

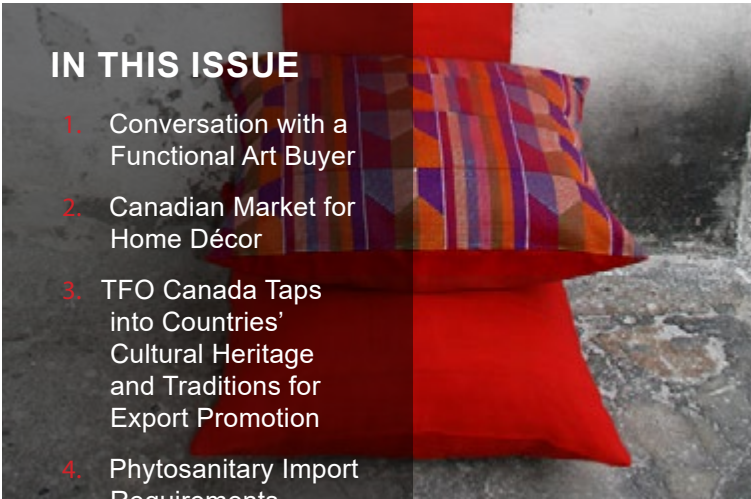
# EXPORT TO CANADA NEWS

INFORMATION · ADVICE · CONTACT

## FUNCTIONAL ART EDITION

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### MICROTRADE: A STRATEGY FOR CANADA'S TRADE POLICY

On December 1, 2015 Peru's trade minister, Magali Silva, accompanied by four master weavers who have never been outside Peru, presented Peru's extraordinary cultural economy to Toronto. This Peruvian trade delegation met Canadian trade officials and together they explored the future of microtrade. Trade deals, such as the TTP, are typically big deals between huge corporate entities.

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### UPCOMING WEBINARS

[International Business: Currency, Payments & Risk Management](#)

July 21, 2016 at 10:30 am

[Services en ligne de TFO Canada : Présentation de nos nouveaux outils de recherche](#) (French)

August 2, 2016 at 9 am

[Route to the Canadian Halal Market](#)

September 6, 2016 at 9 am

[Understanding Ontario's seasonal sourcing calendar for fresh fruits and vegetables](#)

September 29, 2016 at 10 am

## IN THE SPIRIT OF CONSULTING

On May 18th, 2016 Global Affairs Canada (formerly the Department of Foreign Affairs, Trade and Development) launched public consultations focused on reviewing Canada's international assistance policy, programming and funding framework.

As stated by the Government of Canada, "This review will help establish an international assistance policy and funding framework that will be focused on helping the poorest and most vulnerable people, and supporting fragile states, while advancing the implementation of the 2030 Agenda on Sustainable Development. The consultations will assist in making our approach, investments and partnerships more innovative and effective."

To find out more about this public consultation and add your voice, follow this link [International Assistance Review consultations website](#). The consultations will run until July 31st, 2016.

In the spirit of consulting, TFO Canada is also reaching out this summer to find out how we establish more effective connections between small and medium sized exporters and the Canadian importing community. While we have achieved great success together over the years, opportunities for improvement always exist.

Elements of our plan include:

1. Meeting Canadian importers in Montreal and Toronto to learn about their experiences with TFO Canada.
2. Telephone surveys with Canadian importers to learn more about the types of services they would like to see from TFO Canada.
3. Working with our Trade Support Organization partners to enhance exporter profiles on our website, making them more appealing to buyers.

These consultations will help to guide our plans as we look towards 2017 and beyond.

Have a great summer!

**Steve Tipman**  
 Executive Director  
 TFO Canada



## CONVERSATION WITH A FUNCTIONAL ART BUYER

Denise Zidel's furniture and cultural home accessories showroom in downtown Toronto is a testament to her love for functional art. As stated on her showroom "[Snob Stuff](#)" website- "art as furniture, furniture as art". Over the past eight years, she has been sourcing artisanal items for her showroom from African artisans and designers. She goes on her buying adventure four times per year, seeking innovative, unique and one-of-a-kind items in Southern and Western Africa, Cameroon and Morocco, where she personally hand picks pieces for her clientele. In some instances, she sources items for individual clients based on pieces they saw while visiting and vacationing overseas. She sources goods from both individual artisans and cooperatives.

Denise is a friend of TFO Canada and last fall gave a group of Asian trade representatives insight into what makes an exporter export-ready for the Canadian market. We posed three questions to Denise on her buying process.

### What is the most important attributes you expect from your suppliers?

I expect the highest level of communication between us, provision of reliable contact information and the ability to stay in connection. Most important is the creation of unique products that are well made and durable,

great design esthetics, with reliable packaging and a level of accountability when these criteria are not met.

### Do you shop trends?

The fashion runway provides me with my inspiration rather than trends. I adapt to trends by organizing season's need by colour and then shop by colour. Instead of requesting samples from a new supplier/artisan, I purchase their products and test them in the store and based on customer response make a purchase decision.

### What advice do you provide to your suppliers on their products?

I prefer not to provide product advice to my suppliers. Instead I stage the piece in the showroom, take a photo, and share with them. This gives the artisan the opportunity to see their pieces in the showroom and make their own evaluation and decide if they want to improve on a design or retain current design. This helps with the trust factor and encourages good communications.



Gold Leaf Tonga Stools  
 handmade in Zimbabwe

### TIPMAN'S TRADE TIP

*"When it comes to international trade, there really is no such thing as over-communication. Given differences in language and culture, you can expect to experience some challenges, on occasion, in getting your points across. Consider this – when it comes to the livelihoods of your employees, there simply is no room for interpretation. Keeping this in mind, everything should be spelled out and made crystal clear. This includes setting your expectations, commitments and terms around business transactions."*

# CANADIAN MARKET FOR HOME DÉCOR

Home décor represents a \$10 billion industry in Canada. Demand is expected to grow in 2015 as rising consumer confidence and new housing starts encourage more consumers to invest in their homes. In addition to 3,800 home décor stores located across Canada, home décor products are sold by a variety of outlets including specialty boutiques, mass merchandisers, and online retailers.

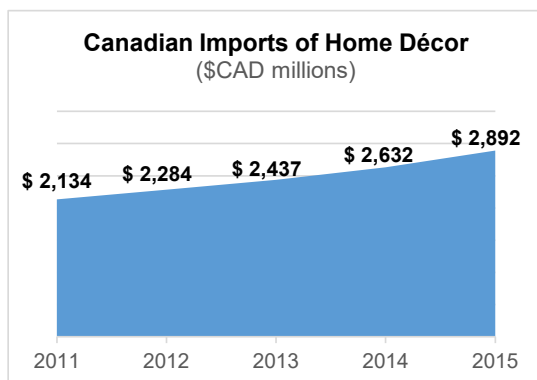


## IMPORTS

Canadian imports of home décor reached \$2.9 billion in 2015 with an average annual growth of 6% over the past five years (2010-2015). Nearly 60% of imports originate from China (\$1.7 billion) with another 20% coming from the United States (\$560 million). The rest of the market is dominated by other Asian suppliers, including India (\$163 million), Pakistan (\$73 million), Bangladesh (\$59 million) and Vietnam (\$37 million).

## MARKET SEGMENTS

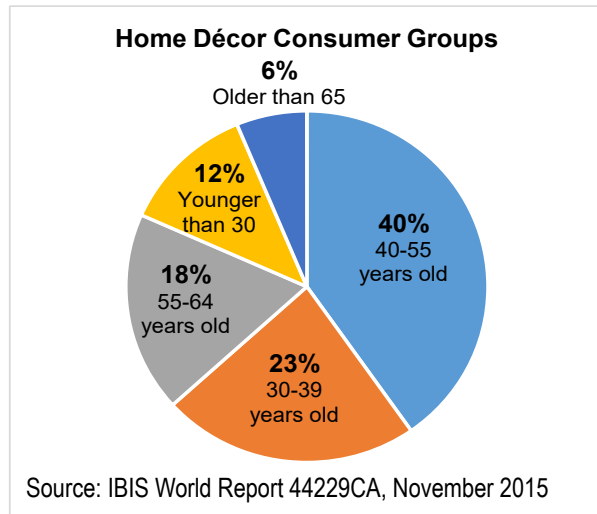
Working age Canadians (30 to 55 years old) make up the largest purchasing group for home décor. These consumers tend to have a stable income and higher rates of home ownership and established families. Young consumers (under 30 years old) including students, young professionals, and millennial families are also an important segment. These consumers tend to look for more budget-friendly and trendy home décor items.



Source: Trade Data Online, Industry Canada, 2011-2015

## CONSUMER TRENDS

The trend towards healthy eating is encouraging more Canadians to cook from home, leading to increased demand for kitchen tools and accessories. With smaller family sizes and an ageing demographic, many consumers are also looking for single-serve cookware options in this area. The rise of condo living is driving demand for home décor designed for small living spaces. Eco-friendly and natural materials are also on the rise, including products crafted from recycled or biodegradable materials.



## ROUTE-TO-MARKET

Exporters must adhere to Canada's regulations for labeling and consumer health and safety of home décor products. Glazed ceramics and glassware must not contain more than trace amounts of lead and cadmium. Home textiles must meet strict labeling requirements based on their fibre content. Given the large size of Canada, the majority of home décor imports are processed through an agent or distributor.



This information has been extracted from TFO Canada's Market Information Paper "Home Décor". Registered members can download the full report at [www.tfocanada.ca/mip.php](http://www.tfocanada.ca/mip.php).

## TFO CANADA TAPS INTO COUNTRIES' CULTURAL HERITAGE AND TRADITIONS FOR EXPORT PROMOTION

This summer, TFO Canada is excited to launch an innovative new project to promote small and medium enterprises (SMEs) in the specialty textile and garment sector. Capitalizing on unique skills that are largely untapped beyond traditional borders, the initiative will organize exhibition shows and tell the stories of local producers to promote their products in Canada. With support from Global Affairs Canada and the International Development Research Centre (IDRC), the program will focus on seven least developed countries (LDCs): Madagascar, Uganda, Lesotho, Ethiopia, Haiti, Bangladesh and Cambodia.

unique culture, traditions and know-how of LDCs, TFO Canada is motivated to find creative ways to put these countries on the map. It is a move away from the usual model of high-volume, low-margin exports, towards showcasing unique materials and skills.

Some of the specialty textiles involved in the project are recognized as world heritage by UNESCO. These include Jamdani from Bangladesh and Bark Cloth making from Uganda. Other textiles range from silk in Cambodia, to lace in Madagascar, as well as Rafia from Uganda. These fabrics are often used for traditional clothing, but there is a clear potential for other uses, notably in the fashion and soft furnishing industries.

This summer, our Canadian sector expert Mr. Jacques Nadeau will travel to Uganda, Ethiopia, Madagascar, Cambodia and Bangladesh to meet and assess up to 50 small local companies, review their products and production capacity. Selected products will go on tour in Canada with roadshows in Vancouver, Toronto and Montreal in November 2016. TFO Canada will also introduce the producers and samples of their work to potential Canadian buyers. This initial market contact will provide

feedback and advice to producers on how they might adapt their designs and product development to best appeal to the Canadian market.



Following the initial 2016 roadshow, up to 30 companies will be selected for further tailored support based on their capacity and market potential. These producers will be invited to attend a TFO Canada tradeshow at the end of 2017 to showcase their products directly to Canadian buyers. We expect that this progressive engagement will lead to growing trust and a first wave of business deals between the producers and buyers at the tradeshow.

Stay tuned as TFO Canada will be launching a website this summer to promote the amazing range of skills and products available!



LDCs face numerous challenges when accessing foreign markets. Many are off the main trade routes, others suffer from underinvestment and poor connectivity, and most are not even on the radar of Canadian buyers. Recognizing the

## PHYTOSANITARY IMPORT REQUIREMENTS FOR BASKETWORK, WICKERWORK AND DECORATIVE WOOD ITEMS

To protect the Canadian environment from the risk of pests, the [Canadian Food and Inspection Agency \(CFIA\)](#) applies strict regulations to imported non-processed and non-propagative wood products. This includes logs, lumber, wood with bark attached, wood chips, bark chips, bamboo products, decorative wood items and dry cones.

For basketwork, import requirements are categorized in two sections. If the item does not exceed 1.5 cm in thickness,

the decorative wood does not need to be treated. If the item does exceed 1.5 cm in thickness, it must be treated and verified by the National Plant Protection Organization (NPPO) of the exporting country.

For wickerwork, if the item is made from bamboo, dried non-cereal grasses, or reeds, it must be treated and verified by the NPPO of the exporting country.

Bamboo products and treated decorative wood items require a

Phytosanitary Certificate, however do not require a permit to import. Wood products like lumber, Christmas trees, bark chips, shrub roots and branches, and other forest wood products also require the NPPO approved treatment.

Full import requirements for phytosanitary, plant protection and pest control treatment regulations of non-propagative wood products are available through [CFIA Directive-02-12](#).

## MICROTRADE: A STRATEGY FOR CANADA'S TRADE POLICY



On December 1, 2015 Peru's trade minister, Magali Silva, accompanied by four master weavers who have never been outside Peru, presented Peru's extraordinary cultural economy to Toronto. This Peruvian trade delegation met Canadian trade officials and together they explored the future of microtrade. Trade deals, such as the TPP, are typically big deals between huge corporate entities. Small producers, like the Peruvian weavers, are often not players in these deals. In fact, trade has a history of ignoring small economic interests. This is something the governments and people of Canada and Peru are working to change.

The mission to Toronto was part of the Canada-Peru Trade and Branding Initiative, a two-year pilot program in partnership with TFO Canada that will launch four ambassador brands from Peru in the North American market. The concept of consumer brands as ambassadors is central to the microtrade strategy. The economic thinking is that small trade leads to bigger trade. But the program theme of consumer diplomacy tells us we're in new territory, one called the cultural economy.



In 1973, the bestseller *Small is Beautiful: A Study of Economics as if People Mattered* by British economist E.F. Schumacher predicted that the "bigger is better" globalized economy would prove unsustainable. He was shouted down by the big capital crowd who mocked his "Buddhist Economics." He was, however, heralded as guru by the many ordinary citizens who bought his book and agreed with the common sense of his narrative. He proposed a new philosophy of consumerism called "enoughness."

Forty odd years later the resource wars, climate change, and widening economic gap all suggest that unsustainable doesn't begin to describe the state of our world. A better

word would be unbalanced; a catastrophic imbalance between big and small. But in the trade world, small is fighting back and big may be getting religion.

Alvin Toffler, the legendary futurist, was interviewed by U.S.A. Today in January, 2000. He told us that with the Internet would come a new kind of world trade system that would include all of humanity. In this new system small producers in remote locations would be able to sell their products to consumers anywhere in the world. Huge numbers of microtraders would enter the system creating an era of microtrade. Toffler's vision is a radically positive view of the future world economy, "The power of microfinance with microtrade can transform rural peasant economies and radically increase the wealth they are capable of creating for themselves. If administered globally microtrade could end global poverty."



We are now living in that future predicted not so long ago by Schumacher and Toffler. With the perfect vision of hindsight how have their prophecies manifested? And what are the benefits for humanity? The joint venture between the Canadian and Peruvian governments, who have partnered to create a microtrade model, may have the answers. Canadian design and marketing experts have collaborated with four Peruvian artisan communities to make products for global consumers. One of the four artisan communities, the Shipibo people in the Amazonas, have never sold their textiles outside of Peru before. They are a shining example of the microtraders referred to by Toffler—new players in the world trade system.

Nations need to get to know each other to grow their trade over time. Microtrade focuses on traditional production processes that are embedded in the heart and soul of a people and their culture, such as Peru's incomparable handmade textiles. The Canadian brand is known for its multicultural mission to include everyone in the economic future of our planet, and Canada is poised to become a world leader in microtrade policy. In a time of the biggest trade deals in the history of the world, microtrade is trade "as if people mattered."

Cameron Brohman, Co-founder, [Brand\[Trade\]](#)

# SNAPSHOT OF TFO CANADA ACTIVITIES

## TRAINING OF INDONESIA SMES: HOW TO EXPORT TO CANADA

**APRIL 27-29, 2016**

Zaki Munshi, TFO Canada Project Manager for Asia and the Middle East, facilitated a three day training session in Jakarta, Indonesia in April 2016 at the Indonesia Export Training Center (IETC) titled “Step-by-step guide for Indonesian SMEs on how to export to Canada”. Ms. Francisa Indarsiani, Senior Development Officer, Embassy of Canada and Ms. Santi Setiasuti of IETC opened the training session on the first day. The objective of the 3-day training session was to present the opportunities and challenges for Indonesian SME exporters in the Canadian market through a step-by-step guide. On the third day, Zaki also discussed with IETC officials on how to improve their export training syllabus by incorporating the step-by-step guide in their current curriculum.



## LATIN AMERICAN BILATERAL TRADE INITIATIVE (LABTI) INFORMATION

**APRIL 27, 2016**

TFO Canada Regional Representative for Ontario, Alma Farias, held a briefing and roundtable discussion with trade commissioners and City of Toronto on new initiatives for bilateral trade between Latin America and Toronto. The city of Toronto in collaboration with consulates, bilateral chambers and TFO Canada are looking to organize a series of activities and missions.

## GROUP VISIT WITH TORONTO TRADE REPRESENTATIVES TO BAKERY SHOWCASE

**MAY 2, 2016**

TFO Canada Regional Representative for Ontario, Alma Farias accompanied a group of 11 trade representatives based in Toronto to attend the Bakery Showcase 2016. Countries represented include Malaysia, Peru, Costa Rica, Indonesia, Mexico, Ecuador, Chile and Colombia. The group was welcomed by Paul Hetherington, president and CEO of the Baking Association of Canada.



*Group tour at Bakery Showcase 2016 with Toronto trade representatives*

## ETHIOPIA-CANADA TRADE & INVESTMENT FORUM

**MAY 18, 2016**

TFO Canada Regional Representative for Ontario, Alma Farias accompanied gave a presentation on TFO Canada’s Services and the Canadian market to over 20 Ethiopian delegates. Opening remarks were provided by H.E. Demeke Mekonnen, Deputy Prime Ministry of the Federal Democratic Republic of Ethiopia and H.E. Ambassador Birtukan Ayano in Canada, followed by presentation from Global Affairs Canada and Export Development Canada.



*Alma Farias with Ethiopian delegates on mission to Toronto*

## EXPORTER’S GATEWAY INTO THE CANADIAN MARKET TRAINING

**MARCH & MAY 2016**

A number of our Trade Support Institutions have embarked on the delivery of the Exporter’s Gateway into the Canadian Market Training to exporters interested in the Canadian market. On March 17, 2016 ProNicaragua trained exporters in the first module in Managua.

The Chamber of Commerce of Santo Domingo, the Center for Exports and Investment of the Dominican Republic, and the Association of Dominican Exporters also delivered module one of the training to 43 exporters in Santa Domingo and 16 exporters in Santiago on May 3rd and 5th respectively. On May 27, 2016, the Exporters Corporation of El Salvador and El Salvador National Export and Investment Promotion Agency hosted 27 exporters in San Salvador.



*Local training in El Salvador on Exporting to Canada for SMEs*

## JEWELLERY EXPORTER LEARNS THE SECRET OF CANADA'S MARKET

After CESO volunteers delivered two market access workshops in Bolivia on behalf of TFO Canada, Sheila De Alencar was one of nine exporters selected to participate in a trade mission to Montreal and Toronto. When the jeweler discovered that she was among the exporters selected, she thought it was a great opportunity to experience what the CESO volunteers talked about in the workshops on product development and Canadian market access.

Sheila De Alencar founded her jewellery company, Agua Joyas, seven years ago. She works with precious and semi-precious gemstones. From the workshops and exporter trade mission, she learned every stage of the buying process – Identifying a market niche, designing for the market, setting prices, packaging jewellery for Canada, and shipping products to customers. She also learned how to create a brand that aligns with her jewellery. The practical experiences that the CESO volunteers shared in the workshops put theory into practice. TFO Canada scheduled 13 appointments for her with prospective buyers in Canada.

“The Jewellery Exporter Mission helped my business in many ways,” says Sheila De Alencar. “TFO Canada opened doors to the world. I was able to ask questions about shipping, insurance, and pricing. I learned about consumer trends in Canada to get an idea of what sells. I



*Preparing products of Agua Joyas jewellery to showcase to Canadian buyers on mission in Montreal and Toronto*

learned how to get specific about what I am selling and look at market niches.” Sheila De Alencar took the training to heart, purchasing jewellery to evaluate and to determine what the Canadian market wants, and how to improve her product designs.

Additionally, the TFO Canada sector expert showed trade mission participants what tools to purchase in Canada. Buying the tools has enabled De Alencar to improve the quality of her products, make the jewellery faster, and not damage the metals that she works with. Additionally, TFO Canada solved a big problem that Bolivian jewelers had, by scheduling a visit to a FedEx

outlet, so that exporters got a better understanding of the routing and pricing schemes for shipping to Canada from Bolivia.

Shelia De Alencar sold seven pieces of jewellery to Boutique Ambre, and has since exported 22 pieces to Boutique du Musée des Beaux-Arts de Montréal. She found working with TFO Canada a rewarding experience. “I learned how to identify my customers and the market niches that I want to target. I can improve customer satisfaction by focusing my designs to match consumer trends. I understand the logistics process to send my products abroad.”

TFO Canada improves lives through the creation of sustainable trade partnerships for exporters from developing countries with Canadian and foreign buyers. We facilitate access to the Canadian marketplace and share Canadian trade expertise for the benefit of smaller male and female owned/managed exporters from developing countries and for the men and women they employ. Founded in 1980, TFO Canada is a non-governmental, non profit organization.

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