

Brief to the House of Commons Committee on International Trade
By David H. Wallace CITP, December 21, 2018

Brief: Exporting from Canada

A. Introduction:

This Brief presents some ideas to equip SMEs and smaller entities, individuals, with the tools to handle inquiries and then quote to potential overseas customers on a CIF basis.

B. Summary

In order for small businesses in Canada to prepare for offshore exports they need to know export procedures, finance and documentation. This will help budding exporters handle overseas export inquiries and take advantage of future trade agreements. Some of the current important ones are not yet ratified, **USMCA** and **CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership)** and **CETA** Canada-European Union Comprehensive and Economic Trade Agreement.

C. Conclusions:

1. Initially, many small businesses in Canada are interested in 2 things from government.
 - Bringing a buyer to their door so they can sell EXW (Ex works), from their premises.
 - Providing some funding for business development and exporting.

There is a lot more to overseas exporting than being introduced to a potential customer and getting government help.

2. Of three important components of Overseas International Trade, Governments can help with promotion and a bit with marketing, but most marketing and all sales have to be done by the exporting company.
3. Developing new markets means gaining new knowledge and skills. Trade officers at Canadian Embassies around the world can be very helpful.

D. Recommendations:

Develop a one or two day seminar to teach the basics of a CIF export:

- Incoterms, (How and where is my customer going to buy my goods? EXW, FCA, FCA, C&F, CIF?) There is a lot more to Incoterms, but that is a good start.
- Finance (How am I going to get paid? Irrevocable Confirmed Letter of Credit? Will EDC be involved or am I on my own?)
- Shipping (How do I get the goods to my customers' preferred port? (Will I ship, Bulk, Break Bulk, RORO, Container or can I use Air Freight?) Can I hire a freight forwarder to make the arrangements?)
- Documentation. (Does my customer have the proper paperwork to get my shipment through their customs office? Who is their Customs Broker?) (Will I use a Freight Forwarder or shall I prepare the documents myself?)

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- Local Language and cultural orientation. Although English is the international trade language, in many East Asian countries, knowing the basics of the local language is helpful to get around. Knowing to get a hotel business card before leaving your hotel is helpful.

E. Details

There are many organizations that teach part of the knowledge of Overseas International Trade which is wide ranging.

- FITT Forum for International Trade Training
- CIFFA Canadian International Freight Forwarders Association
- CITT Canadian Institute of Traffic and Transportation
- CSCB Canadian Society of Customs Brokers

Of the above organizations, only FITT is dedicated to Trade Training rather than being an industry association. FITT gives international trade courses in English and French and offers knowledge and training to both beginners and the experienced.

However, no matter where an exporter or potential exporter gets training and knowledge, the important thing is to be prepared for overseas exporting when you get that initial inquiry.

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