

WELCOME TO THE CANADIAN MARKETPLACE



Exporting to Canada - A Handbook Tenth Edition 2013

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Section 1: Overview of the Canadian Market

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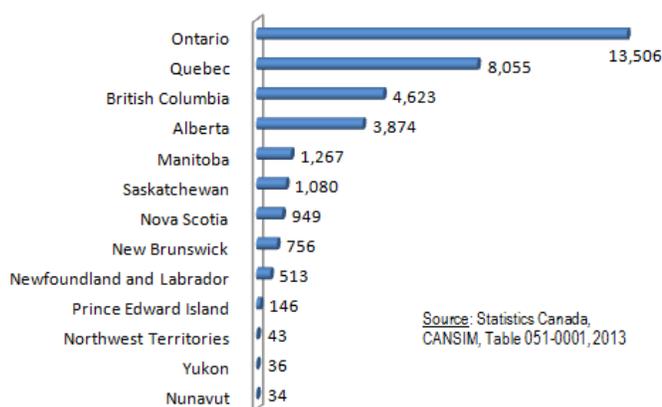


Canada is composed of five regional markets of varying size – Central Canada, the Prairies, British Columbia, Atlantic Canada, and the Territories:

Central Canada: This region includes Ontario, with 13.5 million people, and Québec with 8 million. Home to about 62% of Canada's population, the southern region of these two provinces are the country's industrial heartland. Because Ontario is largely English-speaking and French is the dominant language in Québec, the two provinces should be thought of as distinct markets, even though their economies have much in common. Both are highly urbanized with relatively high wages and rates of employment. Together, Ontario and Québec account for nearly 58% of all retail sales in

Canada. The richest and most densely populated area of Canada is the heavily industrialized southern region of Ontario. It is here that much of the country's manufacturing industry is located, together with its most affluent customers. Investments amounting to \$117.8 billion, largely in housing, public administration, and utilities are expected to drive growth in 2013 in Ontario. In Québec, higher investment

Population by Province and Territory, 2012 ('000 persons)



in the transportation, retail, and public administration sectors are behind an overall expected increase of about 11% from 2011 levels.¹

The Prairies: This region consists of three provinces: Alberta, Manitoba and Saskatchewan, accounting for about 17.7% of Canada's population, largely unchanged from 2009 levels. In the past, these provinces were predominantly agricultural, focused mainly on grain and livestock farming. Mineral discoveries, notably petroleum in Alberta, have significantly transformed their economies, promoting urbanization and growth. Gains are driven largely by new investment in the transportation and warehousing sector.

British Columbia: Canada's third most populous province with just over 13% of the country's people has a diversified economy with forestry, mining, tourism, fishing, transportation, high technology, and film making being key contributors. The oil and gas extraction sector is expected to be the largest contributor to growth in capital investment.

Atlantic Canada: With 2.4 million inhabitants, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland contain about 6.8% of Canada's population, down from 7.3% in 2008. Largely based on fisheries and agriculture, the region is traditionally the most rural and least diversified part of Canada. However, like British Columbia, the oil and gas sector is expected to be a major contributor to growth in Newfoundland and Labrador in 2013.

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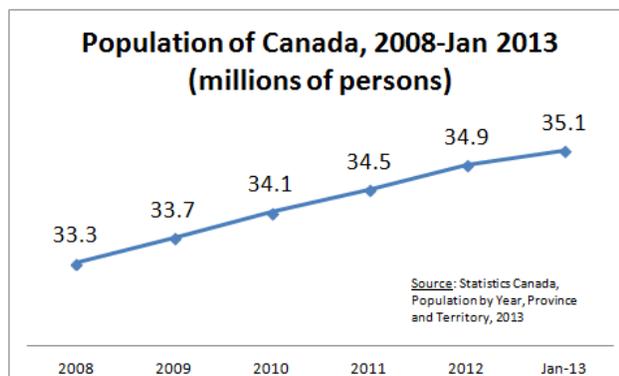
1.1 Background

1.1.1 General Information

Population

Canada's population, estimated at just over 35 million inhabitants in January 2013, is expected to reach between 40 and 47 million by 2036 according to [Statistics Canada](#).

Although it is the second largest country in the world in terms of land area, Canada's population density is the lowest of all major industrialized countries, at only 3.7 persons per square kilometer (km²). A large part of Canada is above the temperate zone. In this northern part, extremely cold temperatures, transportation challenges, and a high cost of living affect agriculture and habitation. It is not surprising, therefore, that population density in the Yukon, Northwest Territories, Nunavut and Northern Québec average less than one person per km². In the temperate zone, however, population density ranges from 24.7 persons per km² in Prince Edward Island, to 1.4 persons per km² in Newfoundland and Labrador.



Population Density by Province and Territory, 2013

	% of Canada's Population	Density (Persons per Km ²)
Canada	100	3.7
Ontario	38.7	14.1
Québec	23.1	5.8
British Columbia	13.3	4.8
Alberta	11.1	5.7
Manitoba	3.6	2.2
Saskatchewan	3.1	1.8
Nova Scotia	2.7	17.4
New Brunswick	2.2	10.5
Newfoundland and Labrador	1.5	1.4
Prince Edward Island	0.4	24.7
Yukon	0.1	0.1
Northwest Territories	0.1	-
Nunavut	0.1	-

Source: Statistics Canada, CANSIM, Table 051-0001, 2013 and Statistics Canada, Population and Dwelling Counts, for Canada, Provinces and Territories, 2011 and 2006 censuses, 2013

Between the last census in 2006 and the latest one in 2011, Canada's [population](#) grew by 5.9%, the highest among G8 countries.

Population Change by Year, 2007-2012 ('000 persons)					
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Canada	390.1	409.3	399.6	357.4	396.5
Ontario	141.4	136.4	154.9	142.5	139.6
Alberta	79.3	80.5	51.0	54.3	95.7
Québec	63.5	75.3	79.3	72.9	76.8
British Columbia	74.8	75.6	69.6	47.1	46.0
Saskatchewan	13.6	15.7	14.9	13.4	22.2
Manitoba	12.1	14.2	15.8	16.0	15.3
Yukon	0.5	0.6	0.9	0.8	0.7
New Brunswick	1.5	3.0	2.9	2.4	0.6
Prince Edward Island	1.4	1.5	2.0	2.6	0.4
Nova Scotia	1.5	3.1	4.6	3.3	0.2
Nunavut	0.4	0.6	0.6	0.7	0.1
Newfoundland and Labrador	0.0	2.7	2.8	1.0	-0.2
Northwest Territories	0.1	-0.1	0.2	0.3	-0.9

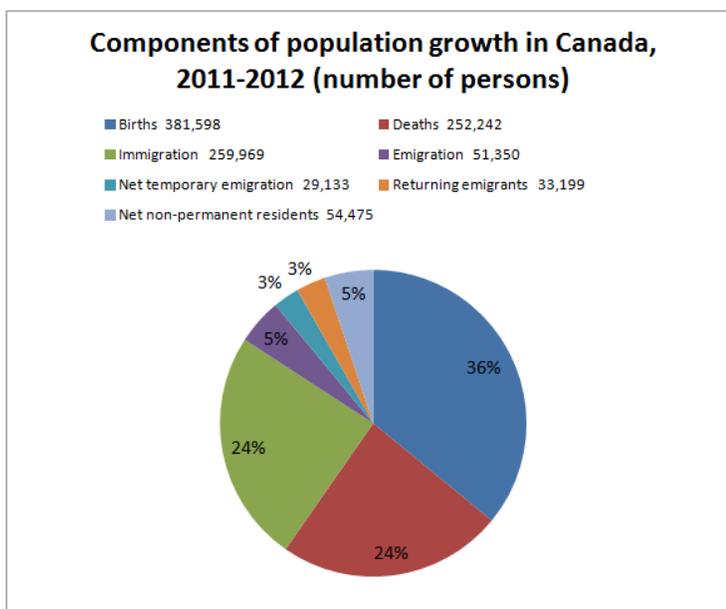
Source: Statistics Canada, CANSIM, Table 051-000, 2013

The province of Saskatchewan had a strong reversal of fortune, with its population rising by 6.7% after showing negative growth during the previous census. As well:

- Strong growth was registered in Yukon and Manitoba where the rate of population growth doubled since 2006; the number of residents in Prince Edward Island rose by 3.2%; in New Brunswick by 2.9%; in Newfoundland and Labrador by 1.8%; and in Québec by 0.4%.
- The surprise was in Ontario, whose population growth struggled with its lowest levels since the decline shown in the 1986 census.
- In 2011, the population share of the Prairie Provinces and British Columbia was 30.7%, for the first time surpassing that of the Atlantic Provinces and Québec combined (30.6%).

Population growth is attributed to several factors, as shown in the adjacent chart.

Statistics Canada predicts that the first of the 'baby boomers' which make up the bulk of Canada's population will reach the age of 80 in 2026. The natural population decline due to deaths will lead to a dramatic need for an [immigration](#) rate of 7.5 immigrants per 1,000 residents and a fertility rate of 1.7 children per woman. This scenario indicates that starting in 2031, migratory increases could account for more than 80% of Canada's population growth, compared to the current 67%.



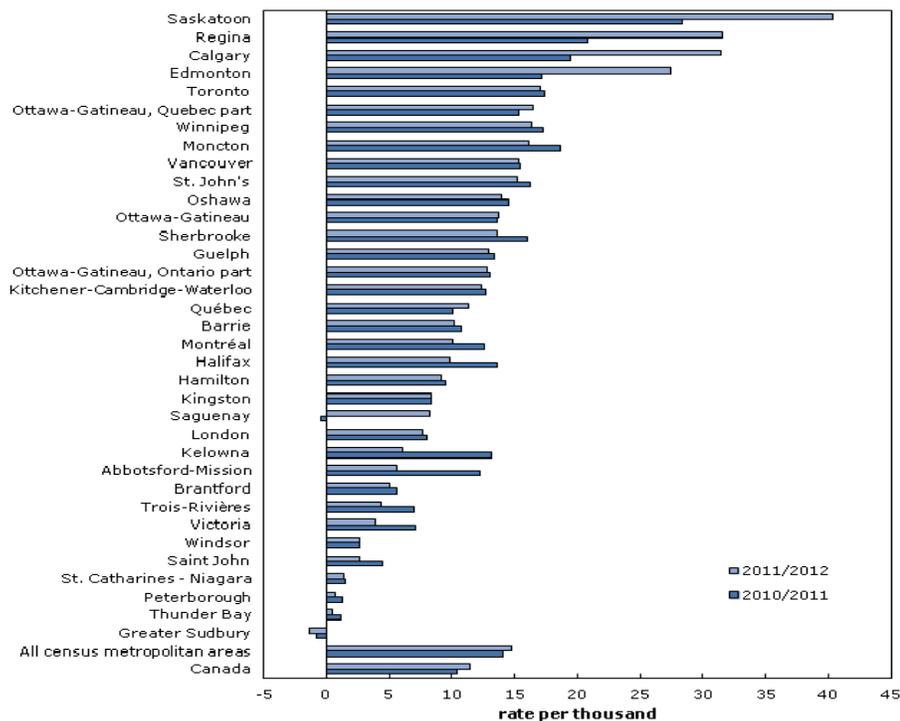
Nearly [80%](#) of Canadians live within 160 kilometers of the border with the United States (U.S.), mainly in large urban centres throughout the central and western parts of the country. In 2011, nearly 7 Canadians in 10 were living in one of Canada's major cities, up from 6 in 2006. It is interesting to note that in 2013, Toronto displaced Chicago in the U.S. as the [fourth largest city](#) in North America; Montréal also ranked in the top ten.

Population by City, 2009-2012 ('000 persons)				
	2009	2010	2011	2012
Toronto (Ont.)	5,637	5,741	5,841	5,942
Montréal (Que.)	3,817	3,869	3,918	3,958
Vancouver (B.C.)	2,336	2,389	2,426	2,464
Calgary (Alta.)	1,223	1,244	1,269	1,309
Ottawa-Gatineau (Ont.-Que.)	1,220	1,239	1,256	1,273
Edmonton (Alta.)	1,157	1,176	1,197	1,230
Winnipeg (Man.)	742	753	766	778
Québec (Que.)	746	753	761	770
Hamilton (Ont.)	734	743	750	757
Kitchener-Cambridge-Waterloo (Ont.)	487	493	499	505
London (Ont.)	488	492	496	500
Halifax (N.S.)	398	404	410	414
St. Catharines-Niagara (Ont.)	404	405	405	406
Oshawa (Ont.)	359	365	370	376
Victoria (B.C.)	354	359	362	363
Windsor (Ont.)	331	332	333	333
Saskatoon (Sask.)	258	265	273	284
Regina (Sask.)	211	215	219	226
Sherbrooke (Que.)	195	198	201	204
St. John's (N.L.)	191	194	198	201
Barrie (Ont.)	190	192	194	196
Kelowna (B.C.)	178	181	184	185
Abbotsford-Mission (B.C.)	172	175	177	178
Kingston (Ont.)	161	163	164	166
Greater Sudbury (Ont.)	165	164	164	164
Saguenay (Que.)	152	152	151	153
Trois-Rivières (Que.)	146	147	148	148
Moncton (N.B.)	136	138	141	143
Guelph (Ont.)	137	139	141	143
Brantford (Ont.)	138	139	140	141
Saint John (N.B.)	127	128	129	129
Thunder Bay (Ont.)	127	127	127	127
Peterborough (Ont.)	121	122	122	122

Source: Statistics Canada, CANSIM, Table 051-0046, 2013

As shown in the following chart, 10 of 15 cities showing the highest population growth were located in Alberta, while in the Prairies and British Columbia, only Winnipeg (+5.1%) and Victoria (+4.4%) showed population growth below the national average.²

Population Rate of Growth by City, 2010-2011 and 2011-2012 ('000 persons)



Source: Population Growth Rates by Census Metropolitan Area, Canada, 2013

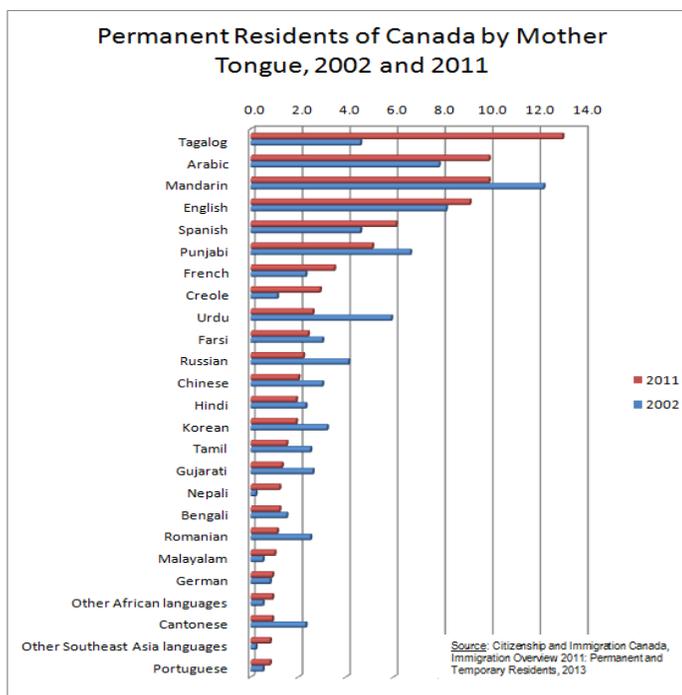
Climate

Canada's climate is characterized by four seasons, each of which affects the type of product in demand by consumers. The seasons are spring, summer, fall and winter. The temperature varies depending on the season, at times recording over 30°C in the summer and below -33°C in the winter; humidity and wind-chill factors intensify these conditions. There are also substantial temperature variations across the country. For example, on the West Coast, the weather is temperate with moderate winters and mild summers. The North Atlantic off the East Coast is generally colder, with more severe winter storms. Winter in the western mountains, in Central Canada and on the Prairies is also very cold, though less stormy. The duration of winter generally extends from about November through April in the south, and tends to be longer in the more northern areas.

Language

Canada has two official languages: English and French. In the 2011 Population Census, nearly 57.8% of all Canadians claimed English as their mother tongue.³ French is the first language for about 21.7% of Canadians, most of who reside in the province of Québec. Throughout Canada, English is widely spoken in business, although the ability to communicate in French is a definite advantage for selling products or services in Québec. Bilingual language requirements for packaging and labelling are in place for all products, including imports sold in this country.

Allophones – people whose mother tongue is neither English nor French – make up one-fifth of Canada's population. In 2011, 11.5% of the population reported using English and a language other than French, up from 9.1% in 2006. This increase is mainly related to immigration. Together, Canadians have over 200 mother languages including those long associated with immigration such as German, Italian, Ukrainian, Dutch, and Polish. However, in the last decade, language groups from Asia and the Middle East recorded the largest gains, particularly those speaking Tagalog, Arabic, Mandarin, Punjabi, Urdu, and Farsi.



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	2009	2011		2009	2011		2009	2011
Philippines	27,277	34,991	Ukraine	2,300	2,455	Somalia	988	1,256
China	29,051	28,696	Bangladesh	1,854	2,449	Nepal	627	1,249
India	26,117	24,965	Lebanon	2,531	2,335	Syria	803	1,181
United States	9,723	8,829	Saudi Arabia	2,025	2,299	Kuwait	896	1,179
Iran	6,064	6,840	Germany	4,081	2,254	Cameroon	872	1,166
United Kingdom	9,565	6,550	Ethiopia	1,212	2,038	Mauritius	840	1,120
Haiti	2,085	6,208	Jamaica	2,427	2,021	Congo, DR	1,274	1,058
Pakistan	6,213	6,073	Afghanistan	1,507	1,977	South Africa	1,316	1,036
France	7,299	5,867	Israel	2,364	1,967	Jordan	812	1,025
United Arab Emirates	4,640	5,223	Taiwan	2,543	1,894	Australia	1,199	979
Iraq	4,567	4,698	Russia	2,799	1,887	Cuba	1,421	938
Korea, Republic of	5,864	4,573	Romania	1,994	1,723	Peru	1,872	876
Colombia	4,240	4,317	Vietnam	2,141	1,682	Eritrea	662	874
Morocco	5,221	4,155	Brazil	2,480	1,519	Hong Kong	924	820
Algeria	4,785	3,800	Japan	1,323	1,475	Guyana	1,152	761
Mexico	3,104	3,642	Venezuela	1,385	1,446	Dominican Republic	378	759
Egypt	2,486	3,403	Tunisia	1,164	1,368	Kenya	558	750
Sri Lanka	4,270	3,104	Moldova	1,535	1,349	Ireland	503	662
Nigeria	2,661	2,768	Turkey	1,455	1,339	El Salvador	825	658

Source: Citizenship and Immigration Canada, [Facts and Figures 2011](#) – Immigration Overview: Permanent and Temporary Residents, 2013

Hours of Business

Standard business hours in Canada are generally Monday to Friday from 9:00 a.m. to 5:00 p.m. Retail store hours vary somewhat from province to province, but most retail outlets are open from Monday through Sunday (with Sunday restrictions in some provinces), and are also open later on Thursday and Friday evenings.

Canadians are demanding customers who are interested more in durable and reliable products than in low-quality items. The trend continues toward the incorporation of new technologies into clothing, household accessories and entertainment products, as well as the purchase of high-end and exotic products, such as easy-to-prepare ethnic foods.

Public Holidays

Canada celebrates several [holidays](#) nation-wide and some provinces also declare statutory holidays for their residents. On these days, most businesses and government offices are closed. Holidays falling on a Saturday or Sunday are generally observed on the following Monday. Some major holidays include:

Date	Event	Date	Event
January 1	New Year's Day	July 1	Canada Day
Third Monday in February	Family Day (Alberta, Manitoba, Ontario, Prince Edward Island, Saskatchewan)	First Monday in August	Civic holiday, most provinces
Second Monday in February	Family Day (British Columbia)	First Monday in September	Labour Day
Late March/Early April	Good Friday	Second Monday in October	Thanksgiving Day
Monday preceding May 25	Victoria Day	November 11	Remembrance Day
June 24	St. Jean - Baptiste Day (Québec)	December 25	Christmas Day
		December 26	Boxing Day

Travel and Transportation

Because of its size, Canada has had to develop an impressive marine, air and surface transportation system, including extensive networks of paved highways and railways. The national airport system is composed of a network of international, national, regional, local, small, remote and arctic airports. The marine system consists of over two dozen major ports, and includes the vital St. Lawrence Seaway connecting the Atlantic Ocean with the vast inland markets of North America. Imports may come through one of Canada's major seaports, although they may also land in a U.S. port and be transported overland into Canada. The leading ports are Vancouver on the West Coast, Montréal, Toronto and Thunder Bay on the St. Lawrence Seaway System, and Halifax (Nova Scotia) and Saint John (New Brunswick) on the East Coast.

Most visitors arriving from overseas enter Canada through the international airports in Toronto, Montréal or Vancouver. Canada enjoys extensive and reliable connections between its cities, as well as with cities in the United States. Coast-to-coast air travel within Canada, excluding connection time and the effect of time zones, takes about eight hours; air travel time between Central Canada (Toronto), and the West Coast (Vancouver) is approximately five hours. Flying from Toronto to Montréal takes about one hour.

As the working population expands and as leisure time becomes more valued, service is becoming a highly sought-after 'commodity'. The provision of service is an increasingly important component in the competitiveness of businesses seeking to sell to discerning customers.

Time Zones

With a land mass of nearly 10 million km², Canada spans no fewer than six different time zones. Every year, Daylight Savings Time comes into effect on the second Sunday of March, at which time all clocks in Canada except Saskatchewan⁴ are advanced by one hour. On the first Sunday of November, the country reverts to Standard Time.

The Canadian market for goods and services is continually evolving as customers become increasingly discriminating in their purchases. This trend will lead to expanded opportunities for specialized products, niche marketing and even fully customized products tailored to individual needs.

Currency

Canada's currency⁵ is based on the decimal system, with 100 cents equal to one Canadian dollar. Coins are issued in denominations of two dollars (a 'toonie'), one dollar (a 'loonie' - the nickname gleaned from the bird, a loon, appearing on the coin), 25 cents (a quarter), 10 cents (a dime), and five cents (a nickel). As of February 2013, one cent (a penny), is no longer distributed by the government. Businesses are encouraged to round out transactions to the nearest nickel. Paper currency is issued in denominations of \$5, \$10, \$20, \$50, \$100, \$500, and \$1,000. Foreign visitors to Canada can exchange their funds at any Canadian financial institution or at currency exchange booths located at airports and major border crossings. Visitors are strongly advised to have an Interac card that can be used at Canadian Automated Teller Machines (ATMs), or obtain travellers' cheques in Canadian or US dollars which can be purchased at major banks in your country. Some Canadian banks charge a modest fee for cashing travellers' cheques and almost all charge a fee for ATM withdrawals.

Entry Procedures

A valid passport is required for entry into Canada, unless you are a citizen of the French territory of [St. Pierre and Miquelon](#). In addition, a business or visitor's visa might be required depending on your country of citizenship. Proof of sufficient funds to maintain yourself while in Canada might also be requested. Applications for visas should be made to the Canadian Embassy, High Commission, or Consulate responsible for issuing visas to residents of your home country. Since visa regulations could change, you should confirm your status prior to departure for Canada; check the [website](#) at Citizenship and Immigration Canada for up-to-date details. *Please note that TFO Canada does not issue letters of invitation for visa purposes.*

Working in Canada Temporarily

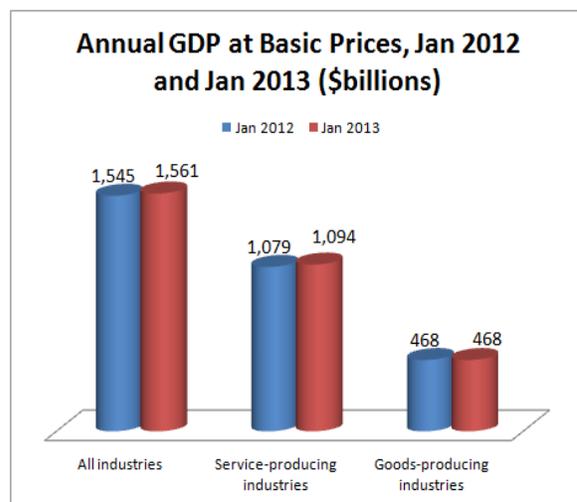
With certain exceptions, an employment authorization to work in Canada on a temporary basis is required. *This permit is valid for only a particular employer and position.* Although valid for one year, it may be possible to obtain a new authorization from within Canada after the expiry date. Authorizations are usually issued by visa officers at the Canadian Embassy or High Commission in your home country before departure for Canada. Employment authorizations are not required to enter Canada just to look for work.

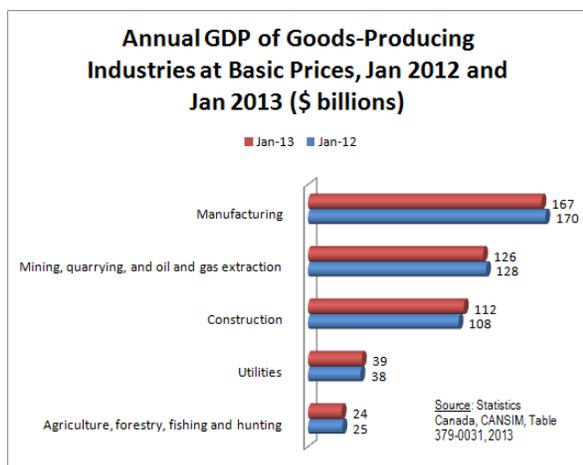
1.1.2 Economy

Recent Performance

According to [Statistics Canada](#), Canada's Gross Domestic Product (GDP) at basic prices rose 1% in January 2013 to \$1,561 billion.

In that same period, the production of *goods* remained stagnant at \$468 billion (see adjacent chart). Declines were noted in Manufacturing (-1.6%); Mining, quarrying and oil and gas extraction (-1.7%); and Agriculture (-2.3%). In contrast, the Construction and Utilities sectors increased their output by 3.5% and 2.7% respectively.





At the same time, the output of *service* industries was up 1.4%, mainly as a result of gains in finance and insurance (+3.3%); accommodation and food services (+2.7%); and real estate, education, and management (up about 2.4% each). The arts, entertainment and recreation services sector declined the most, by 4.3%.

Annual GDP of Services-Producing Industries at Basic Prices, January 2012 and January 2013 (\$millions)			
	Jan-12	Jan-13	% Change
	1,078,668	1,094,000	1.4
Real estate and rental and leasing	190,325	194,799	2.4
Health care and social assistance	108,507	110,284	1.6
Public administration	107,169	107,095	-0.1
Finance and insurance	100,084	103,346	3.3
Educational services	82,511	84,482	2.4
Wholesale trade	82,349	83,634	1.6
Retail trade	83,650	83,371	-0.3
Professional, scientific and technical services	80,664	81,491	1
Transportation and warehousing	64,807	64,946	0.2
Information and cultural industries	50,982	51,759	1.5
Administrative and support, waste management and remediation services	39,759	40,189	1.1
Accommodation and food services	32,418	33,302	2.7
Other services (except public administration)	31,604	31,863	0.8
Management of companies and enterprises	12,027	12,303	2.3
Arts, entertainment and recreation	11,786	11,274	-4.3

Source: Statistics Canada, CANSIM, Table 379-0031

On the whole, Canada's impressive historical growth appears to have stalled, with growth estimates for 2013 coming in as low as 1.5%, mainly due to decreasing housing prices and rising household debt. Comparative data on Canada's GDP performance in relation to other major industrialized countries is available from the [Conference Board of Canada](#).

Structure of Output

In January 2013, *service industries* represented about 70% (\$468 billion) of Canada's GDP at basic prices, down from 73% in 2007. At \$468 billion, *goods producing industries* rose from its five year low of \$327 billion in 2007. Ontario contributed to about 37% of Canada's real GDP in 2011, losing about 2% since 2005, mainly to western Canada, which has benefitted from strong global demand for mining resources, including oil and gas.

Business Spending

Capital investment in 2013 is expected to continue its incremental rise (see table below) over the past five years. Total capital investment including housing, non-residential construction and machinery and equipment is expected to rise from \$307 billion in 2009 to \$398 billion in 2013. About \$105 billion is earmarked for housing. Worldwide demand for Canada's natural resources and raw materials has kept prices high, fuelling capital spending in primary sectors and related downstream industries. However, stalling in the housing sector and a decline in the mining, oil and gas, and public administration sectors between 2012 and 2013 indicates a cooling of capital spending in the near future.

In terms of overall human development indicators used by the United Nations in its 2013 [Human Development Report](#), Canada has fallen five places since 2007 to 11th position. While the country is still experiencing growth as tracked by the UN, it is not happening as quickly as other countries higher on the list.

In terms of economic ranking alone, however, when compared to 16 European countries, the U.S. and Japan, Canada moved up from 11th to 6th place according to the [Conference Board of Canada](#), mainly due to the weakness in European economies.

Capital Expenditures by Sector, 2009-2013 (\$ millions)

	2009	2010	2011	2012	2013
Canada	306,608	346,877	365,209	391,508	398,184
Housing	80,802	94,398	95,588	104,483	104,706
Mining and oil and gas extraction	41,502	62,261	78,229	81,424	79,231
Public administration	35,964	40,382	38,042	39,722	40,531
Utilities	23,266	23,136	25,453	29,115	31,349
Transportation and warehousing	18,529	16,130	17,593	19,833	22,363
Manufacturing	14,358	15,643	17,649	20,366	20,854
Finance and insurance	12,325	13,152	12,263	12,441	13,920
Real estate and rental and leasing	13,956	13,567	11,776	11,646	12,045
Retail trade	8,268	8,302	8,195	9,748	10,923
Information and cultural industries	10,010	9,886	9,126	10,173	9,865
Health care and social assistance	8,756	10,099	9,822	9,665	9,752
Educational services	8,881	10,259	9,975	10,245	9,459
Wholesale trade	5,561	5,325	4,984	5,513	5,966
Construction	5,454	5,961	6,300	5,851	5,789
Agriculture, forestry, fishing and hunting	5,584	5,635	5,572	5,724	5,599
Professional, scientific and technical services	3,515	3,605	4,134	4,578	4,933
Accommodation and food services	4,033	3,321	3,689	4,033	3,850
Administrative/support, waste management, remediation services	1,856	1,799	2,331	2,396	2,605
Other services (except public administration)	2,033	2,125	2,402	2,387	2,395
Arts, entertainment and recreation	1,679	1,664	1,779	1,867	1,756
Management of companies and enterprises	279	228	308	302	295

Sources: Statistics Canada, CANSIM, Table 029-0005 and Catalogue no. 61-205-XIB



Canadian Labour Force

The Canadian labour force, defined as individuals 15 years of age or older that are employed or willing to take a job, was 17.5 million in March 2013, an increase of 1.2% from March 2012 and up from 16.8 million in 2009.⁶ In March 2013, Canada's unemployment rate was 7.2%, lower than the 8.2% recorded in 2010, but still significantly higher than the 33-year low of 5.8% recorded in February 2008. In March 2013, nearly 79% of all workers were employed in the service industries, up from 77.8% in 2009.⁷

Economic Outlook

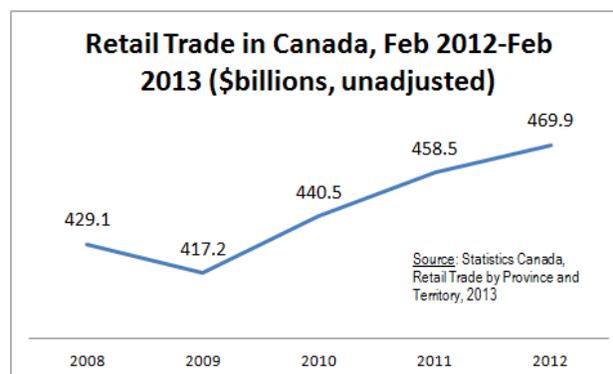
According to the Conference Board of Canada⁸:

- Despite the improving global situation, Canada's near-term performance is being held back by significant fiscal restraint. A return to full employment will not occur until 2016 at the earliest.
- By 2030, most of Canada's 'baby boomers' (those born in the late 1940s through the 1950s) will have exited the labour market.
- Aging baby boomers will demand more services and health care, putting pressure on provincial budgets.
- A consistent slowing in labour force growth means that Canada's economic growth will ease steadily over the forecast period.
- Strong immigration will not reverse Canada's aging trend, but it will help keep total population growth relatively stable at around 1% per year.
- A rebound in growth in emerging markets, such as China, Brazil, India, and Russia, will keep commodity prices elevated over the long term.
- While opportunities in developing countries abound, the United States will remain Canada's most important export market.
- Stable inflation and strong commodity prices will keep the Canadian dollar strong, above US\$0.92, through 2030.

1.1.3 Markets

In 2012, retailers sold nearly \$470 billion worth of goods and services, up significantly from the five year low in 2007 of \$417 billion.

Retail sales in 2012 were led by food and beverage stores with \$107 billion worth of sales, up from \$98 billion just five years previously. Of this, supermarkets and other grocery stores sold \$76 billion worth of merchandise. Products sold by TFO Canada client countries often find wide distribution in both sector specific stores such as jewellery and home furnishings stores, as well as in department stores that carry a constantly revolving inventory of items.



Retail Sales by Type of Store, 2008-2012 (\$ billions, unadjusted)					
	2008	2009	2010	2011	2012
Food and beverage stores	98	102	105	105	107
▪ Supermarkets and other grocery stores	70	73	75	75	76
▪ Beer, wine and liquor stores	17	18	18	19	19
▪ Convenience stores	7	7	7	7	7
▪ Specialty food stores	4	5	5	5	5
Motor vehicle and parts dealers	94	89	96	100	105
▪ Automotive parts, accessories and tire stores		6	6	6	7

Retail Sales by Type of Store, 2008-2012, <i>ctd.</i> (\$ billions, unadjusted)					
Gasoline stations	52	42	49	58	60
General merchandise stores	51	52	54	57	59
▪ Department stores	n/a	n/a	n/a	27	27
▪ Other general merchandise stores	n/a	n/a	n/a	30	32
Health and personal care stores	30	31	32	33	34
Building material and garden equipment and supplies dealers	28	27	28	27	27
Clothing and clothing accessories stores	24	23	25	26	26
▪ Clothing stores	18	18	19	20	20
▪ Shoe stores	3	3	3	3	3
▪ Jewellery, luggage and leather goods stores	3	2	3	3	3
Furniture and home furnishings stores	16	14	15	15	15
▪ Furniture stores		10	9	10	9
▪ Home furnishings stores		6	5	5	6
Electronics and appliance stores	16	15	15	16	15
Miscellaneous store retailers	11	11	11	11	11
Sporting goods, hobby, book and music stores	10	10	10	11	11
Source: Statistics Canada, CANSIM, Table 080-0020 and Catalogue No. 63-005-X, 2013					

Retail sales over the past five years have consistently been led by food products, followed by medicinal products, hardware and home renovation products, and alcoholic beverages. Given the growing availability of digital formats and choices through the Internet, it is not surprising that sales of pre-recorded CDs, DVDs and video and audio tapes have been shrinking over the past five years, reaching a low in 2012 of \$1.3 billion. As well, sales of books, newspapers and other periodicals have been negatively impacted by technology, consistently declining over the five year period.

Retail store sales by selected commodity, 2008-2012 (\$ billions)					
	2008	2009	2010	2011	2012
Food	69.7	73.6	77.4	79.6	82.1
Drugs (prescription and over-the-counter), vitamins and supplements	25.3	26.4	27.6	28.6	28.9
Hardware and home renovation products	23.7	23.5	24.4	24.0	24.2
Alcoholic beverages	19.5	20.2	20.7	21.1	21.6
Automotive parts and accessories	19.5	19.3	20.4	21.3	21.3
Women's clothing and accessories	14.7	14.4	15.1	15.2	15.1
Home electronics, computers and cameras	15.0	14.1	15.1	15.7	14.6
Home furnishings	10.3	9.5	9.6	9.5	9.5
Other toiletries and personal care products and home health care	8.5	9.0	9.3	9.0	9.2
Men's clothing and accessories	7.5	7.2	8.2	8.5	8.7
Tobacco products and supplies	8.2	8.2	8.5	8.5	8.7
Housewares	7.9	7.9	8.1	8.4	8.6
Indoor furniture	8.5	7.9	8.3	8.2	8.2
Non-alcoholic beverages	5.6	6.1	6.5	6.3	6.6
Lawn and garden products, equipment and plants	6.2	6.4	6.3	6.3	6.3
Household appliances	6.4	6.3	6.0	6.0	6.0
Footwear	5.1	5.2	5.4	5.7	5.9
Sporting goods	4.3	4.5	4.2	4.5	4.5
Toys, games and hobby supplies	4.1	4.0	4.0	3.8	3.9
Girls', boys' and infants' clothing and accessories	3.0	3.0	3.1	3.0	3.1
Books, newspapers and other periodicals	3.0	3.0	2.8	2.8	2.6
Cosmetics and fragrances	2.2	2.2	2.3	2.4	2.5
Pre-recorded CDs, DVDs and video and audio tapes	1.9	1.8	1.7	1.5	1.3
Source: Statistics Canada, CANSIM, Table 080-0022, 2013					

Regional Markets

Retail sales are historically highest in the province of Ontario, which showed a record five year high of \$165 billion in 2012. Sales in the other provinces also increased continuously over the five year period.

Retail trade, by province and territory, 2008-2012 (\$ millions, unadjusted)					
	2008	2009	2010	2011	2012
Ontario	152,160	148,797	156,904	162,530	165,177
Québec	94,809	93,736	99,551	102,505	103,648
Alberta	61,668	56,546	59,910	64,005	68,452
British Columbia	58,010	55,585	58,549	60,406	61,565
Saskatchewan	14,848	14,804	15,336	16,489	17,749
Manitoba	15,143	15,127	16,029	16,758	17,018
Nova Scotia	12,121	12,141	12,692	13,146	13,274
New Brunswick	10,028	10,106	10,608	11,118	11,041
Newfoundland and Labrador	7,019	7,124	7,446	7,841	8,200
Prince Edward Island	1,707	1,687	1,777	1,873	1,934
Northwest Territories	744	737	763	789	826
Yukon	536	529	601	654	672
Nunavut	309	324	342	360	369

Source: Statistics Canada, CANSIM, Table 080-0020 and Catalogue No. 63-005-X

Selected Urban Markets

Canada's 12 largest cities host about 54% of the country's population, with Toronto, Montréal and Vancouver together accounting for just less than 62% of that sub-total⁹. *Note: TFO Canada has representatives in Montréal, Vancouver and Toronto to assist with information on these markets.*

The characteristics of selected urban markets are presented below:

Toronto: With a population of 5.6 million, Toronto is the largest urban centre in Canada, the capital of Ontario, the focal point of the province's industrial base, and boasts a diverse ethnic mix from around the world. The city is Canada's dominant financial and industrial centre, home to more than half of the country's largest companies, leading banks and other financial institutions. ***Since a large number of importers and buying departments for major Canadian retailers are located in Toronto, the city should be a focus stop for suppliers interested in penetrating the Canadian market.***

Montréal: As Canada's second largest urban centre with a population of 3.8 million people, Montréal is also the largest French-speaking city in the world, outside of Europe. However, English is also widely spoken, especially among people active in business. Although the province of Québec is less prosperous than Ontario, British Columbia or Alberta, the city of Montréal is quite affluent and its customers are noted for their sophistication. Personal incomes and per capita retail sales are above the national average. Montréal is an important national business centre, especially in fields such as fashion, engineering, aerospace and finance. A significant number of major corporations are based in the city, including leading-edge software and biotechnology companies whose head offices in Montréal offer prospects of lucrative, high-profile employment. With more post-secondary students per capita than any other city in North America, this city also has no shortage of educated young people. Québec's burgeoning French-speaking entrepreneurial community tends to be more outward-looking than that of Ontario, and this makes Montréal a dynamic business centre open to new opportunities in the world beyond North America. Since Montréal is a major port and home to numerous importers, suppliers interested in the Québec market should focus their efforts here.

Vancouver: An impressive port city on the Pacific coast, Vancouver is a fast growing business centre serving just over 2.3 million people. The largest urban centre in Western Canada, Vancouver is Canada's gateway to the dynamic Asia-Pacific region. Large numbers of immigrants from Hong Kong and other Asian countries have settled for decades in the Vancouver area, transforming the city's ethnic and cultural

mix and strengthening its business links to the Asia-Pacific region. As well, many people from other parts of Canada have moved to the Vancouver region to take advantage of its temperate weather, excellent recreational opportunities and appealing lifestyle. As a result of this influx, housing and commercial real estate costs have risen dramatically. Forestry and mining companies serve as Vancouver's business foundation but the manufacturing and service sectors, including film and television production, banking, accounting, and high-tech research and development have expanded in the past decade, resulting in a more diversified local economy. Most Asian exports to Canada enter the country through Vancouver, as do some Asian exports destined for the U.S. market. While a significant number of importers are based in Vancouver, there are fewer importers in the city than in Toronto and Montréal.

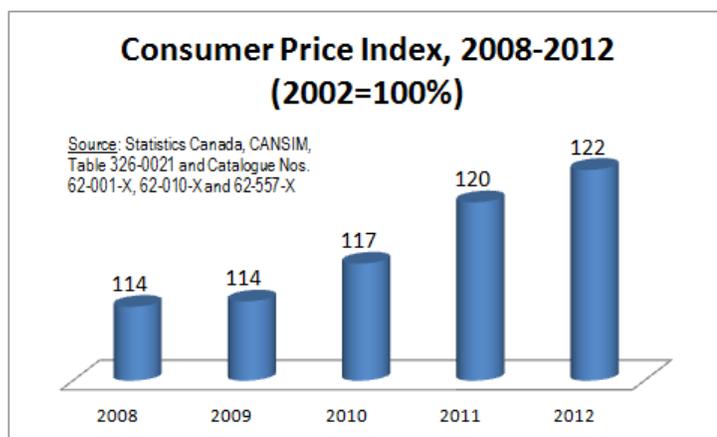
Ottawa-Gatineau: The economy of the nation's capital (Ottawa, Ontario) is closely connected with the Gatineau region in Québec, the two are separated by the Ottawa River. Dominated by employment in the government and high technology sectors, the provincial border does not affect the virtually seamless living and working arrangements of the 1.2 million, mostly highly educated (44% of them bilingual English-French) residents of the 'National Capital Region.' A high per capita income makes Ottawa one of the wealthiest markets in Canada.

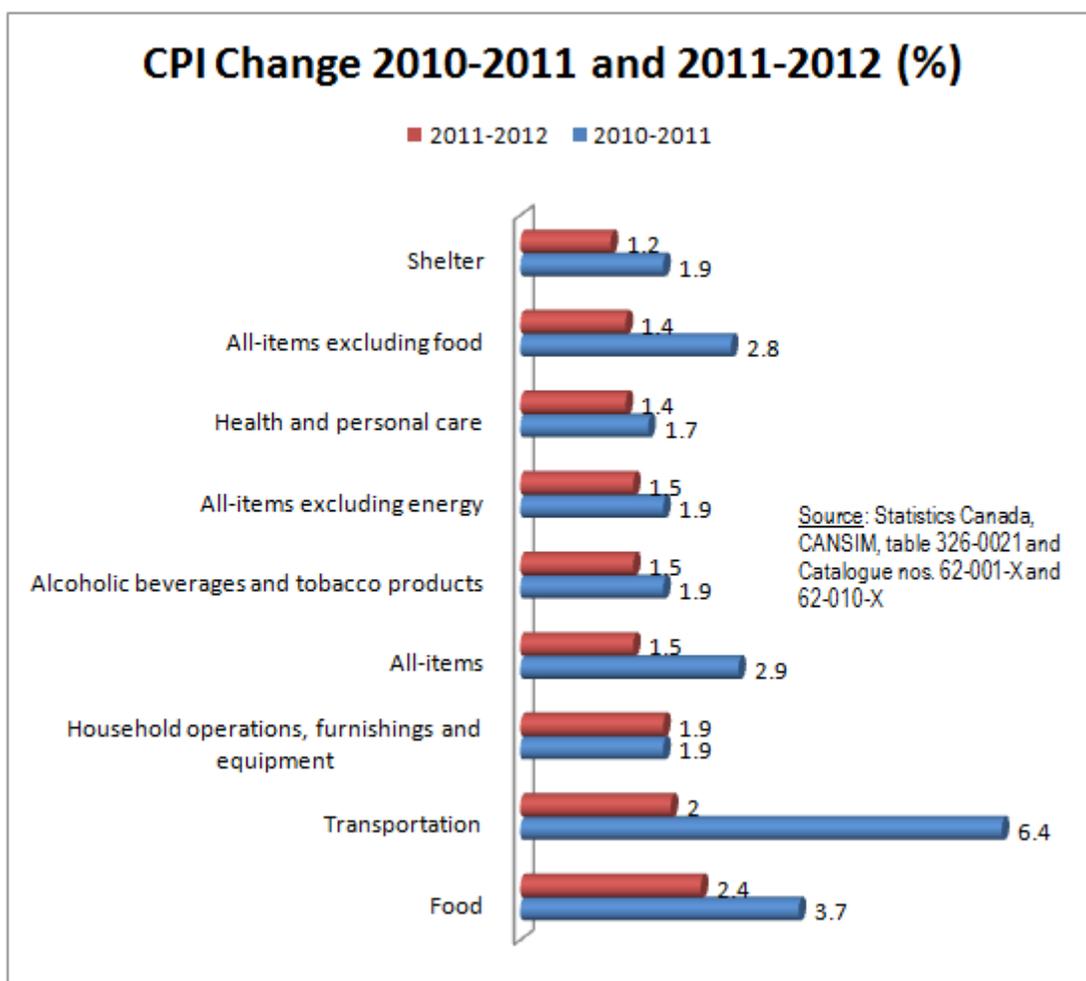
Calgary: As a result of NAFTA and the strength of international oil prices, Calgary has become the economic hub of Western Canada. It had the fastest population growth rate (12.6%) in the country over the past five years (2006-2011). Calgary is home to most of Canada's oil and gas industry, as well as to the many service and advanced technology businesses that have grown up around oil and gas production. The cost of living in Calgary was the second highest in the country in 2012 after Edmonton, a reversal of positions since 2009.¹⁰

Halifax: Located on the East Coast, Halifax is the largest city in Atlantic Canada, with a population of just under 0.4 million. The capital of Nova Scotia, Halifax is a major port city and the most important centre of industry and commerce in the region. Although the Atlantic Canada region as a whole is less affluent than most other parts of Canada, the 2012 cost of living in Halifax was the eighth highest in the country. St. John's, Newfoundland was less expensive than Halifax but another capital city in the Atlantic Provinces, Charlottetown in Prince Edward Island, was the third most expensive city to live in Canada in 2012.

1.1.4 Consumers

Canadians have healthy incomes to spend on both domestic and imported goods and services. Consumer prices continue their upward trend in Canada as the adjacent chart indicates. However, the pace of increase has been tempered somewhat in 2012 after rising from 117 to 120 between 2010 and 2011. In the year ending March 2013, Statistics Canada¹¹ reports that consumer prices rose 1% in the 12 months to March, following a 1.2% increase in February. The slower increase in the Consumer Price Index (CPI) was mainly the result of gasoline prices, which fell 0.3% on a year-over-year basis in March, after rising 3.9% in February. Provincially, gasoline prices declined year-over-year in seven provinces. Excluding gasoline, the CPI increased 1.1% in the 12 months to March, matching the rise in February.





According to the same report by Statistics Canada, in March 2013:

- Food prices increased 1.8% on a year-over-year basis in March, following a 1.9% rise in February. Consumers paid 2.2% more for food purchased from restaurants.
- Consumers also paid more for food purchased from stores, as prices rose for fresh vegetables (+7.2%) and fresh fruit (+8.7%). In contrast, prices for non-alcoholic beverages declined 3.6%.
- Shelter costs rose 1.1% in the 12 months to March, after increasing 0.8% in February. Rent and homeowners' replacement cost advanced on a year-over-year basis, while mortgage interest cost decreased 4%.
- Prices for transportation posted no change on a year-over-year basis in March, after advancing 2% the previous month. Gasoline prices decreased year-over-year, while prices for the purchase of passenger vehicles rose 0.8% in the 12 months to March, after a 2.5% increase in February.
- Prices for recreation, education and reading rose 0.3% in the 12 months to March, following a 1% rise in February. Consumers paid 4.8% less for travel tours year-over-year in March.
- Consumer prices rose in all provinces, led by Atlantic Canada: Prince Edward Island (4%), New Brunswick (3.9%), Newfoundland and Labrador (3.2%), and Nova Scotia (3.1%). In Ontario, prices rose 1.9%; in Alberta by 1.7%; and in British Columbia by 0.7%.

Income

In 2010 (the latest statistics available), the average annual income after taxes of a family of two or more people was \$76,600, up from \$72,300 five years previously.¹² The highest income was in households with married couples with other relatives living with them (\$110,600), while the lowest were non-elderly, male,

non-earners (\$12,400). Ottawa, Calgary, and Edmonton had residents with the highest median total income in 2010.¹³

Spending

According to Statistics Canada,¹⁴ each Canadian household spent an average of \$73,457 in 2011 (the most recent statistics), 3% higher than the previous year and in line with the 2011 rate of inflation of 2.9%. Goods and services represented 75.1% of total spending; the remaining 24.9% was spent on income taxes, pension contributions, employment and life insurance premiums, savings, and gifts of money.

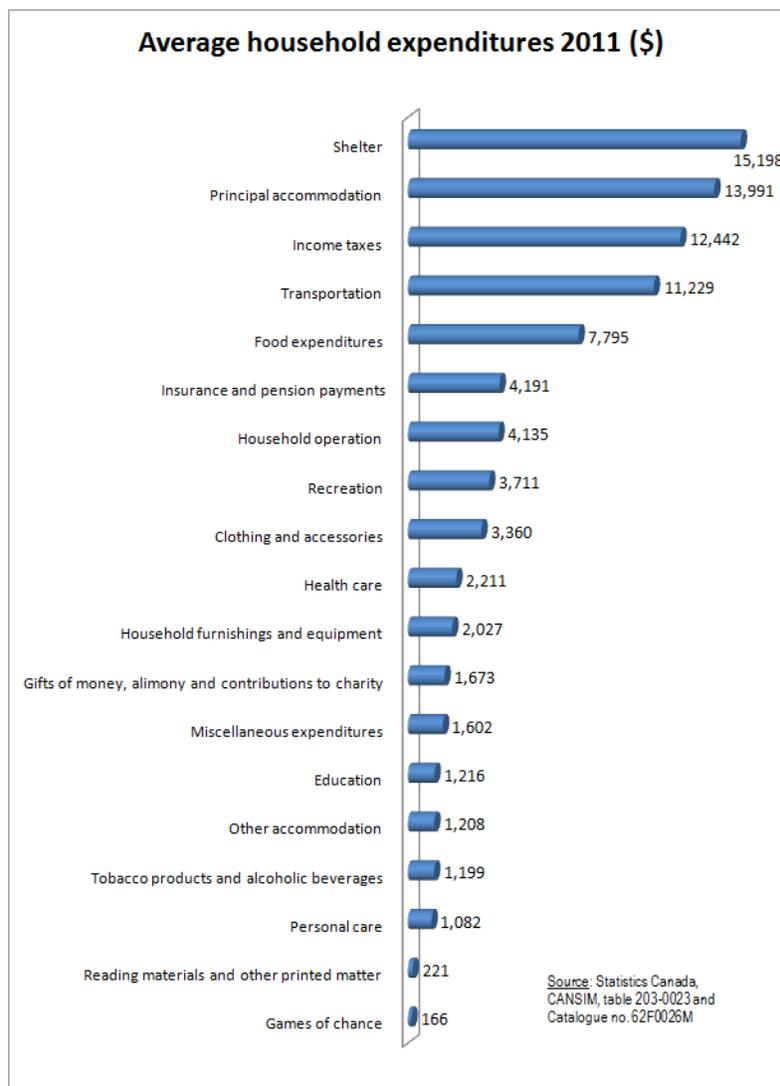
Highlights from the Statistics Canada survey¹⁵ found that:

- Households spent an average of \$55,151 on goods and services in 2011, up 2.7% from 2010.
- Couples with children spent \$75,543 in 2011 on goods and services. One-person senior (aged 65 and over) households reported spending an average of \$26,047.
- Spending on shelter accounted for 27.6% of the overall average total (up 1.3% from 2010); transportation, 20.4% (up 1.5% from 2010) and food, 14.1%.
- Spending on food amounted to \$7,795 in 2011, down 0.4% from 2010. While food purchased from stores fell 1.8% to \$5,588, food purchased from restaurants rose 3.6% to \$2,207.
- The largest declines in food purchases between 2010 and 2011 were for fruit, fruit preparations and nuts (-6.2%), cereal grains and products (-5.3%); and dairy products and eggs (-4.0%).
- Households headed by older people (over the age of 65 years) reported the highest share of spending on food purchased from stores, at 12.5%.
- Households headed by younger people (under 30 years of age) spent the most (4.6%) on food purchased from restaurants.

Provincially, households in Alberta (\$64,453) had the highest average spending on goods and services, followed by Ontario (\$57,514). Households in Prince Edward Island (\$45,190) reported the lowest average.

Other survey findings include:

- On average, households spent \$2,211 on out-of-pocket health care expenses in 2011, down 0.1% from 2010. These include expenses not reimbursed by a health care plan.
- Not surprisingly, spending on health care increased with age. Older people spent 6.8% of their goods and services budget on health care, compared with 2.6% for younger respondents.
- Spending on communications rose 5.1% from 2010 to \$1,825. In 2011, the average household spent \$809 on cell phone expenses, \$481 on expenses related to landline telephones and \$416 on Internet access.
- In 2011, 79.4% of households reported owning at least one cell phone, while 12.8% had only a cell phone and no landline. As was the case in 2010, cell phone ownership was highest in Alberta (88.5%) and lowest in Québec (70.4%).
- About four out of five households had Internet access at home. Access was most common in Alberta (87.3%) and British Columbia (86.2%) and lowest in Newfoundland and Labrador (72.6%) and New Brunswick (72.6%).
- Cable connections were the preferred method to access the Internet in 2011. Overall, 35.4% of households used cable compared with 30.4% that reported a high speed telephone connection. Wireless connections were used by 8.1% of households.

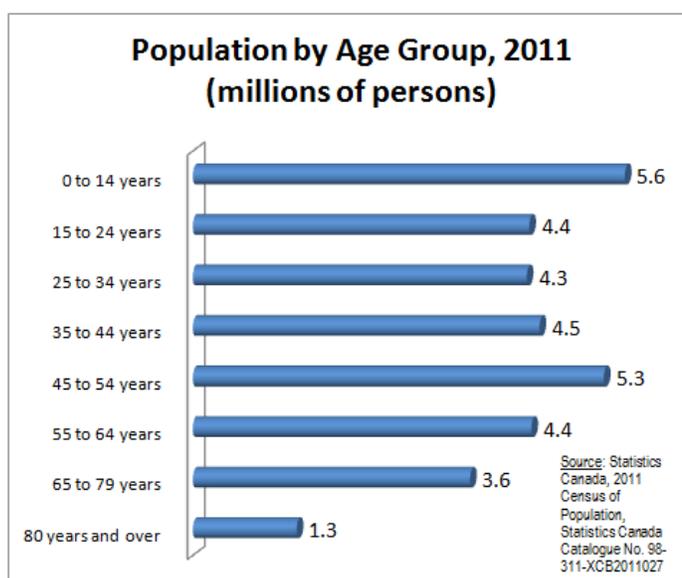


1.1.5 Trends

Ageing Population

Canada's population is ageing rapidly and becoming more urban, mainly as a result of the nation's low fertility rate and increasing life expectancy.

This is already having a dramatic impact on the demand for goods and services as older Canadians represent an attractive, fast-growing and highly specialized market.¹⁶ There is greater demand and thus business opportunities in fields as diverse as travel, housekeeping, home renovations, delivery services, health care products, health services and upscale toys and baby items for grandchildren. This trend will continue in



the coming decade, as more 'baby boomers' reach retirement age.

On average, the income of older Canadians is still lower than that of younger age groups, but this has improved in recent decades largely as the result of improved public and private pension plans. The incomes of many older Canadians have also been bolstered by investment returns as well as by widespread home ownership. The Royal Bank of Canada¹⁷ estimates that one in four Canadians planning to enter the housing market over the next two years will be first-time, young homebuyers. Overall, 15% of Canadians plan to buy a home within the next two years as they wait for the expected decline in housing prices. Another report by the Vanier Institute¹⁸ indicates that 50% of the net worth of Canadians, averaging \$402,550 in 2011, came from home ownership; this net worth is expected to shrink with housing prices.

Multiculturalism

Canada is a land of tremendous ethnic diversity brought about by successive waves of immigration from various parts of the world. Immigration has become even more important in recent decades as the country's birth rate has gradually fallen below replacement levels.

The latest report from Statistics Canada¹⁹ shows that:

- By 2031, between 25% and 28% of the population could be foreign-born, the highest historical ratio to date. About 55% of this population would be born in Asia.
- Regardless of future immigration, diversity will grow among the Canadian-born population. By 2031, 47% of second-generation Canadians would belong to a visible minority group, nearly double the proportion of 24% in 2006. Second generation refers to those who are Canadian-born and have at least one parent born outside Canada.
- The vast majority (96%) of people belonging to a visible minority group would continue to live in one of the major metropolitan areas. By 2031, visible minority groups would comprise 63% of the population of Toronto, 59% in Vancouver and 31% in Montréal. In contrast, they would comprise no more than 5% of the population in St. John's, Greater Sudbury, Trois-Rivières, Québec, or Saguenay.
- Most of the visible minority population would be young: 36% of the population under 15 years of age in 2031 would belong to a visible minority group, compared to 18% of persons aged 65 and over.
- In 2031, South Asians and Chinese should still be the largest visible minority groups in Canada. The South Asian population would number between 3.2 million and 4.1 million, compared to 1.3 million in 2006. The Chinese population would go from 1.3 million in 2006 to between 2.4 million and 3 million in 2031.
- Arabs and West Asians are the visible minority groups that would grow the fastest by 2031. Canada's Arab population could thus number between 806,000 and 1.1 million in 2031 and its West Asian population between 457,000 and 592,000.
- The number of non-Christians would more than double by 2031, reaching between 5.3 million and 6.8 million in 2031 compared to 2.5 million in 2006, or from 8% of the population in 2006 to 14% in 2031. Within the population having a non-Christian religion, approximately one person in two would be a Muslim in 2031, whereas the corresponding proportion in 2006 was estimated at 35%. Fewer than two Canadians in three would have a Christian religion in 2031. Three Canadians in four (75%) had a Christian religion in 2006. The corresponding proportion in 1981 was 97%.

City	Foreign-born		Visible minority		City	Foreign-born		Visible minority	
	2006	2031	2006	2031		2006	2031	2006	2031
Canada	20	26	16	31	Gatineau	8	15	6	14
Abbotsford-Mission	24	29	23	39	Peterborough	9	11	3	8
Barrie	13	13	6	11	Québec	4	7	2	5
Brantford	12	13	5	10	Regina	8	10	7	12
Calgary	24	30	22	38	Saguenay	1	2	1	2

Percentage of foreign-born and visible minority populations by city (<i>ctd.</i>), 2006 and 2031 ²¹									
Edmonton	19	22	17	29	Saint John	4	6	3	8
Greater Sudbury	7	5	2	5	Saskatoon	8	10	6	13
Guelph	20	25	13	25	Sherbrooke	6	11	4	10
Halifax	7	11	7	12	St. Catharines–Niagara	18	19	7	14
Hamilton	24	27	12	25	St. John's	3	4	2	5
Kelowna	15	14	5	10	Thunder Bay	10	8	3	7
Kingston	12	14	6	11	Toronto	46	50	43	63
Kitchener	23	28	14	28	Trois-Rivières	2	5	2	4
London	19	23	11	22	Vancouver	40	44	42	59
Moncton	3	5	2	5	Victoria	19	20	10	17
Montréal	21	30	16	31	Windsor	23	28	16	33
Oshawa	16	19	10	21	Winnipeg	18	24	15	27
Ottawa	22	29	19	36					

[Home Office](#)

Many Canadian homes built today include a home office, wired with networking infrastructure for the Internet and multiple computers. Home offices also account for some of the renovations incurred on existing homes. With improved technology, working from the home as an employee or a private consultant is an increasingly popular choice. Unlike in the past, these home offices are efficient workplaces, requiring products and services adapted to suit individual needs. Home office furniture and accessories are flourishing businesses in Canada.

[Polarization of Luxury and Essential Markets](#)

According to a recent Euromonitor report,²² in 2012, some Canadian retail stores saw healthy growth of luxury, especially mid-range luxury brand items, indicative of the ongoing polarization trend in Canadian consumer markets and retailing overall.

[Increased Cross-Border Shopping](#)

The same report notes that in 2012, cross-border shopping came into the spotlight again as the Canadian government increased duty-free exemptions on consumer goods as of June of 2012, thereby further driving many Canadians to shop in the U.S. as the high Canadian dollar, lower prices, wider merchandise selection, and more aggressive discounting practices by US retailers attracted many consumers and bargain seekers.

[Improvements by Grocery Stores](#)

A difficult operating environment strongly affected many non-grocery retailers, which experienced a much slower recovery in 2012. Grocery retailers, on the other end, witnessed healthier growth, albeit relatively slow due to the ongoing tendency to actively promote and offer discounts to drive customer traffic. Foodservice in Canada witnessed a slower than expected recovery, and cooking at home remains a better option for many Canadians. Grocery retailers, however, were also active in improving stores and food products beyond just discounting practices. A new flagship Loblaws store in Toronto's historic Maple Leaf Gardens is a case in point, with strong emphasis on gourmet foods such as cheese, in-store pastries, a bakery, and other options to attract customers who are not necessarily looking for bargains. Additionally, ethnic supermarkets and high-end grocery retailers opened more stores in Canada.

[Continuing Expansion of US-based Retailers and Online Shopping Options](#)

Adding to the challenging operating environment in 2012 was the continuing expansion of foreign-based retailers, US-based in particular, into Canada as the latter is seen as more financially stable and is characterized by higher sales per square metre of retail space. In addition to apparel specialist retailers and furniture and housewares stores, retailers are awaiting the impact of major US retailer Target, with the first outlets slated for opening in spring 2013. Target has been more aggressive in its marketing campaigns than any other foreign-based retailer in preparation for opening in Canada, with strong

marketing campaigns well on the way months before the official store openings. Given the highly developed retailing landscape and a relatively small population, successful entries of new retailers usually come at the expense of already operating retailers. With an expanding number of Canadian online retailers, including the new shop.ca, as well as others, retailers in Canada have to innovate in order to remain competitive and drive customer traffic.

On the whole, retailing in Canada is expected to record modest growth ahead. Although improved economy and consumer confidence will likely help to boost sales, the overall performance is expected to be unfavourably impacted by a number of factors, including saturation and a highly competitive environment which is expected to lead to more price wars. On the positive side, however, demand will strengthen for higher-end products, including gourmet foods and luxury products, which can help to add value to sales. TFO Canada exporters could use these changing demand environments to find a suitable niche to market their products.

Some other major trends affecting consumer spending are outlined below.

Households

The large number of Canadian households has supported significant spending on a range of durables from cars and houses to furniture, appliances, electronic products, and decorating supplies. Labour and time-saving products such as convenience foods and appliances are particularly in demand to service these busy households. As well, services such as cleaning, home maintenance and child care previously provided within the household are now frequently provided by specialty suppliers.

Canadians will continue to demand convenience from the products they buy. As consumers focus on both careers and recreation, they will have less time available for domestic chores. As a result, labour- and time- saving products and services will continue to be popular.

In 2011, there were 13.3 million private households in Canada, an increase of 1.8 million from a decade earlier.²³ During this period, some types of households increased more rapidly than others, resulting in a shift of balance across the country. The two household types that increased at the fastest pace were 'other' (rising by 18.4%) and multiple-family (rising by 16.4%).

- The proportion of 'other' households rose from 3.7% in 2001 to 4.1% in 2011. These households consist of two or more people who share the same private dwelling, but who do not constitute a census family, for example, roommates or relatives such as siblings, cousins, aunts or uncles. 'Other' households were most common in Banff, Alberta (17.3%) and Whistler, British Columbia (15%) in 2011. This is likely due to the relatively high proportion of young adult employees working in tourism industries in these areas.
- The proportion of multiple-family households rose slightly over the past decade, from 1.8% in 2001 to 2% in 2011. Nunavut had the largest share of multiple-family households (10.6%) in the country. Multiple-family households were also prevalent in the municipalities around Toronto, including: Brampton (10.5%), Markham (8.1%), Vaughan (5.5%), Richmond Hill (5.4%), Richmond (5.1%), Mississauga (5.0%) and Ajax (4.8%). In British Columbia, the municipalities of Surrey (7.6%) and Abbotsford (6.1%) had percentages of multiple-family households that were among the highest in the country. The larger share of these households may reflect higher proportions of immigrants in these areas relative to elsewhere in Canada.
- The number of one-person households grew by 10.4% between 2006 and 2011, and for the first time, one-person households with children exceeded couple households with children by 148,390.
- The only household type that decreased in number was couple households with children (-0.5%). This decline relates partly to the aging of the baby-boom generation. As this large cohort grows older, many of their children have already reached adulthood and left the parental home. Households consisting of couples without children increased by 9.3%, outpacing those with children by 3% in 2011. Just 10 years ago, the reverse was true: couples with children exceeded those without children by 2%.

Corporate Social Responsibility

An exporter's *Corporate Social Responsibility* (CSR) strategy is important in conducting trade with this country. CSR is not a new concept but buyers are taking a direct and deliberate look at the total production process including procurement, manufacturing, and waste disposal. Exporters should try to market themselves by offering buyers their published CSR statements and try to choose to work with vendors committed to the same level of compliance. While labour rights issues are not currently viewed by most buyers as being as important as environmental issues, importers do evaluate these factors as part of the whole picture, particularly when making decisions about whether to buy from specific countries. As well, major violations of human rights and/or political or social instability can affect sourcing decisions. Brands clearly want governments in producer countries to improve on environmental and labour standards regulations and their enforcement. According to companies interviewed in a recent survey, countries in Central America and the Caribbean could gain some degree of competitive advantage over Asian countries with relatively lower production costs if they meet the challenges described above.



® Fairtrade Canada reports that every year, a growing number of Fairtrade certified products are available in Canadian stores and restaurants. To become Fair Trade Certified and be allowed to display the fair trade mark, Canadian importers and distributors must meet stringent international criteria set out by Fairtrade International (FLO) and be certified by an accredited, independent certification organization. *The quality of the Fairtrade product must be consistent and competitive to other brands sold in this market.* Standards to be met for certification include fair price and premiums; fair and safe labour; environmental standards related to the product and its manufacture; and credit and contracts. Fairtrade Canada offers links to the standards required for 13 product groups through their website: <http://fairtrade.ca/en/products/products-canada>.

- [Cocoa](#)
- [Coffee](#)
- [Cotton](#)
- [Flowers](#)
- [Fruit](#)
- [Gold](#)
- [Grains \(Rice & Quinoa\)](#)
- [Spices and Herbs](#)
- [Nuts and Oils \(Shea Butter and Olive Oil\)](#)
- [Sports Balls](#)
- [Sugar](#)
- [Tea](#)
- [Wine](#)

The Environment

On-going concern over the environment alters the way many Canadians view products. Environmentally-friendly goods such as detergents that are less polluting and biodegradable or recyclable products and packaging are favourably viewed. As well, the demand for organic and natural foods and medicinal products continues to rise.

Travel

There is also a significant market for a range of leisure products and services as Canadians continue to travel in-country, and abroad. The number of Canadian trips abroad amounted to 5.6 million in February 2013, up from 5.5 million in February 2012.²⁴ The majority (86%) was to the U.S.; a decline was noted in travel to other countries during the same period.

Travel between Canada and Other Countries, Feb 2012-Feb 2013 ('000 trips)		
	Feb-12	Feb-13
Canadian trips abroad	5,513	5,620
To the United States	4,720	4,852
To other countries	793	768
Travel to Canada	2,152	2,062
From the United States	1,766	1,671
From other countries	386	391

Between the second quarter of 2009 and the third quarter of 2012, tourism spending in Canada increased by 11.6%, with gains recorded in every quarter. Higher spending by Canadians at home on most tourism goods and services were up, most notably on passenger air transport. Spending on non-tourism items, such as groceries and clothing, was also higher. These gains more than offset a decline in spending by international visitors in Canada. Further details on travel are outlined in the TFO Canada Services Report.

Construction

The value of building permits in Canada in 2012 was at a five year high of \$80.8 billion. This data is relevant to imports that are related to housing construction, furnishings, etc. According to the most recent numbers from Statistics Canada,²⁵ Canadian municipalities issued building permits worth \$6 billion in February 2013, a 1.7% increase from January. Higher construction intentions in the non-residential sector in eight provinces, led by Alberta, more than offset a decline in the residential sector. However, despite the advance in February 2013, the total value of building permits has been trending down since late 2012.

Following three months of declines, the value of *non-residential* permits increased 18.9% to \$2.4 billion in February 2013, rising in every province except New Brunswick and Nova Scotia. However, after an upward trend in mid-2012, non-residential building permits have been relatively flat since late 2012.

More dramatically, construction intentions in the *residential* sector fell 7.2% to \$3.6 billion in February 2013, the ninth decrease in 12 months. An increase in permits for single-family dwellings was not enough to offset widespread declines in permits for multi-family dwellings. The value of permits for residential buildings declined in seven provinces, led by British Columbia and New Brunswick.

TFO CANADA

EXPERTS IN TRADE FOR DEVELOPING COUNTRIES



1.2 Imports

Canada's high per capita GDP, its impressive record of economic growth and its history as a trading nation make it an appealing market for international exporters. Imports result in increased competition leading to lower prices, better quality and increased selection for both consumers and producers of services. Imports also allow access to new ideas and innovative technologies, which, in turn, make services easier to develop, market, and deliver over long distances.

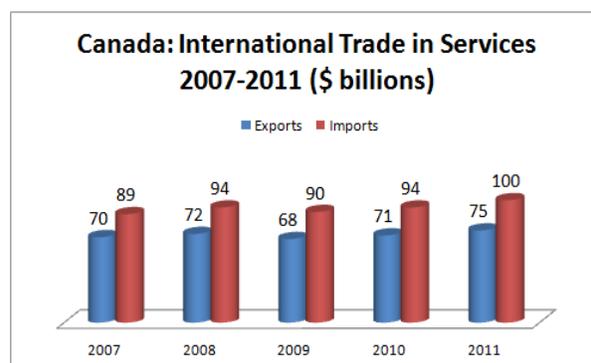
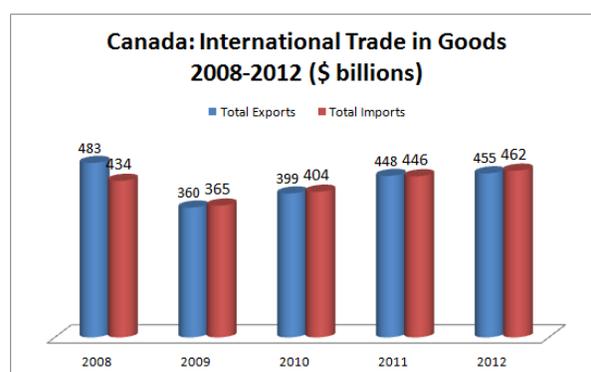
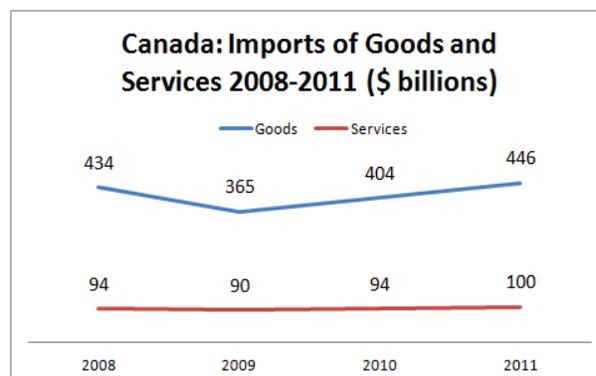
Foreign trade makes up about 45% of this country's GDP and Canada often plays a vital role in international events leading to the expansion and liberalization of international trade. This country also actively participates in the development of effective institutions and rules to govern that trade. This country has a resource-rich economy with abundant supplies of most mineral and many agricultural commodities. Domestic production, therefore, satisfies most demand for petroleum and other fuels, grains, wood and lumber products, coal, and many ferrous and nonferrous metals. Canada is also a major exporter in all of these commodity areas.

Trade Balance: In 2012, Canada imported \$7 billion worth more goods than it exported. In 2011 (the latest statistics available), Canada also showed a deficit in services by importing \$25 billion more than it exported. This attraction to and dependence on imports is good news for exporters from TFO Canada client countries.

Five Year Trend: Imports of both goods and services continue to rise, reaching five year highs in the latest statistics available.

In 2011, imports of services rose by \$6 billion over the previous year after a drop in 2009 as indicated in the adjacent chart. The term, 'Services,' covers a wide range of activities. Vacations abroad, software downloads from a website outside Canada, and tuition charged by a foreign university are examples of services imported. Other examples include professional consulting by engineers or lawyers, offshore back-office business services such as technical support, freight and shipping provided by transport companies, international insurance, access to database and information services, business assistance provided by intermediaries, and payments in exchange for rights to foreign intellectual property, e.g., patents and copyright.

As the following chart shows, commercial services remain the largest by value followed by imports in travel and transportation services. Not surprisingly, imports of government services remain steady at the



relatively low level of \$1 billion. TFO Canada has produced a detailed market report on exporting services to Canada; this is available to registered exporters at: <http://www.tfocanada.ca/mip.php>.

Trade in Services by Type 2011 (\$ billions)		
	Exports	Imports
All Services	75	100
Commercial services	44	43
Travel	17	33
Transportation	13	23
Government services	2	1

As overall imports of goods rose by 3.5% in 2012 over the previous year, imports of manufactured articles rose by nearly 3.5 times that number, to 12%. Product groups that TFO Canada client countries specialize in, such as leather, prepared foodstuffs, and beverages, also found buyers who purchased a larger amount than in the previous year as shown in the table below.

Change in Imports by Commodity Group Classification, 2011-2012 (%)	
XX - Miscellaneous manufactured articles	12.0
XVII - Vehicles, aircraft, vessels and associated transport equipment	9.3
VIII - Raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk-worm gut)	8.7
XVIII - Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; clocks and watches; musical instruments; parts and accessories thereof	8.0
I - Live animals and animal products	7.7
XIII - Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware	7.7
III - Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	6.5
IV - Prepared foodstuffs; beverages, spirits and vinegar; tobacco and manufactures tobacco substitutes	6.3
XV - Base metals and articles of base metal	5.7
IX - Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	4.8
VII - Plastics and articles thereof; rubber and articles thereof	4.7
II - Vegetable products	4.4
XII - Footwear, headgear, umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair	4.0
XVI - Machinery and mechanical appliances; electrical equipment; parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	3.8
XXI - Works of art, collectors' pieces and antiques	3.8
VI - Products of the chemical or allied industries	1.9
XI - Textiles and Textile Articles	0.5
V - Mineral products	-3.0
X - Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard	-6.0
XIV - Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewellery; coin	-12.0
XIX - Arms and ammunition; parts and accessories thereof	-15.0

Imports to March 2013: According to the latest annual import numbers available as of March 2013, Canada imported \$4.1 billion worth of prepared foodstuffs, beverages, spirits, vinegar, tobacco and tobacco substitutes; \$3.3 billion worth of textiles and textile articles; and almost \$3 billion worth of vegetable products. The following table provides more information on imports of goods by commodity group classification, in descending order of value.

Imports by Commodity Group Classification, March 1, 2012-March31, 2013 (\$ millions)	
XVI - Machinery and mechanical appliances; electrical equipment; sound and television image recorders and reproducers, parts and accessories	26,172
XVII - Vehicles, aircraft, vessels and associated transport equipment	19,761
V - Mineral products	14,038
VI - Products of the chemical or allied industries	10,064
XV - Base metals and articles of base metal	7,641
VII - Plastics and articles thereof; rubber and articles thereof	5,359
IV - Prepared foodstuffs; beverages, spirits, vinegar; tobacco and tobacco substitutes	4,147
XIV - Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewellery; coin	3,778
XVIII - Optical, photographic, cinematographic, measuring, checking, precision, medical, surgical instruments and apparatus; clocks and watches; musical instruments	3,467
XX - Miscellaneous manufactured articles	3,368
XI - Textiles and Textile Articles	3,273
II - Vegetable products	2,956
X - Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard	2,061
XXI - Works of art, collectors' pieces and antiques	1,923
XIII - Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware	1,236
I - Live animals and animal products	1,159
IX - Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	811
XII - Footwear, headgear, umbrellas, walking-sticks, whips, riding-crops and parts thereof; prepared feathers and articles; artificial flowers; articles of human hair	735
VIII - Raw hides, skins, leather, furskins and articles; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (not silk-worm gut)	644
III - Animal or vegetable fats and oils; prepared edible fats; animal or vegetable waxes	281
Source: Statistics Canada, Merchandise Imports and Exports between Canada and World by Harmonized System Section, customs basis, year-to-date 2013, April 2013	

Imports by Province: While the largest provinces of Ontario, Québec and British Columbia continued to import the largest amount, the trend in the rate of imports by province appears to be changing. Other geographic areas led the way for the most rapid rise in imports across the country. In the western part of the country, Manitoba, Alberta, and Saskatchewan all increased purchases over the past five years. Exporters should note this shift in purchasing patterns to capitalize on opportunities outside the traditional Toronto/Eastern Canada corridor.

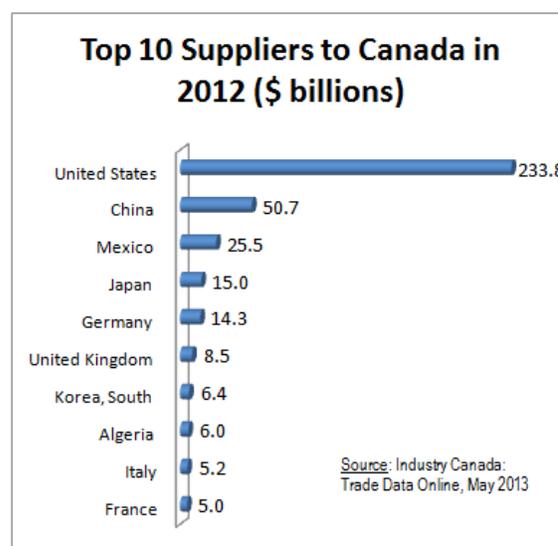
Change in Imports by Province 2008-2012 (%)	
Manitoba	25
Newfoundland and Labrador	25
Alberta	23
New Brunswick	22
Saskatchewan	22
Ontario	8
British Columbia	-1
Nunavut	-2
Quebec	-5
Yukon Territory	-7
Nova Scotia	-21
Prince Edward Island	-68
Northwest Territories	-98

While Ontario remains the largest importer by value, new suppliers could stand a better chance in the growing markets west and east of Ontario as competition with other non-established suppliers could be less difficult. To the east of Ontario, Newfoundland and Labrador and New Brunswick are also growing markets, as shown in the table below.

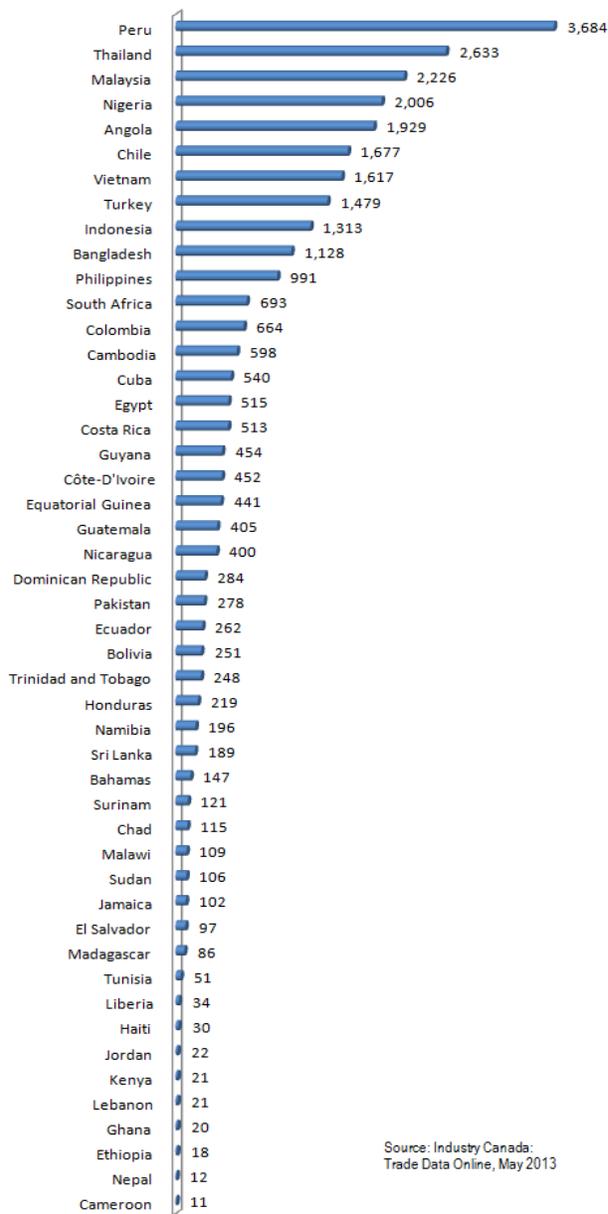
Imports by Province 2008-2012 (\$ '000)					
	2008	2009	2010	2011	2012
Ontario	242,260,388	207,144,829	235,076,199	255,022,761	261,820,910
Québec	78,588,465	64,429,909	67,772,963	74,549,902	74,784,805
British Columbia	42,986,329	36,661,821	37,135,957	40,392,171	42,741,771
Alberta	22,121,775	17,847,460	19,235,103	24,875,526	27,251,051
Manitoba	15,302,794	12,995,420	13,784,683	16,203,209	19,129,106
New Brunswick	10,744,340	9,396,191	10,697,913	13,658,526	13,141,312
Saskatchewan	9,059,708	7,251,591	8,116,307	9,406,389	11,068,230
Nova Scotia	8,416,805	6,818,018	8,085,425	8,349,655	6,627,837
Newfoundland and Labrador	4,261,016	2,643,060	3,576,901	3,647,221	5,332,982
Yukon Territory	92,211	78,026	94,814	105,155	86,161
Prince Edward Island	118,795	41,275	41,108	62,197	38,360
Nunavut	31,893	49,818	83,763	168,456	31,406
Northwest Territories	14,553	1,963	200	863	364

Source: Industry Canada: Trade Data Online, Canadian Imports by Province, May 2013

Import Supply: While TFO Canada client countries continue to face challenges in displacing the top ten suppliers to Canada, at least 21 were successful in increasing exports to Canada between 2011 and 2012.



Imports Valued at \$10 million or more from Selected TFO Canada Client Countries, 2012 (\$ million)



Between 2011 and 2012, significant increases in imports were noted from Chad, the Bahamas, and Azerbaijan, all of which was accounted for primarily by an increase in imports of crude oil and oil products. Imports declined the most from Ghana (-63.3%), Jamaica (-63%), and Surinam (-52.4%). The table on the following page provides further details on changes in imports from selected TFO Canada client countries.

Source: Industry Canada:
Trade Data Online, May 2013

Change in Imports from Selected TFO Canada Client Countries, 2011-2012 (%)							
	2011 (\$m)	2012 (\$m)	% Change		2011 (\$m)	2012 (\$m)	% Change
Chad	0.4	115.2	26353.7	Brazil	3889.4	4025.3	3.5
Bahamas	21.9	146.6	569.8	Ethiopia	17.5	17.7	1.5
Azerbaijan	435.0	1231.8	183.2	Guatemala	404.0	405.4	0.4
Dominican Republic	148.5	283.5	90.9	Thailand	2674.6	2632.8	-1.6
Uruguay	40.9	72.4	77.0	Kenya	22.5	21.1	-5.9
Cameroon	7.5	11.0	46.3	Indonesia	1429.1	1313.4	-8.1
Vietnam	1332.2	1617.5	21.4	Sudan	117.1	106.3	-9.2
Nicaragua	333.7	399.6	19.8	Malawi	123.7	109.2	-11.7
Honduras	186.2	218.6	17.4	Chile	1910.9	1677.1	-12.2
Haiti	25.7	30.2	17.2	Namibia	230.3	195.8	-15.0
Sri Lanka	161.9	189.2	16.8	Peru	4402.7	3683.5	-16.3
Ecuador	224.6	261.7	16.5	Colombia	799.3	664.7	-16.8
Jordan	18.7	21.8	16.5	Nigeria	2491.7	2006.1	-19.5
Guyana	394.7	454.0	15.0	Nepal	15.7	12.3	-21.9
Cambodia	522.1	598.1	14.5	Cuba	702.6	539.7	-23.2
India	2533.6	2856.0	12.7	El Salvador	129.6	97.2	-25.0
Philippines	916.0	991.2	8.2	South Africa	925.2	693.3	-25.1
Pakistan	260.7	277.6	6.5	Côte-D'Ivoire	629.4	451.6	-28.2
Bangladesh	1061.1	1128.5	6.4	Trinidad & Tobago	389.0	248.2	-36.2
Bolivia	237.8	250.6	5.4	Surinam	253.4	120.6	-52.4
Malaysia	2138.9	2225.6	4.1	Jamaica	275.4	101.8	-63.0
Mexico	24571.8	25517.5	3.8	Ghana	55.5	20.3	-63.3

1.3 Trade System

1.3.1 Trade Agreements

Canada is party to several regional, bilateral and multilateral trade agreements for goods and services. These agreements cover topics such as market access; investment; government procurement; subsidies; agriculture and services competition; intellectual property rights; dispute settlement; antidumping; and countervailing duties. As of May 2013, the following free trade agreements are in place or being negotiated. More details are available at: <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/index.aspx>.

<p>Free Trade Agreements in force with:</p> <ul style="list-style-type: none"> ▪ Panama as of April 2013 ▪ Jordan as of October 2012 ▪ Colombia as of August 2011 ▪ Peru as of August 2009 ▪ European Free Trade Association as of July 2009 ▪ Costa Rica as of November 2002 ▪ Chile as of July 1997 ▪ Israel as of January 1997 ▪ North American Free Trade Agreement (NAFTA) as of January 1994 	<p>Free Trade Agreement ongoing negotiations with:</p> <ul style="list-style-type: none"> ▪ Andean Community Countries ▪ Caribbean Community (CARICOM) ▪ Central America Four (CA4) ▪ Dominican Republic ▪ European Union: Comprehensive Economic and Trade Agreement (CETA) Negotiations ▪ India ▪ Japan ▪ Korea ▪ Morocco ▪ Singapore ▪ Trans-Pacific Partnership Negotiations ▪ Turkey ▪ Ukraine ▪ Costa Rica to modernize the current Agreement
<p>Free Trade Agreement negotiations concluded with:</p> <ul style="list-style-type: none"> ▪ Honduras as of August 2011 	<p>Free Trade Agreement exploratory discussions with:</p> <ul style="list-style-type: none"> ▪ Turkey ▪ Israel to modernize the current Agreement ▪ Thailand ▪ MERCOSUR (general trade discussions)

There is also an *Agreement on Internal Trade* which aims to reduce inter-provincial barriers to the movement of persons, goods, services and investment within Canada. Further details and updates on any of these can be obtained through the Industry Canada website: http://www.ait-aci.ca/index_en.htm.

1.3.2 Taxes

The federal government imposes a 5% percent Goods and Services Tax (GST) on almost all goods and services sold here. Only food sold in grocery stores, medical and dental services and a few others are exempt. Since 2010, Ontario replaced the provincial sales tax and the federal GST with a harmonized sales tax (HST). The HST is applied on most supplies of goods and services made in Ontario at a rate of 13%, consisting of the 5% federal portion and an 8% provincial portion. An HST is also in place for the Atlantic Provinces.

Imports are subject to GST or the federal part of HST *with some exceptions*. For example, goods imported by manufacturing service companies to be processed for non-residents and later exported without being used in Canada are considered a non-taxable import. An input tax credit can also be claimed in some circumstances. GST/HST is calculated on the Canadian dollar value of the goods,

including duty and excise tax, and is collected at the border at the same time as these duties. The importer of record is responsible for paying the tax on imported goods. Details are available through the Canada Revenue Agency at <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/gnrl/txbl/mprtsxperts/mprtdgds-eng.html> and <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/gnrl>.

1.3.3 Tariffs

Only the Federal Government may impose duties on goods and services entering Canada; provincial governments are constitutionally prohibited from doing so. All products entering Canada must be reported to the Canada Border Services Agency (CBSA), the federal agency responsible for compliance with Canada's borders legislation. This is usually done at the point of entry by a customs broker representing the importer, or by the importer in person. Generally, the goods are released immediately upon presentation of minimum required documentation. Within a few days either the importer or the broker must present the final customs documents and pay any duties and taxes owing. To facilitate the clearance of goods, exporters must ensure that the documentation provided to importers is timely and complete.

Canada's *Special Import Measures Act* regulates the application of countervailing duties on imported goods that cause injury to Canadian industry through subsidies in the country of origin. Anti-dumping duties may also be assessed if goods are imported at prices that are less than their selling price in the country of origin. This conforms to the rules governing dumping, subsidies and countervailing duties outlined in the *WTO Anti-dumping Agreement* and the *WTO Agreement on Subsidies and Countervailing Measures*.

Tariff Rates

Canada Border Services Agency can assist in determining the duties the importer has to pay on the goods. The importer, using information from the supplier, must provide a thorough description of the goods, including the ten-digit Harmonized System Codes, and know their value and origin. CBSA can then provide advice on the appropriate valuation method, classification, and treatment. Tariff details are available at: <http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2013/menu-eng.html>.

Under the *Market Access Initiative*, Canada eliminated all duties and quotas on most imports from 48 LDC's (least developed countries) except for dairy, poultry and egg products, which remain subject to duties and quotas. Specific information is available at: www.cbsa-asfc.gc.ca/publications/pub/rc4322-eng.html. The *WTO 1994 Agreement on Textiles and Clothing* is also in place here; this removes quotas on imports of apparel and some textiles from low-wage countries.

The rate at which duties are assessed depends on the tariff treatment given by Canada to the country from which imports originate. The tariff treatment can be affected by the origin of raw materials and components, and includes the Most Favoured Nation Tariff (MFN) for all members of the World Trade Organization (WTO) and countries enjoying bilateral agreements with Canada; the Commonwealth Caribbean Countries Tariff; the Least Developed Country Tariff (LDCT); preferential tariff treatment under various free trade agreements; and the General Preferential Tariff (GPT) for developing countries. To qualify for any of these tariffs, exporting companies must complete a Certificate of Origin and provide import declaration forms for use by Canadian Government inspectors.

Goods which are eligible for reduced rates of duty under the LDCT may enter Canada duty free when, as a general rule, at least 20% of the ex-factory price originates from one or more LDCT country, and 20% from an LDCT or GPT country.

Set to expire in 2014, the Government of Canada is proposing a change in the eligibility of certain countries and an extension of the GPT for others. The proposed changes are intended to reflect significant shifts in the income levels and trade competitiveness of certain developing countries. More information, along with lists of proposed eligible countries, is available at: <http://www.gazette.gc.ca/rp-pr/p1/2012/2012-12-22/html/notice-avis-eng.html>.

Some countries are eligible for more than one tariff treatment. For example, all countries entitled to the LDCT treatment must also be beneficiaries of the GPT. It should be noted that not all goods exported to Canada from developing countries are eligible for LDCT or GPT treatment. To qualify for entry under GPT or LDCT rates, an imported good must be exported by an eligible country and be accompanied by a 'Form A' Certificate of Origin certified by a designated organization in the country of origin. It must also be

shipped directly to Canada on a through bill of lading to a consignee in Canada. If the imported good passes in transit through an intermediate country, eligibility for GPT or LDCT treatment is lost if the good undergoes any processing in that country or if it does not remain under customs transit control there. GPT eligibility is denied unless most (60%) of the value of the good is produced by the industry of one or more beneficiary countries. It is worth noting that Canadian content used in the manufacture of the goods qualifies as content from the beneficiary country. Also, materials used in the production of the goods from any beneficiary country (including those other than the source country) that enter the commerce of any country other than a GPT beneficiary country lose their GPT status. *Remember that an accurate identification of the origin of the product is vital to ensuring that the most favourable tariff rate is applied to your product.*

Under the *Customs Act*, the primary basis of determining the value for duty of imports is the *transaction value*, i.e., the price paid or payable for the goods, usually as specified in the invoice. In the case of a transaction between related parties, this transaction value is accepted unless CBSA believe that the relationship between the parties has affected the price of the import. Discounts earned at the time the goods enter Canada can be deducted from the transaction value prior to calculating duty. If the *transaction value* method cannot be applied, consideration can be given under one of five subsidiary methods. Further information may be obtained through the importer or CBSA.

1.3.4 Import Documentation

The range of documents required for exporting to Canada might include:

- *Bill of Lading or Airway Bill*: This contract for carriage issued by the ocean or air carrier is also a receipt. It gives title to the goods and signed copies are proof of ownership.
- *Certificate of Origin (Form A)*: CBSA requires a certificate of origin to establish where the goods were manufactured and to determine the applicable rate of customs duty.
- *Commercial Invoice*: This is used by the exporter to charge the goods to the Canadian purchaser. Exporters use their own forms, but the contents should include standard information such as date of issue, name and address of buyer and seller, contract number, description of goods, unit price, number of units per package, total weight, and terms of delivery and payment. The Commercial Invoice is also used by CBSA to assess duties and other import taxes (e.g., GST).
- *Export Permits*: Permits such as those for endangered species are issued by the exporter's home government.
- *Inspection Certificates*: Sanitary and other certificates are required for some types of products entering Canada, including plants, seeds, animals, pharmaceuticals, nursery stock, and meat.
- *Packing List*: This is sometimes required to supplement a commercial invoice.

Details on import documentation and regulations are provided at: www.cbsa-asfc.gc.ca/import/menu-eng.html. This site includes useful information such as:

- Accounting for the shipment: Invoices, import permits, Certificate of Origin, Duty Deferral Program, international trade agreements;
- Examining the shipment: Why goods are examined;
- Registering the business: Business number, import/export account;
- Release of the shipment: Release programs, posting security, transaction number;
- Reporting the shipment: Required documents;
- Storing the shipment: Sufferance and bonded warehouses.

The site also provides Importer Resources including links to:

- Dispute resolution: Appeal rights, self-adjustment;
- Electronic commerce: Electronically sending commercial data to the CBSA;
- Importer programs: Customs Self Assessment Program, other government departments Single Window Interface;
- Requirements of other government departments.

And for Service Providers, information on:

- Carrier programs: Carrier and Cargo Policy;
- Duty-free shops: Information on the licensing process;
- Licensed customs brokers: Information on hiring an agent and the licensing process.



1.4 Trading Rules

Canada has strict national, provincial and municipal regulatory requirements regarding goods and services entering this country. Human health, environmental health and product safety and efficacy are prime considerations for product approval. Comprehensive regulations cover content, packaging and repackaging, labelling, transportation, shipping sample quantities, bulk handling, storage, distribution, display and use of imports. Suppliers should review regulatory information pertaining to their product prior to exporting to this market.

Import declaration forms must be filled out by the manufacturer or shipper for use by Canadian Government inspectors. Further information may be obtained through your buyer.

1.4.1 International Standards

According to Industry Canada, the rising importance of international standards for products and services has been influenced by several factors including:

- mass production;
- labour specialization;
- demand for interchangeable parts;
- globalization;
- manufacturers' concern about liability litigation;
- demands for cheaper goods;
- consumer pressure for easily understandable information;
- public demand for product safety and quality control; and
- concerns about technical compatibility and demands for precision in product measurements.

Standards have become vital to economic competitiveness and have contributed to improvements at all levels of the product cycle, from concept through manufacturing, sales, consumption, and after-sales activities. Organizations are now applying standards to a wider range of products, procedures, and services. For instance, the International Organization for Standardization (ISO) designations for quality management, environmental management and others (<http://www.iso.org/iso/home.html>) are a source of pride and marketing leverage for recipient firms worldwide. This trend promotes innovation and minimizes the risk of standards being a barrier to competition.

On-going concern over the environment alters the way many Canadians view products. Environmentally-friendly goods such as detergents that are less polluting and biodegradable or recyclable products and packaging are in demand.

1.4.2 Canadian Standards

The development of Canadian national standards is influenced by current or potential international standards. This ensures that the interests of Canadian citizens are protected and that Canada maintains a competitive edge in its product and service offerings. The Standards Council of Canada (SCC) coordinates Canada's participation in the international standards system and accredits the four organizations involved in standards development, and the 225 organizations involved in product or service certification, testing, and management systems registration activities in Canada. The SCC also helps developing countries build their own standardization system and meet requirements set out in international trade agreements. Information is available at: www.scc.ca.

Development

SCC-accredited standards development agencies in Canada are the Canadian Standards Association, Underwriters Laboratories of Canada, the Canadian General Standards Board, and Bureau de normalisation du Québec. These organizations develop four types of standards:

- *Performance Standards:* These are set after simulating the performance of a product under actual service conditions, and are used in areas such as food safety, fuel economy and the design of packaging for transporting hazardous goods.
- *Prescriptive Standards:* These identify product characteristics such as material thickness, type and dimensions for, among others, underground steel storage containers for flammable liquids.
- *Design Standards:* These identify specific design or technical characteristics of a product such as those for oil pipelines.
- *Management Standards:* These set out standards for quality and environmental management system processes.

Assessment

Three levels of services monitor and verify compliance with standards in Canada:

- *Certification Organizations (COs)* conduct on-site audits, take samples, and test products and services in order to issue CO marks attesting that they conform to standards.
- *Testing organizations* perform tests according to recognized procedures and document their findings as to whether a product or service meets the appropriate standard.
- *Management system registrars* issue certificates to companies meeting ISO standards.

1.4.3 Laws, Regulations and Controls

A brief summary of the complex network of laws and regulations affecting imports is provided here; exporters should carefully check relevant detailed requirements before producing for or shipping to the Canadian market. Some of these details may be found in TFO Canada's market information papers (<http://www.tfoc.ca/mip.php>), but should also be confirmed through your buyer or the agencies listed in the Annex. Please note that all labels must only contain information that is truthful and not misleading to the consumer. The major enforcers of these laws are the CBSA, the Canadian Food Inspection Agency (CFIA), Health Canada, and Industry Canada.

Since French is the official language in Québec, there are legal requirements for its wide use, such as in contracts, order forms, invoices, brochures and labels. Retail packages sold in Québec must be labelled in French, with French given at least equal prominence with other languages. Warranty certificates, directions for use and written advertising must also be provided in French.

Canada Agricultural Products Act

(www.inspection.gc.ca/english/reg/rege.shtml): This includes regulations for dairy products, eggs, fresh fruit and vegetables, honey, livestock, poultry, and related processed products.

Consumer Packaging and Labelling Act

(www.inspection.gc.ca/english/reg/rege.shtml): Packages must be manufactured, filled and displayed so that consumers are not misled as to the quality or quantity of the product in the package. Standard size containers are required for certain pre-packaged products, with some products sold by weight, drained weight, or volume.

Potential pest infestation by wood packaging material and dunnage is controlled by the CFIA (www.inspection.gc.ca/english/plaveg/for/cwpc/wdpkggae.shtml). As of April 2013, the Asian Long-horned Beetle was eradicated from Canada. This means that tree materials, including nursery stock, trees, logs, lumber, wood, and bark chips from tree species that are susceptible to the Asian Long-horned Beetle, may once again be freely moved out of, or through, previously infested areas.

Consumer Product Safety Act

(<http://www.hc-sc.gc.ca/cps-spc/legislation/acts-lois/ccpsa-lcspc/index-eng.php>): Administered by Health Canada, the new Canada Consumer Product Safety Act of 2011 strengthens protection and bring Canada's consumer product safety system into line with its key trading partners. The new law applies to a wide variety of consumer products including children's toys, household products and sporting goods, but excludes products like motor vehicles and their integral parts, food, drugs (including natural health products) and animals as these are regulated by other Canadian laws. The key provisions include:

reporting of incidents; preparing and maintaining documents so that unsafe products can be traced back to their source; information on product safety; packaging and labelling; and prohibitions related to the manufacture, importation, sale or advertisement of consumer products that could pose an unreasonable danger to the health or safety of Canadians.

Customs Tariff

(<http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/menu-eng.html>): Tariffs are applied to imported products, not services.

Environmental Legislation

(<http://www.ec.gc.ca/default.asp?lang=En&n=48D356C1-1>): Three major Acts are the *Canadian Environmental Assessment Act*, the *Canadian Environment Protection Act 1999* and the proposed *Species-At-Risk Act*. These affect imports of commercial agriculture products and threatened and endangered species.

Export and Import Permits Regulations

(http://www.international.gc.ca/controls-controles/about-a_propos/impor/permits-licences.aspx): International trade of some products is controlled or restricted at the Canadian border; those affected require import or export permits (see also *Import Control List* below).

Fish Inspection Act and Regulations

(www.inspection.gc.ca/english/reg/rege.shtml): Seafood importers must obtain import licences and inform federal authorities at Fisheries and Oceans Canada about the type, quality, and origins of fish imports prior to arrival at the border. Because of the high rate of rejection, exporters are expected to cover rejection insurance costs.

Food and Drugs Act and Regulations

(www.inspection.gc.ca/english/reg/rege.shtml): These apply to food, pharmaceuticals, natural health products, cosmetics, and therapeutic devices. Such products cannot be labelled or advertised in a way that misleads customers. Health claims regarding the ability of products to assist in the treatment or cure of specific diseases such as alcoholism, cancer, heart disease, and obesity are strictly prohibited. If nutritional or other claims for a food product are made, additional regulations are automatically triggered. For example, if a product is advertised on the label as low-fat, then its protein content must be specified; if it is advertised as low-sodium, the potassium content must be noted; if fresh strawberries are depicted on a frozen pie product, information on any artificial flavourings used must be provided.

Health Canada

(www.hc-sc.gc.ca/ahc-asc/legislation/index_e.html): Has regulations related to food labels, in particular the presentation of nutrition information and messages related to diet claims and allergies. More information is found in TFO Canada's food sector market reports.

Hazardous Products Act

(http://www.hc-sc.gc.ca/cps-spc/pubs/indust/reference_guide-consultation_rapid/index-eng.php): Defines and restricts the conditions under which various types of hazardous products may be sold or advertised, and specifies designated symbols with which they must be marked. Product characteristics such as flammability and chemical and biological hazards must be identified. Many fibres, fibre products and garments may be required to pass flammability tests. A detailed set of rules applies to toys, certain sports equipment, and furniture, particularly if they are designed for use by infants and children.

Health of Animals Act

(www.inspection.gc.ca/english/reg/rege.shtml): Covers the general protection of animals, specifically the diseases and toxic substances that may affect animals or be transmitted by animals to people.

[Import Control List](#)

(http://www.international.gc.ca/controls-controles/about-a_propos/impor/importing-importation.aspx): The CBSA requires an import permit for controlled goods, in particular textiles and clothing, certain agricultural products, steel products, and weapons and munitions. The buyer must obtain an import permit from the Export and Import Controls Bureau (EICB) of Foreign Affairs and International Trade Canada.

[Meat Inspection Act](#)

(www.inspection.gc.ca/english/reg/rege.shtml): Imports of fresh and frozen meat and meat products from most countries are prohibited for health and sanitary reasons. Only those originating in foreign plants whose home government's standards have been approved by Canadian federal authorities may enter Canada. Containers for imported meat shipments destined for further processing in Canada, as well as canned and preserved meats, must be labelled according to this Act. Exporters approved to ship meat products to Canada must obtain a Certificate of Origin under the Animal Disease and Protection Act, and a meat inspection certificate under the Meat Inspection Act.

[Medical Devices Regulations](#)

(<http://www.hc-sc.gc.ca/dhp-mps/md-im/index-eng.php>): Apply to imports of medical devices.



[Organic Products Regulations](#)

(<http://www.cog.ca/uploads/regulation.pdf>): Effective since 2009, the Organic Products Regulations made existing Canadian Organic Standards mandatory. Organic products must now be legally certified if they are traded across provincial or international borders or if they use the Canada Organic Logo. More information is provided in TFO Canada's Organic and Ethnic Foods market information paper and through the Canadian Organic Growers (<http://www.cog.ca/index.php?page=organic-regulations>).

[Plant Protection Act and Plant Quarantine Regulations](#)

(www.inspection.gc.ca/english/reg/rege.shtml): Apply to imports of cut flowers and plants.

[Prohibited Goods](#)

(<http://www.cbsa-asfc.gc.ca/security-securite/prohib-eng.html>): Counterfeit products, some agricultural products, offensive weapons, pornography, hate literature, various endangered species, and goods that are internationally sanctioned are among a list of items not allowed into Canada.

[Provincial Rules](#)

(<http://www.cra-arc.gc.ca/E/pub/em/edm3-1-1/edm3-1-1-e.pdf>): Imports of alcoholic beverages require prior authorization from the provincial liquor commission before customs authorities will clear them.

[Tariff Quotas and Seasonal Tariffs](#)

(www.cbsa.gc.ca/sme-pme/i-guide-eng.html): In order to implement Canada's responsibilities under certain international agreements, imports of some agricultural commodities are controlled by quotas. Seasonal tariffs may also be applied to imports of fresh fruits and vegetables representing species grown in Canada; these are typically triggered when the Canadian grown products are ready for market. Exporters should note that all Canadians dealing in international and interprovincial trade in fresh produce must be licensed by the CFIA or be members of the Dispute Resolution Corporation (DRC). You are strongly advised to obtain and confirm the license number of your buyer before exporting to Canada.

[Textile Labelling Act](#)

(http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/h_01436.html): Almost all imported consumer apparel products should bear labels in English and French showing: name and head office address, or the registered dealer identification number (CA or CSS license number) of the manufacturer or person who markets the goods in Canada; product of ... (country of origin name); and the fibre content (especially for linings).



Section 2: Doing Business in Canada

2.1 Structure and Rights

Both federal and provincial governments set the legal framework under which businesses operate. Although commerce is largely the domain of private individuals and firms, government becomes directly involved to further basic social objectives such as health and education, or to maintain infrastructure services such as water treatment and roads.

2.1.1 Types of Business Organization

There are four principal types of business organization in Canada, *Proprietorship*, *Partnerships*, *Corporations* and *Cooperatives*, which are distinguished by the number of people involved and the way in which their investment in the organization is rewarded. In addition, a foreign corporation may set up a *Branch* plant or office, or form *Industrial Cooperation* links with a Canadian firm. Each type of business organization has advantages and disadvantages, such as the business owner's liability, i.e., legal responsibility for the debts of the business; how different levels of government collect taxes from the business; what the business must report to different government authorities; and what documents and records the business must keep for inspection by government authorities.

Proprietorship

This is the simplest type of organization, where an individual who operates under his or her own name or under a trade name owns the business. The owner assumes total responsibility, including unlimited liability. If the business fails, all of the owner's assets, both business and personal, may be used to pay off the business debts. Only a few regulations govern sole proprietorships and owners choose their own fiscal year end for the business. This type of business comes under provincial or territorial jurisdiction. The name under which the proprietor chooses to carry on a business must be registered with their province or territory. If a sole proprietor establishes a business in his or her own name without adding any other words, it is not necessary to register the business name.

The advantages of a proprietorship include its low costs for starting up, relatively low requirements for working capital, and the greatest freedom from government regulation. The proprietor has the highest degree of control of all business types, and retains all profits. For this same reason, however, it may be difficult for a proprietor to raise capital from other sources, or to find anyone else to run the business in his or her absence or in the case of illness or injury. The owner's unlimited liability is also a disadvantage, particularly in a growing market or an uncertain business climate.

Partnership

A partnership exists when two or more people join together to operate a business. There are two forms of partnerships in Canada – general and limited.

- *General Partnership*: All partners are liable for the debts of the partnership. Debts and obligations established in the name of the business by any of the partners are the responsibility of all partners. Each partner is also responsible for any wrongful act or omission committed by one or all of the other partners in the operation of the business.
- *Limited Partnership*: One, or sometimes more than one of the partners accepts liability for the debts of the partnership. The limited partner cannot be involved in the management of the business and is liable for the debts of the partnership only to the limit of the capital he or she has contributed. This is known as limited liability. A limited partnership may also involve general partners who manage the business. They are fully liable for the debts and obligations of the business, but may be entitled to a greater share of the profits.

Partnerships must be registered with the appropriate provincial government agency. A partnership may choose its own year end, but must not change this without permission from the Canada Revenue Agency. Profits are treated as income for the owners and are taxed at personal rates.

A partnership agreement sets out the framework of the operation and mechanisms for resolving problems. The agreement outlines the responsibilities of the partners, the allocation of profits and losses, the equity contribution of each partner, provisions in the event of the death of a partner, and the terms of dissolution. A partnership is not as easy or inexpensive to start as a proprietorship, but has the advantages of a broader management base, additional sources of investment capital, and not much more government regulation. However, unlimited liability still exists in some cases and finding suitable partners to share the decision-making without conflict may be a challenge.

Corporation

This is a limited liability company formed under either federal or provincial jurisdiction, depending on the nature of the business, where it will operate, and its share structure. As in a limited partnership, each investor is responsible for debts only to the limit of his or her investment. Corporations reserve the right to use the word 'Limited' or 'Ltd.' in their name.

Companies may choose to be either public or private corporations. Both types may issue shares in the business in exchange for investment capital, but private companies are restricted to no more than 50 shareholders and cannot sell shares to the general public. A public company is not restricted in this manner, but must file financial statements and an investment prospectus, and comply with reporting and disclosure requirements of federal and provincial securities authorities. The source of investment is the source of control in a corporation, and in general one share is equal to one vote in the affairs of the corporation. Private companies tend to be closely held in that a small number of shareholders own the shares, and their voice in the business is proportional to their investment. Private corporations that are successful in their early years may seek additional investment capital by 'going public', although bringing in a larger number of investors changes the pattern of control over the business and is a source of risk.

Under the terms of the various incorporating acts, corporations are usually required to verify their financial activities with an independent accountant or accounting firm. The shareholders of the corporation appoint an Auditor at the annual meeting. The Auditor examines the company's financial books, records and provides an opinion on the fairness of the financial statements. The Auditor's report and the financial statements must be prepared in accordance with the Canadian Institute of Chartered Accountants Handbook. For a public corporation, the Auditor's Report and financial statements are usually public documents, while private corporations are not required to disclose their activities to outsiders other than for purposes such as taxation.

Since a corporation is a separate legal entity with an indefinite lifetime, its ownership is transferable. Management can be specialized and does not have to rely on the skills or the health of particular shareholders. The major advantage of a corporation is the limited liability of its investors, which makes it a less risky investment than either proprietorships or partnerships. Although a corporation generally pays lower taxes than either a proprietorship or partnership, it is the most expensive form of business to organize, is closely regulated, and requires maintaining extensive records for various government departments. Information on incorporation is available at:

<http://corporationscanada.ic.gc.ca/epic/site/cd-dgc.nsf/en/home?OpenDocument>

Cooperative

These are limited-liability private companies under provincial jurisdiction, and are structured in a different way than corporations. Membership in a cooperative is open, but controlled by the company so that shares are not traded publicly. In general, the investment required from each member of a cooperative is the same, so that all members exercise voting control equally. While additional investment may be provided for some financial return, no extra control over the business is given to those investors. For this reason, corporations tend to place relatively more emphasis on the profits or capital accumulation from the business activity, while cooperatives emphasize the business activity itself. In both cases, of course, financial losses must be avoided if the business is to survive.

There are two key types of cooperatives. In a *producer or worker* cooperative, the investors and the company's management are the same people who sell their product or service to outside customers. In a *consumer* cooperative, the investors and the customers are the same people, and they create a company to provide themselves with a product or service. Like a corporation, a cooperative is a separate legal entity that enjoys limited liability, continuous existence and specialized management. Cooperatives also choose their fiscal year end, and may be required to provide audits of their financial statements. The principal advantage of a cooperative is a membership that provides a stable investment base over time. However, since membership is not transferable on the open market, it is not as easy to raise capital in a short period of time. A cooperative is also closely regulated and requires extensive record-keeping.

Branch Office of a Foreign Corporation

All foreign corporations operating in Canada must be registered or licensed to operate as an extra-provincial company in the provinces in which they do business. If the corporation does not have an office in a province where it operates, an attorney is usually appointed as the local representative of the firm. This appointment is filed with the appropriate provincial agency. Branch offices are subject to the laws of the province in which they operate. They must maintain proper records and file tax returns as required. The parent company assumes unlimited liability for the debts of its branch operations. A foreign corporation planning to invest in Canada must also comply with the terms of the Investment Canada Act (<http://www.ic.gc.ca/eic/site/ica-lic.nsf/eng/home>).

Industrial Cooperation

Companies often collaborate to share resources, reduce costs and lower risk. This allows the flow of technology, capital, information and expertise between companies, and helps in penetrating new markets. Mechanisms for such collaboration include:

- *Co-marketing and Co-production:* This may be of interest to companies trying to penetrate a larger market. A company in one country will undertake to market the products of a company in another country, in return for a reciprocal service in the other country. Companies can also enter into co-production arrangements to manufacture each other's products.
- *Joint Ventures:* These are agreements in which two or more companies form a third corporate entity to undertake specific projects. Such an arrangement may be between a foreign manufacturer and a Canadian company looking to produce goods abroad for a global market. No legislation or legal definition exists to regulate joint ventures in Canada. For taxes and other reasons, a joint venture is usually set up as a corporation, and may be referred to as an incorporated joint venture. If carried out in an unincorporated form, attributes of both co-ownership of property and a partnership would apply to the joint venture. While not easily distinguished from a partnership, a joint venture generally refers to a single venture or limited-life project such as a building construction project.
- *Strategic Alliances:* These are looser long-term arrangements between Canadian and foreign companies interested in supplying each other with materials, components, market information or other services.

2.1.2 Intellectual Property Rights

Mechanisms for protecting intellectual property rights in Canada include *Patents, Trademarks, Copyright, Industrial Design* and *Integrated Circuit Topographies*.

Patents

These offer inventors monopolies on their creations for specific periods, thus, providing incentives for research and development. Since patents are made public, they promote the sharing of knowledge and are vital resources for businesses, researchers, inventors, academics and others who need to keep up with developments in their fields. A Canadian patent gives the inventor the right to exclude others from making, using or selling the invention from the day the patent is granted to a maximum of 20 years after the day on which the patent application was filed. In exchange, a full description of the invention must be provided so that all Canadians can benefit from the advance in technology and knowledge. The rights

conferred by a Canadian patent do not extend to foreign countries. Conversely, foreign patents do not protect an invention in Canada. To obtain patent protection in Canada for an invention previously patented in a foreign country, the inventor must file an application within 12 months of having filed in another country. Alternatively, application for a foreign patent within Canada is made possible through the Patent Cooperation Treaty (PCT) administered by the World Intellectual Property Organization in Geneva. Under the PCT, the inventor may file for a patent in as many as 43 member countries through a single application filed in Canada.

Trademarks

These are words, symbols, designs or a combination of these which are used to distinguish specific goods or services from others in the marketplace. While not mandatory, registration of the trademark protects ownership. Registered trademarks are valid for 15 years, can be renewed for further 15 year periods, and can be cancelled if unused for three consecutive years. A registered trademark gives its owner the exclusive rights to its use in Canada but has no validity in other countries. Registration in other countries must be done independently.

Copyright

This means that an owner is the only person who may copy his or her work, or permit someone else to do so. It includes the sole right to publish, produce, reproduce and perform a work in public and applies to all original literary, dramatic, musical and artistic works such as books, films, compositions, sculptures, paintings and maps. Copyright also applies to performances, communication signals and sound recordings. A copyright in Canada is valid for the life of the author plus 50 years and is automatically acquired upon creation of an original work, provided the author is a Canadian citizen, a British subject, a resident within the British dominion, a citizen or subject of a country belonging to the Berne Copyright Convention, or a citizen of a country that grants Canadians the benefits of its copyright statute on the same basis as its own citizens. Foreign authors receive copyright protection in Canada upon creation of their works, similar to the rights of Canadians under the Copyright Act.

Industrial Designs

These are distinct from patents, copyrights and trademarks. An industrial design is any original shape, pattern or ornamentation applied to a manufactured article, such as the shape of a table, the pattern of a fabric or the decoration on the handle of a spoon. The article must be mass-produced or intended for mass production. An industrial design may be registered in Canada if it is not identical or similar to others already registered. If a design has been published in Canada before being registered, it must be registered in Canada within 12 months of the publication date. The registered owner of an industrial design has the sole right to use the design in Canada for five years, renewable for a further five years. Registration in Canada does not provide protection in other countries; filing must be done independently in each country.

Integrated Circuit Topographies

An integrated circuit product, or microchip, is a manufactured device made up of a series of layers of semiconductors, metals, insulators and other materials. These form a three dimensional configuration, or 'topography'. The original design of the topography is protected upon registration.

Further details on all of the above can be obtained through the Canadian Intellectual Property Office: http://strategis.ic.gc.ca/sc_mrksv/cipo/cp/cp_main-e.html.

2.2 Key Considerations

Rapid technological and social changes result in a constantly evolving market for new products and services in Canada. If you are unsure whether your product can be sold profitably in Canada, find out how much of the Canadian market for that product is currently supplied by imports, and where those imports originate. You can obtain this information through Trade Data Online: https://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07052.html. The value of annual sales in Canada for a product or service also provides a preliminary indication of whether this market is really worth pursuing.

Exporters must compete fiercely and consistently for a part of this lucrative market. To make inroads here, an exporter must either offer a completely new product or be able to push aside an existing supplier with a more attractive offer in terms of design, quality, price or service. Exporters must compete with suppliers in Canada and other countries who use modern equipment and processes to produce high quality products, which can be sold at competitive prices here.

2.2.1 Strategy

Canadian businesses engaged in importation, resale, distribution and retail sales across Canada look for sales support as well as regulatory compliance, and marketing and promotional efforts from their foreign suppliers in order to market their products and services and develop new client bases. The key to successful exploitation of the Canadian market is the development of an organized marketing strategy. The following require priority attention:

- rapid turnaround in sample making;
- same-day reply (by e-mail, fax or telephone) to all communication;
- on-time deliveries, with any delays agreed to in advance with your buyer;
- delivery of product which corresponds precisely with agreed-to specifications and samples, with any changes agreed to in advance with the buyer;
- continuity of supply;
- maintenance of high quality at a competitive price;
- appropriate packaging material for overseas shipments;
- adequate handling and storage facilities;
- promotion, especially of new products (include names of current or past clients and/or their countries as references);
- knowledge of payment terms.

In addition, you should ensure that your representative in contact with the buyer speaks and writes clear and fluent English or French, depending on the preference of the buyer.

2.2.2 Quality and Style

Canadian buyers are demanding and most products sold in Canada tend to be of relatively high quality. Since importers are legally liable for defective products, they are unlikely to buy a product if it is poorly made or if the supplier has a questionable reputation. Careful attention should be paid to overall workmanship and the quality of detailing. Failure to comply with regulations for imported goods can result in fines and possible seizure of goods, rendering the product unfit for sale in Canada. Consumers increasingly demand extended warranties for many consumer durables. Details on quality and style are outlined in individual TFO Canada market reports listed at: <http://www.tfocanada.ca/mip.php>.

2.2.3 Packaging

Attractive, appropriate and appealing retail packaging is important and suppliers should consult the Canadian buyer on this subject. Creative packaging and hangtags may make the product more attractive for gifts. Experts in Canada can provide designs, artwork and translations and send over final graphic files for printing in your country, which is often more economical than printing in Canada. Your buyer can assist you with these details.

In addition to English and French required for the Canadian market, exporters should also consider labelling in Spanish, especially if the U.S., Mexico, and South America are potential markets for the item. The initial effort at the beginning, even if you are starting out in the Canadian market, will be worth it later on in your marketing plan. Be careful of literal translations, which do not always truly reflect what you want to say. Have your translations checked by people fluent in English, French, and Spanish.

In general, there should be consistency of packaging and package sizes, an orderly loading of containers, shipping marks on the master pack, and article numbers on the inner packs. Shipping containers must be clearly stamped or stencilled on a minimum of two sides with all code markings, and in waterproof ink. Since buyers generally use the same packaging to ship products out of their warehouse, the packages should be sturdy enough for multiple handlings. Reusable rather than disposable packaging also addresses environmental concerns. Sub-standard packaging may damage the product and create problems for the importer in clearing and marketing the goods in Canada. The importer will then refuse to do further business with that supplier.

Environmentally-Friendly Packaging

'Green' packaging is here to stay – it is no longer a 'fad' as companies have become serious about their responsibility to the environment. Increasing demand for biodegradable, recyclable and reusable packaging is urging manufacturers and packaging companies to develop innovative alternatives to the traditional plastic shopping bag and excessive packaging. Greener solutions such as biodegradable plastics made from plants (primarily corn) have entered the marketplace in recent years. Reusable cloth bags and collapsible plastic crates have also increased in popularity in place of plastic shopping bags, a trend likely borrowed from Europe where consumers have preferred such alternatives for years. Canadian retailers are banning and/or charging for plastic bags in their stores to highlight the importance of using 'greener' alternatives.

2.2.4 Labelling

With extremely limited exemptions such as test marketing, bilingual labelling in English and French is required on all pre-packaged goods sold in Canada. Exporters should ensure that the buyer provides all information required on the label and approves all drafts prior to printing. In general, packing cases must be labelled in English and French with the following information:

- product name and style number;
- colour of product (if applicable);
- weight of case in kilograms;
- the number of items per container;
- size of box;
- country and region of origin;
- name and address of manufacturer or exporter.

Consistency in quality and delivery of the product with ordered specifications are crucial to maintaining Canadian orders. Continuity of supply is a key factor in the importer's, wholesaler's and retailer's commitment to marketing imported goods. Sporadic shipments will damage the exporter's reputation and chance of success in Canada.

Retail labels for packaged food products must include information such as the common or generic name of the product; net quantity and list of ingredients; name and address of the dealer or distributor; number and size of servings; and a 'best before date,' except for fresh fruits and vegetables.

2.2.5 Advertising

For many products sold in Canada, strong brand loyalties, coupled with heavy advertising have prevented the successful introduction of competing products or new brands. In recent years, however, the strength of brands has been eroded in some industries because of product customization and the emergence of private label brands.

Television accounts for the biggest proportion of total advertising revenues in Canada, followed by rapidly rising competition from online advertising. According to IAB Canada (http://www.iabcanada.com/wp-content/uploads/2010/09/Canadian_Online_Advertising_Revenue_Survey_en.pdf), in 2011, "Canadian online advertising revenue continued its double-digit growth rate at +16%, followed by television at +5% and radio at +4%. Online is consequently narrowing television's lead, while pulling further ahead of newspapers, which experienced a revenue decline of 6%. The Internet's share of total advertising revenue in Canada grew from 19.4% in 2010 to 21.7% in 2011." *Given this information, online advertising by exporters could prove cost-effective and reach a wide market in Canada, if done well.*

TFO Canada advertises export offers in the *Import Info E-Newsletter*, an electronic publication sent to Canadian importers registered with TFO Canada. Some Canadian trade periodicals publish an annual buyers' guide, and may allow advertisements by exporters; these are also listed in TFO Canada's product sector market reports.

Cooperative advertising and promotion campaigns undertaken jointly with Canadian importers may be suitable for some suppliers. If the importer assumes the full cost of advertising or point-of-purchase promotion, a lower price is expected from the supplier. In other cases, the importer and exporter together may enter into a shared cost advertising and promotion arrangement. Other advertising options used by Canadian importers include brochures, contests, direct mail, gift cards, coupons, give-aways and special events. Coupons offering money off the next purchase of the same product are an increasingly popular means to promote sales of packaged food and other goods. Unlike many other promotion techniques, they offer a tangible benefit to customers.

2.2.6 Price

Promotional activity at the retail level commonly takes place to stimulate demand. As consumers become more price sensitive, retailers are being forced to lower their cost of doing business, often at the expense of manufacturers. In addition, retailers offer regular sales discounts to entice customers to buy.

The average landed cost of an imported product includes markups, which cover:

- import duties;
- federal/provincial sales taxes;
- brokerage/insurance/freight fees;
- advertising, product development and testing;
- transportation;
- overheads; and
- other carrying costs.

As a result of poor product quality, damage before or during shipping, or late delivery, the exporter may be requested to provide replacement products, parts, or credit. An exporter may also initiate special terms, which allow the exporter to shift warehousing or inventory costs over to the retailers. Large volume orders usually accompany these terms. TFO Canada provides an export costing worksheet (see a sample on the following page) to assist exporters in determining the price of their product.

Sample of an Export Costing Worksheet	
ITEM	COST (your currency)
1. Product cost per unit	
Materials	
Labour	
Factory overhead	
Administration	
Export Administration costs	
Advertising/promotional material	
Total Product Cost	
2. Export cost	
Crating	
Special labelling and packing charges	
Marking charges	
Loading and strapping charges	
Forwarding:	
▪ documentation	
▪ product insurance	
Sub-total, export cost	
Add targeted profit	
Basic Selling Price	
Add agents commission (if applicable)	
Ex-works Sales Price	
3. Export shipping cost	
Inland freight	
Wharfage charge	
Total (f.o.b. port)	
Add:	
▪ air freight	
▪ marine freight	
▪ insurance	
Total c.i.f. at port of entry	
4. Convert to \$ Canadian at current exchange rate (show rate)	Canadian \$



2.3 Distribution

2.3.1 Finding a Buyer

Entering a new market can be daunting, but with a well-defined marketing plan, the rewards will be well worth the effort. For most buyers, exporters have one chance to make a good first impression. *Use this chance to show what you are selling.* Initial information about your company should include photographs of your latest lines and prices. You can also include photos of your production facilities. E-mail is an essential tool for communication with Canadian buyers, so enclose attachments of these photographs to allow buyers to immediately assess whether they are interested in pursuing an arrangement with you. If you do not show in such an immediate and concrete fashion what you are capable of, the buyer loses interest. Finding a buyer requires perseverance and a serious commitment of time, effort and some cost. TFO Canada encourages exporters to use any of the following tools to help in these efforts.

- Ensure that you are listed with a good search engine on the Internet, and that you have an informative website with e-mail links for easy contact.
- Participate in any trade shows in your own country or surrounding region, since buyers frequently attend these. In addition, international shows can be an invaluable source of market intelligence. If you cannot attend an international show, contact the show organizers to obtain the catalogue of exhibitors, many of whom will be importers. When attending international trade shows, be sensitive to exhibitors, who will be very busy trying to sell their own product. Introduce yourself, leave a business card and brochure with product pictures, and ask if you can call them to arrange an appointment within the timeframe of your visit to discuss what you can do. Do not try to sell on the spot at these shows; you will likely not succeed.
- Consult with the trade representatives at your Embassy or High Commission of Canada. They can provide help in identifying potential Canadian importers, or may be able to direct you to an independent researcher who could provide you with a detailed listing of interested Canadian buyers. Generally, the more publicity you generate for your company and product, the more interest you will create in potential buyers.
- Take advantage of a buyer's personal visit to your country. The Canadian Embassy, High Commission or your national export promotion office may have advance notification of such visits. Let them know that you would like to meet with any visiting buyers in your product line and if possible, contact the buyer directly to arrange a meeting.
- Obtain a list of Canadian buyers who have traded with your country and contact them to offer your products and services. These lists may be available from your local Chamber of Commerce or any bi-national Chamber of Commerce existing between your country and Canada, your foreign trade ministry, or national export promotion office. Directories such as the Retail Chains Directory can also be purchased; some of these are expensive but may be consulted without charge at Canadian public libraries while on a visit here.
- Use trading companies and agents (regional, national or in Canada). While most Canadian trading houses help Canadians with exporting, some might assist suppliers entering Canada. Information on Canadian trading houses is available through: www.oath.on.ca/asp-bin/trade_links.asp.
- Seek the assistance of your bank or freight forwarding company.

Exporters can also identify Canadian buyers who are listed in the Canadian Importers Database www.ic.gc.ca/epic/site/cid-dic.nsf/en/home, as well as through various Internet sites by sector, and

Canadian trade associations such as iecanada www.importers.ca. Publications such as Buyer's Guides and trade magazines are also useful; the Directory of Retail Chains in Canada and the Canadian Retailer Magazine can also be purchased through the website of the Retail Council of Canada www.retailcouncil.org; this is expensive and might require a membership purchase, but can be consulted without charge at Canadian public libraries while on a visit here.

Trade Shows

Canadian importers and a number of retail buyers usually visit foreign markets and their suppliers once a year. They normally organize such trips to coincide with the most important foreign trade shows where they can explore possibilities for imports, as well as assess industry trends. Details on these trade shows are available through the TFO Canada website; trade show websites such as: www.tsnn.com and <http://expo.all-biz.info/Exhibition/lang/en/country/215/>; as well as individual links provided in individual TFO Canada market reports. It is advisable to check with your agent, buyer or Embassy's commercial counsellor to fully assess the documentation requirements, and costs and benefits of your participation in trade shows. *Please note that TFO Canada does not provide letters of invitation to assist with obtaining travel or entry visas. These must come from the buyer directly, or from proof of registration at a trade show.*

2.3.2 Dealing with a Buyer

Many importers or their agents may visit the supplier's production facilities to assess the exporter's capabilities, assure themselves of the quality of the facilities and to build a solid trading relationship. Suppliers should maintain good communications with their buyer throughout the entire sales and after-sales process. Efficient handling of export procedures is essential to your success here. In addition to offering value, buyers look for characteristics in a supplier such as reliability, experience, competence, a proven ability to source and provide follow-up service, and a determined commitment to a long-term business relationship.

Canadian importers have reported that a major problem in dealing with new suppliers is that they are often asked to purchase unrealistically large minimum quantities for a market the size of Canada's. *Exporters must bear in mind that the Canadian market is about 10% the size of the U.S. market, and therefore, must be prepared to fulfill smaller orders.* Given the relatively small size of this market, Canadian importers often expect exclusive importing rights for the country or for specific items they agree to import.

On first contact with a new supplier, a Canadian importer will likely request samples, and possibly quotes for various amounts, for instance, 1,000, 5,000, 10,000, and 50,000 units. For large production ranges, it is customary to allow a discount of 5%-10%. These samples might require adaptation to Canadian preferences and sizes, and will be assessed for compliance with regulations and standards. The Canadian buyer also usually performs an in-house company inspection of the product to determine if it complies with stated specifications, for the company's own satisfaction.

If the samples are acceptable, the importer may place a trial order with the supplier. If some adjustments are required, the importer will request new samples based on the instructions for needed changes. A trial shipment which is consistent with the accepted samples and which is delivered according to an agreed-to delivery schedule may then be sent to Canada. The importer generally advises the supplier of the sizes and varieties of a product that should sell best in Canada, and on the condition that the product should arrive in this country. The importer uses samples to assess the interest of wholesalers and retailers in carrying the product.

Exporters should bear in mind potential competition from NAFTA suppliers in the U.S. and Mexico. Canadian importers are aware of the advantages of purchasing from these countries: lower transportation costs, shorter delivery and lead times, and relatively simpler payment mechanisms. These exporters are also usually very familiar with the Canadian market and business norms. Exporters should consider these facts when setting prices and evaluating business practices.

Items a buyer may cover in negotiating with a supplier include:	
<i>Product attributes</i>	<i>Ordering services</i>
<ul style="list-style-type: none"> ▪ packaging ▪ logo mould ▪ breadth of product line ▪ quality ▪ price range ▪ product exclusivity ▪ country exclusivity ▪ special arrangements 	<ul style="list-style-type: none"> ▪ availability of product ▪ promptness of initial delivery ▪ availability of repeats ▪ promptness of repeats ▪ product substitution ▪ complete or split shipments ▪ order revision ▪ reliability of shipping direct to Canada

Import terms vary with individual importers. In general, quotations should be made f.o.b. foreign port, including packaging, but may be requested c.i.f. to a named port. Payment for imports from traditional suppliers is generally cash against documents. The majority of Canadian importers will not work with Letters of

Credit, but may select other credit formats and credit terms that would suit both parties. Contracts often include a clause stating that the goods must be inspected and signed off in-country by the buyer or agent prior to shipping. The importer usually requests a guarantee to be included in the contract against hidden quality defects, and could request credits as a result of poor product quality, damage before or during shipping, or late delivery.

The full invoiced amount is not paid until inspection of the goods has taken place either in the country of origin or at the end destination, by the buyers themselves, their agents or an independent authority. When the business relationship is well established, an open account method may be used to save bank charges for both parties. The services of an export agent may be useful in handling such intricacies for the first few operations. Once an imported product has established a reputation for high quality, a brand name and trademark should be adopted. Such identification will help customers to easily recognize the product and know that it represents good value.

Trade disputes between Canada and other countries may be settled under relevant arbitration panels such as the International Chamber of Commerce (www.iccwbo.org), or others constituted under the WTO and NAFTA. Importers may also appeal to the Canadian International Trade Tribunal (www.citt-tcce.gc.ca), an independent, quasi-judicial tribunal that, among other duties, reviews disputes between importers and the CBSA. For fresh produce, the Dispute Resolution Corporation (www.fvdrc.com) is a useful resource.

2.3.3 Dealing with Non-Payment

Exporters could take certain steps to prevent disputes from occurring, or to seek recourse if this is inevitable. One very simple, inexpensive but very effective legal tip that could provide the winning edge in court is to have all the signatures on important contracts or agreements notarized (acknowledged by a notary public). You should also screen your clients – check their reviews and credit rating through the Better Business Bureau (<http://www.bbb.org/canada/Find-Business-Reviews/>). A credit report can be a useful tool to assess the credit worthiness of the potential client and to help you to set credit terms for the contract. For a fee, companies such as Dunn and Bradstreet Canada (www.dnb.ca) can also assist with this task.

When exporting to Canada, you need to assess both the value of the sale relative to your total business, and the credit standing and record of the Canadian buyer. Requesting bank references from your buyer is standard practice. Be wary if the buyer is hesitant about providing these. Although some exporters can use services provided by a government-backed export insurance agency to insure shipments for a premium, it may be necessary to rely on your country's diplomatic or commercial representatives to conduct credit checks on a Canadian buyer. These representatives may also be able to supply names of reputable debt collection agencies if your buyer fails to pay.

Suggestions are also offered by several websites; some practical ideas from these sites are highlighted here for your consideration:

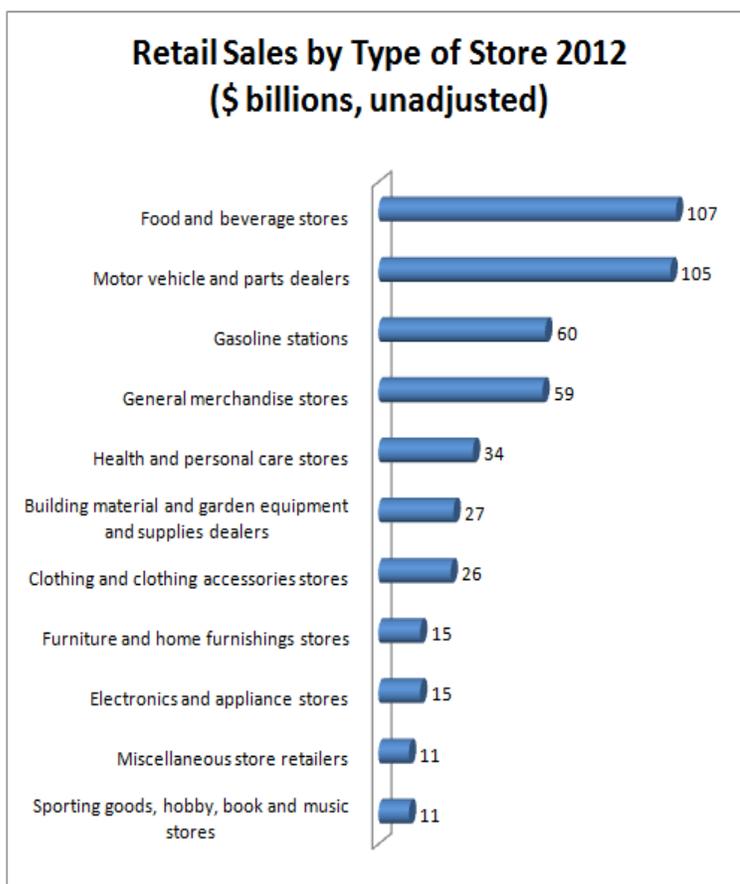
Forbes (<http://www.forbes.com/sites/sundaysteinkirchner/2012/05/22/what-to-do-when-a-client-doesnt-pay/>) and Geekpreneur (<http://www.geekpreneur.com/what-to-do-when-your-client-doesnt-pay>) offer the following suggestions, which could be adapted to the exporter's unique situation:

- 1) *Standardize your business practices*: Draw up a contract for every job, every client, every time. A contract should include a description of the work, payment information, and payment schedule. Insert milestones to break the payment into installments. Clients rarely argue with these, especially when they also include milestones for delivery. Decide how to accept payment – many professionals suggest taking a down-payment (up to 50%) before the start of any project, and collecting the balance upon completion, before turning over any goods or services to your client.
- 2) *Take action*: Bill your clients on time and address non-payment immediately. When you send your invoice, include a date by which payment should be made. Once that date passes, send a reminder. If you need to remind a client to make a payment, it is possible that they just forgot, but there is also a good chance that something has gone wrong. You need to discover what is causing the hold-up and see if there's anything you can do to unblock the payment. Send the reminder but also send the client a polite e-mail asking if they have any questions.
- 3) *Negotiate changes and terms*: In most cases, the reminder will be enough to prompt payment. Individuals can forget or may be waiting for a payment to come in before they can send another one out, and the accounting department of small firms may be too busy to reach your invoice at the right moment. A gentle nudge is usually enough at those times to receive your money without damaging your professional relationship.

2.3.4 Distribution Channels

As mentioned in Section 1.1.3 of this Handbook, and shown in the adjacent chart, most retail sales in Canada were conducted through food and beverage stores which include supermarkets and other grocery stores.

Canada's distribution networks have tended to be highly centralized because of the country's low population density, its great distances and its adverse weather conditions. However, the growing importance of regional markets, niche marketing and customized products has diversified distribution in some industries. Often, a distributor working out of Toronto or Montréal will cover the Eastern region of Canada (Ontario, Québec, and Atlantic Canada), and another distributor in Calgary or Vancouver will cover Western Canada. To ensure coverage of the national market, a few intermediaries offer truly national distribution facilities. Consolidation of import shipments to the primary market areas of Toronto, Montréal and Vancouver is common.



The central players in the distribution process are importers and local agents. Importers include wholesalers, brokers, mail-order firms, department and chain stores, single-line retailers, purchasing cooperatives, and industrial users who may buy directly from the exporter. Local agents sell imports on a

commission basis, accepting orders from Canadian buyers according to agreements with exporters. The main advantage of agents is their knowledge of the Canadian market and their physical location near the target market. They may provide production order guarantees to allow suppliers to plan for labour and materials. They are also more aware of the potential problems that could arise in meeting Canadian requirements for sizes and quality among others, and might be willing to assist suppliers with hints on adapting the product or providing labels to assist in penetrating the Canadian market. In the case of industrial goods, their ability to offer service and spare parts is vital.



Wholesale trade in Canada rose to its highest level in five years to \$588 billion in 2012, led by farm product wholesalers and food and beverage wholesalers.

Importers and agents frequently insist on an exclusive arrangement with the exporter, particularly if they pay promotional costs. They are, however, likely to subject potential new suppliers to careful scrutiny before doing business. They expect to obtain references and will want to know about your export experience, financial standing, and other such details. Suppliers who do not supply references will likely not be well received. Likewise, once you have shown a potential buyer or agent what you are capable of producing and they express an interest in taking the relationship further, it is considered normal

and prudent for you to request references from them. Also, find out who else and what other products they represent. Take the time to follow up on these references to avoid potential problems in any future dealings with the importer.

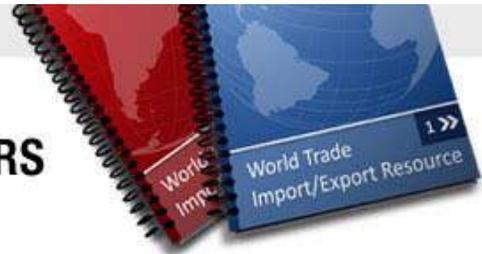


The following table provides a further breakdown of wholesale sales in Canada over the past five years by the type of merchant wholesaler.

Merchant Wholesalers Sales by Industry 2008-2012 (\$ billions, unadjusted)					
	2008	2009	2010	2011	2012
Wholesale Trade	533.3	496.6	528.3	563.1	587.5
Farm product merchant wholesalers (exc. oilseed and grain)	5.9	5.8	6.3	6.8	6.8
Food, beverage and tobacco merchant wholesalers	92.4	98.1	103.0	109.2	113.7
– Food	83.0	87.4	91.8	97.5	101.8
– Beverage	4.5	4.8	5.0	5.5	5.8
– Cigarette and tobacco product	4.8	5.9	6.1	6.1	6.1
Personal and household goods merchant wholesalers	80.8	82.4	83.0	83.5	83.3
– Textile, clothing and footwear	9.8	9.8	10.5	11.0	11.1
– Home entertainment equipment and household appliance	9.4	8.7	9.0	8.8	8.6
– Home furnishings	5.5	4.8	5.1	5.1	5.4
– Personal goods	10.8	10.7	9.9	9.1	8.7
– Pharmaceuticals and pharmacy supplies	37.9	40.7	40.7	41.7	41.8
– Toiletries, cosmetics and sundries	n/a	n/a	7.9	7.9	7.8
Motor vehicle and motor vehicle parts and accessories merchant wholesalers	86.0	75.8	85.6	89.6	99.2
– Motor vehicle	66.5	56.3	65.2	67.0	74.6
– New motor vehicle parts and accessories	19.0	19.1	19.9	22.0	24.0
– Used motor vehicle parts and accessories	n/a	n/a	0.5	0.6	0.6
Building material and supplies merchant wholesalers	77.2	66.9	74.3	77.0	81.5
– Electrical, plumbing, heating and air-conditioning equipment and supplies	24.2	21.8	23.3	25.1	25.8
– Metal service centres	19.0	13.2	15.0	16.7	18.6
– Lumber, millwork, hardware and other building supplies	34.1	32.0	36.0	35.2	37.1
Machinery, equipment and supplies	115.4	103.5	106.2	117.7	126.0
– Farm, lawn and garden machinery and equipment	14.6	13.3	12.1	14.2	14.7
– Construction, forestry, mining, and industrial machinery, equipment and supplies	39.4	30.6	34.3	41.2	44.2
– Computer and communications equipment and supplies	32.6	31.1	33.5	34.7	38.2
– Other machinery, equipment and supplies	28.7	28.5	26.3	27.7	29.0
Miscellaneous merchant wholesalers	75.6	64.1	69.9	79.3	77.1
– Recyclable material	10.3	6.1	8.2	10.5	8.5
– Paper, paper product and disposable plastic product	8.8	8.5	10.4	10.7	10.8
– Agricultural supplies	20.6	15.7	16.2	19.8	20.6
– Chemical (except agricultural) and allied product	13.8	11.7	12.5	14.0	14.4
– Other miscellaneous	22.0	22.2	22.7	24.3	22.8

Sources: Statistics Canada, CANSIM, Table 081-0011 and Catalogue No. 63-008-X

TFO CANADA
YOUR PARTNER IN HELPING EXPORTERS
ACCESS THE CANADIAN MARKET



2.4 Tips for Exporters

The Canadian market is extremely competitive. Exporters should note that any failure on their part to give buyers excellent service will result in the buyer quickly turning to other suppliers. The following are important factors in establishing your reputation for reliability:

- Establish an attractive, easy to navigate and informative website with contact links to your e-mail. Always include links to your website in any communication with the buyer.
- **Check your e-mail constantly!** Ensure that you respond within one business day to any e-mails you receive from suppliers with the information they have requested. This immediately shows the potential buyer, who gets many of these offers each week, what you are capable of. Buyers who cannot readily contact an exporter will quickly turn to other sources of supply. Send an interim note if information is not immediately available. Give a reasonable date for when all the information would be ready and honour that date. Since Canada is divided into different time zones, e.g., Vancouver is three hours behind Toronto; communication with a buyer might be at unusual hours.
- The buyer looks at your sample and how you handle the request to provide concrete proof of your capability and an example of how you would handle a potential business relationship. Ensure that you provide the sample well within the requested timeframe and that the sample is of impressive quality and value. This will assure the buyer that you are a viable alternative source of supply. Follow-up orders must match the quality of this sample.
- No surprises. Canadians expect delivery of the product they purchase. Unavoidable delays should be immediately reported and justified to the buyer; ask the buyer to accept the delay.
- Provide accurate information and follow up key sales calls in person as soon as possible.
- Where applicable, enclose a certificate of analysis of the product and photographs of the production/processing facilities with the letter of introduction to the importer. This certificate may be needed to show conformity with Canadian health and safety requirements and should be obtained from the appropriate authorities in your country.
- Get to know the Canadian market and your importer. Read trade publications and visit trade shows and retail stores in Canada to get a feel for the market.
- Establish contact with trading companies or import agents since they may be the most promising channel for new entries. Hire an agent/importer to represent you in Canada.
- If you are asked for exclusive rights to your product, you should include a clause in the contract for a minimum level of annual purchases. Be flexible and solicit feedback from your buyer on your product and trade relations. Put all verbal agreements in writing.
- Use English (or French in Québec) in all correspondence and provide information on the product range, capacities and price list, quoting prices in Canadian or U.S. dollars.

And finally...

REGISTER With TFO Canada!

If you have at least one year of export experience, be sure that you are taking full advantage of TFO Canada's free promotional services. This includes direct promotion of your company and products to Canadian importers via our monthly Import Info E-Newsletter and inclusion in our online searchable database of exporters.

Please check your current profile with us by signing in to our website and going to your "Exporter Profile."

Ensure that all your information is correct and that you have accurately completed Step 2 of the registration process, including entering one or more of your exported products.

Note that while Step 3 — uploading additional information such as photos, price lists, etc. — is optional, we recommend that you take the time to complete it as well.

In the event that you are not registered with TFO Canada, please go to www.tfocanada.ca/register.php and register with us by accurately completing Steps 1 and 2, and as explained above, the optional Step 3.

Annex

Sources of Information

TFO Canada's market reports provide sector-specific listings of publications, trade fairs and key sources of information. Some of the major sources of general interest include:

TFO Canada

56 Sparks Street, Suite 300
Ottawa, Ontario, Canada K1P 5A9
Tel.: (613) 233-3925 In Canada: 1-800-267-9674
Fax: (613) 233-7860
E-mail: tfocanada@tfocanada.ca
Internet: www.tfocanada.ca/index.php

AGRICULTURE AND AGRI-FOOD CANADA

1341 Baseline Road
Ottawa, Ontario K1A 0C5
Tel.: (613) 773-1000 Fax: (613) 773-1081
Internet: http://www.agr.gc.ca/index_e.php?s1=help-aide&s2=contact

CANADA BORDER SERVICES AGENCY (CBSA)

A directory of CBSA offices across Canada is available through the Internet site.
Internet: www.cbsa-asfc.gc.ca

CANADIAN FOOD INSPECTION AGENCY (CFIA)

1400 Merivale Road
Ottawa, Ontario, Canada K1A 0Y9
Tel.: (613) 225-2342 Fax: (613) 228-6601
Internet: www.inspection.gc.ca

CANADIAN GENERAL STANDARDS BOARD (CGSB)

Place du Portage III, 6B1, 11 Laurier Street
Gatineau, Québec, Canada K1A 1G6
Tel.: (819) 956-0425 Fax: (819) 956-5740
Internet: <http://www.tpsgc-pwgsc.gc.ca/ongc-cgsb/index-eng.html>

CANADIAN STANDARDS ASSOCIATION (CSA)

5060 Spectrum Way
Mississauga, Ontario, Canada L4W 5N6
Tel.: (416) 747-4000 Fax: (416) 747-2473
Internet: www.csa.ca

ENVIRONMENT CANADA

Inquiry Centre
10 Wellington, 23rd Floor
Gatineau, Québec, Canada K1A 0H3
Tel.: (819) 997-2800 Fax: (819) 994-1412
Internet: www.ec.gc.ca

FOREIGN AFFAIRS AND INTERNATIONAL TRADE CANADA (DFAIT)

Trade Controls & Technical Barriers Bureau
125 Sussex Drive
Ottawa, Ontario, Canada K1A 0G2
Tel.: (613) 944-4000 Fax: (613) 996-9709
Internet: <http://www.international.gc.ca/controls-controles/index.aspx>

HEALTH CANADA

Consumer Product Safety Bureau
123 Slater St., 4th Floor, P.L. 3504D
Ottawa, Ontario, Canada K1A 0K9
Tel.: (613) 957-2991
Internet: <http://www.hc-sc.gc.ca/contact/index-eng.php>

I.E. Canada (CANADIAN ASSOCIATION OF IMPORTERS AND EXPORTERS)

P.O. Box 189
Don Mills, Ontario M3C 2S2
Tel.: (416) 595-5333 Fax: (416) 595-8226
Internet: www.iecanada.com

INDUSTRY CANADA

235 Queen Street
Ottawa, Ontario, Canada K1A 0H5
Tel.: (613) 954-5031 Fax: (613) 954-2340
Internet: http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07063.html

RETAIL COUNCIL OF CANADA

1881 Yonge Street, Suite 800
Toronto, Ontario, Canada M4S 3C4
Tel.: (416) 922-6678 Fax: (416) 922-8011
Internet: www.retailcouncil.org

STANDARDS COUNCIL OF CANADA (SCC)

270 Albert Street, Suite 200
Ottawa, Ontario, Canada K1P 6N7
Tel.: (613) 238-3222 Fax: (613) 569-7808
Internet: www.scc.ca

STATISTICS CANADA (Advisory Services)

Jean Talon Building, 6th floor
170 Tunney's Pasture Driveway
Ottawa, Ontario, Canada K1A 0T6
Tel.: 1-800-263-1136
Internet: www.statcan.gc.ca



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- ² The Canadian Population in 2011: Population Counts and Growth. Statistics Canada. April 2013. <http://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-310-x/98-310-x2011001-eng.cfm>
- ³ 2011 Census of Population: Linguistic Characteristics of Canadians. Statistics Canada. April 2013. <http://www.statcan.gc.ca/daily-quotidien/121024/dq121024a-eng.htm>
- ⁴ The city of Lloydminster, Saskatchewan is an exception. Lloydminster uses Mountain Time and also observes Daylight Saving Time.
- ⁵ All monetary figures expressed in this report are in Canadian dollars, and all statistics, including those for the charts, were obtained from Statistics Canada except where otherwise stated.
- ⁶ Labour Force Characteristics. Statistics Canada. April 25, 2013. <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ10-eng.htm>
- ⁷ Employment by class of worker and industry, Canada, seasonally adjusted. April 2013. Statistics Canada. <http://www.statcan.gc.ca/pub/71-001-x/2013003/1002-eng.htm#T002FN1>
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