000. Before the FTA, the minimum limit was $170,000.

Cormell spoke about how to get a GSA number, which is like a vendor's number or license to sell and urged companies to get onto the GSA Schedule.

"You have to be on the schedule if you want a piece of the $180 billion dollar, U.S. government pie," says Cormell whose consulting firm helps companies dig into that pie.

The schedule program provides U.S. federal agencies with a variety of products and services and the ability to order standard commercial items directly from the contractor while still getting discounts associated with volume buying.

One way to find out about what U.S. government agencies are looking for is by leafing through a copy of The Commerce Business Daily, a magazine the GSA puts out each day on government procurement invitations, contract awards and sales of surplus inventory.

The Canadian Embassy has information on departmental budgets, spending plans, contracts ararded and prices paid. They also keep track of changes in procurement policies, industry regulations and have brochures on selling non-defence products to the U.S. government and a government purchasing and sales directory.

"We can also help you get a GSA number, get on their schedule and help you establish a presence in the United States," says Bradt.

A program which the embassy started a few years ago is hosting a reception, in honor of Canadian exhibitors, during a trade show. The invitations are sent to the Canadian company's ten best U.S. government prospects.

"It's an opportunity to meet with fairly senior government representatives and it often turns out well," says Bradt.

Bradt told of one Canadian company which, at one such function, met with an official "who they previously found impossible to meet and followed up a $5 million business opportunity."

For more information on selling to the U.S. government or exporting to the United States, contact the International Trade Centre at Industry, Science, Technology in Halifax.■

—Mark Alberstat

Shipping to Puerto-Rico and the Caribbean

ACL (Canada) in conjunction with Navieras du Puerto Rico has a weekly service to Elizabeth, New Jersey which connects with the Navieras service to San Juan. This service includes three ports in the Dominican Republic, Haiti, Trinidad and St Thomas in the Virgin Islands. Service is available for both dry and temperature controlled containers.

Further information can be obtained from ACL (Canada) Ltd. in Halifax—Telephone 425-3711 or from your freight forwarder.

Navieras now provides a Halifax/San Juan link

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If you have recently added a Fax in your office, please inform the International Trade Centre, by calling **426-7540** or sending a Fax to **426-2624**.

Morocco: Now Our Largest African Trading Partner

Canada expects to sell $75 million in goods and services to Morocco in 1988, making the small Mediterranean country our primary African trading partner, replacing Algeria.

Of particular promise to Nova Scotians could be Morocco's interest in all aspects of the fishery. They're looking for good boats and ships, fish-processing equipment and technology.

However, if you want to do business with Morocco, be prepared to speak French.

Unlike some high profile Muslim countries, whose business languages are English and Arabic, the former French colony has adopted the French language throughout official and professional life—administration, the university, high culture. And business.

Louise Allard Sabounji—Canada's Trade Commissioner in that country—describes Morocco as "a moderate Islamic state". It is more relaxed about Islamic customs and taboos than some other countries. At the same time, she warns, avoid Ramadan—the Muslim holy month—when planning a trade mission. It is a period of fasting during daylight hours, when people tend to a shorter work day.

These cautions aside, Allard Sabounji is unreservedly enthusiastic about Morocco as a place to do business, to travel, to live.

"Morocco is a beautiful country", she is quick to tell you. "The people are warm, hospitable and accepting." She emphasizes that personal relationship is very important to Moroccans, in business as well as private life. "Be prepared for a long appointment", she assures anyone planning to establish contact there.

Morocco is the most modern Arabic country, according to Allard Sabounji. Business and government are committed to continuing advancement through technology transfer. The most successful business overtures will come from companies with the "know how" that will facilitate further economic autonomy for Moroccans. Proposals for joint ventures, selling or licensing of technology might well provide good opportunities for enterprising Nova Scotia businesses

Where are the best prospects? The Canadian fishery has already caught attention in Morocco: a few years ago, purchases of fishing boats were made from Nova Scotia. Of continuing interest is canola (rapeseed) either as seed or finished product. (North Africans consume an average of 10 kilo of vegetable oil per year, used as an ingredient and also in the cooking process.

Can women do business in Morocco? Definitely, Allard Sabounji assures us. "Just recently, we had a computer consultant in the country—a brilliant young woman, very well received." Many Moroccan women now travel abroad to study, she reminds us, and are becoming well integrated into the business community. Louise Allard Sabounji—who worked with an accounting firm before joining the Canadian Embassy—is a living example of that.■

—Elizabeth Greenhavens

WIN EXPORTS—How the Trade Commissioner Uses It

Many Nova Scotian businessmen have filled out BOSS or WIN questionnaires to have their companies registered in one or both of these systems. Some of them may have wondered at the detailed information required. It might interest you to know why these questions are asked in the first place.

Trade Commissioners respond to inquiries by simply typing in the product asked for—hence the importance of identifying your products in the same way a customer might ask for them. Since most importers would specify cod, halibut or salmon it would be useless if you were registered as having "seafish". The computer doesn't know that cod is a seafish! It will, however, identify all forms of cod as long as the word "cod" is in the description.

Occasionally, the Trade Commissioner may be asked to identify a specific geographic location—perhaps to facilitate a pool shipment—and then he will add the appropriate number of letters of the postal code. For example "B" would select all Nova Scotia companies.

Sometimes the number of companies are just too many to be practical. Then we might sort by country of interest. If you didn't fill in any countries the computer assumes you have no interest and you won't be on the final list. Sometimes an importer will want a large company with good financial resources and the Trade Commissioner might sort for companies with sales greater than a specific amount or by the number of employees.

If any section of your WIN registration is blank your company will not be selected if that item is used for sorting purposes.

If you want to update your company's registration or register for the first time, call the International Trade Centre at Industry, Science and Technology Canada—426-7540 or FAX 426-2624.■

EXPORTER, CA RAPPORTE EXPORTS BUILD CANADA

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