

EXPORT TO CANADA NEWS

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PARTNERING TO EMPOWER DEVELOPING COUNTRIES SUPPLIERS IN EXPANDING THEIR EXPORTS

IN THIS ISSUE

1. Our Future Together
2. Natural Health Products Market Information Paper
3. Top 5 Trends to Watch in 2018
4. Artisan Hub: Sustainable Trade Development through Heritage Sectors in LDCs
5. Improving Market Access and Export Readiness for Pacific Alliance Small- and-Medium-sized Enterprises
6. Spotlight on TFO Canada Activities
7. Success Story: Newly Opened Trade Office of the Philippine Consulate General in Toronto Finds the Right Partner in TFO Canada



OUR FUTURE TOGETHER

For many of us, December is the month for reflecting on the year's accomplishments, celebrating the Holiday Season, spending time with family and loved ones and planning for the future. While many of these activities can be personal endeavours, given the number of small-and-medium-sized firms TFO Canada supports, we realize that they often extend to your business as well.

At TFO Canada we have been reflecting a lot lately on the work that we do, the supports that we deliver, the countries, institutions and companies with whom we work and what the future might hold. Through these deliberations, we see that there are a few important themes that help us formulate our plans for the future.

Canada's New Feminist International Assistance Policy:

In June 2017, the Canadian government launched its new international assistance policy, which will refocus aid on the poorest and most vulnerable, and fragile states. As stated by the Minister of International Development and La Francophonie, Marie-Claude Bibeau, "This policy reflects the contributions of stakeholders and remains true to Canadian values. The priority action areas are based on clear evidence and consider Canada's experience and comparative advantage. The policy is also aligned with the UN's Sustainable Development Goals, which aim to

eradicate poverty by the year 2030."

The United Nation's Sustainable Development Goals (SDGs): When looking at all 17 SDGs, we quickly understand that TFO Canada's role should be to focus on a select few. We also recognize that interdependencies exist between the goals. This said, we see the strongest correlation between our work and SDG Goal #5: Achieve Gender Equality and Empower All Women and Girls, and Goal #8: Promote Sustained, Inclusive and Sustainable Economic Growth, Full and Productive Employment and Decent Work for All.

The Role of New Technologies:

TFO Canada sees e-commerce as transforming the global business and trade landscape at an unprecedented rate, opening up the international market to small-and-medium-sized enterprises (micro enterprises too!). In the September 2017 publication of the International Trade Centre, *New Pathways to e-Commerce*, they stated, "cross border e-commerce already accounts for 12% of global goods traded, and is expected to grow at twice the rate of domestic e-commerce. Yet, significant challenges remain for small-and-medium-sized enterprises, in particular from developing countries, to tap into the potential of e-commerce".

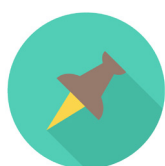
Canada's Free-Trade Agreements:

Canada is regularly described as a trading nation with many trade agreements having been negotiated and established over the past 25 years. In addition to trade agreements with developed countries in the European Union and the United States, Canada has signed free trade agreements with several developing countries such as Honduras, Jordan, Ukraine, Peru and Colombia. TFO Canada believes that as the country continues to explore opportunities to modernize existing agreements, and to negotiate new ones, with other developing countries, the development aspects need to be embedded within them. These agreements would also be instrumental in fulfilling Canada's "Progressive Trade Agenda".

Considering these core themes, TFO Canada will be formulating its next 5-year strategy through the course of 2018. You will hear more from us during this process, as your input will be very important. Much more to come on this topic!

On behalf of the team at TFO Canada we wish you a happy holiday season and a prosperous 2018 filled with success in international trade.

Steve Tipman
 Executive Director
 TFO Canada



Tipman's Trade Tip: Selling internationally takes a strong commitment from the senior leaders of your company. While exporting can offer great rewards, to be sustained, you need to invest the appropriate time, effort and resources in a long-term commitment. If you look at exporting as a backup plan, focusing on overseas markets only when your domestic or regional sales slump, you are less likely to succeed. To be a successful exporter you must first have a secure footing in your domestic market.

NATURAL HEALTH PRODUCTS MIP

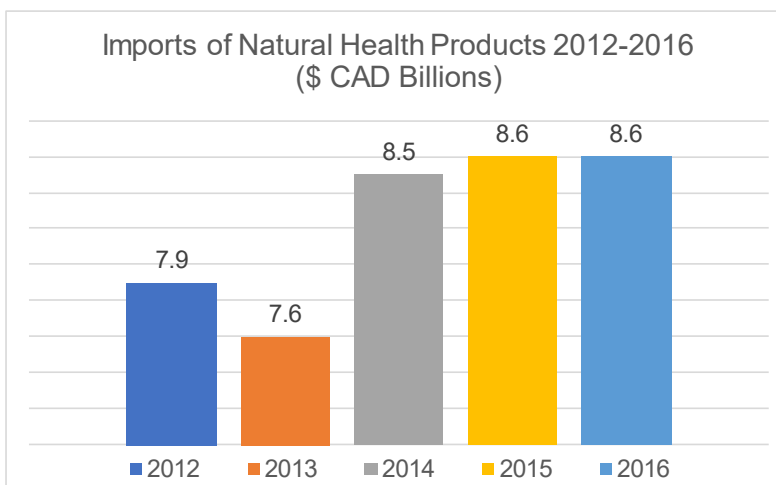
The growing and diverse Canadian population is becoming increasingly more health conscious, leading many to integrate preventative health measures into their daily lives. This proactive behaviour, and now common trend, of a healthy lifestyle has triggered a surge of consumer spending on



Over the Counter (OTC) health products and Natural Health Products (NHPs) in Canada. Natural Health Products are a class of health products which include: vitamin and mineral supplements, herbal preparations, traditional and homeopathic medicines, probiotics and enzymes. In 2017, the sales of consumer health products in Canada amounted to \$5.6 billion, a growth of approximately 16% over the total sales registered in 2012.

Several other trends contributed to the rise in demand for natural health products. One of those trends is the significant shift in demographics in Canada, with a rapidly expanding ageing Canadian population. Seniors in Canada now contribute to a notable and growing segment of the marketplace. Another trend in Canada is the growth in the foreign-born population, with the country now amongst the top ten countries with the largest foreign-born population. Foreign-born Canadians are increasingly diverse and bring with them a demand for traditional herbal medicines, like traditional Chinese medicines, Ayurvedic (East Indian) medicines and traditional self-care treatments used by African Caribbean and Latin American communities.

Over the last five years NHPs imports have seen a steady growth, with one exception for the year 2013, which saw a significant decrease. That decrease can be accounted for by a big decline in the imports of coca leaf and poppy straw. After 2013 there were no reported imports of poppy straw. Coca leaf imports did not return to its 2012 levels,



and was eventually deleted from the HS code system for Canada in 2015. For the last 3 years on record, 2014 to 2016, there has been a plateau in NHPs imports.

Nevertheless we believe the Canadian import market for NHPs offers many opportunities for exporters from developing countries. The opportunities vary from supplying inputs across many categories of plant-based products, to the nutritional supplements manufacturing sector, or the provision of superfoods in powdered, liquid or freeze-dried form to the refreshment sector e.g. smoothies bars/shops. While there is a decline in the imports of Flours and Meals of

Oil Seeds or Oleaginous Fruits (except Mustard and Soya Beans) there is a rise in demand for green superfood e.g. morigna powder.

The sustained growth in imports of these products can be credited to the continuous increase in importation of specific products, such as medicaments not elsewhere (nes), medicaments bulk containing alkaloids without hormones or antibiotics, vitamins, provitamins and their derivatives, fish fats and oils to name a few.

TOP 5 TRENDS TO WATCH IN 2018

As we celebrate the end of another successful year here at TFO Canada, we would like to take a moment to share the top trends we are observing in the Canadian marketplace for 2018. At TFO Canada we believe that the key to a successful export strategy is to match what you have to offer with current and future Canadian demand. Sometimes that might mean adapting your product marketing strategy and its label for the Canadian marketplace, and other times it might mean a reformulation of the product to ensure a successful market entry.

1. Middle Eastern Flavours. As the fastest growing immigrant population in Canada, people from the Middle East bring with them their food traditions and a growing demand for those same products in their new country. Products like hummus, falafel, za'atar, halloumi, harissa and oriental vegetables and fruits like eggplants, okra, bitter and even green gourd are experiencing a rapid demand growth.



2. Plant Based Foods. As the number of people choosing vegetarian and vegan diets continues to grow, so does their demand for plant based products. Plant based proteins like beans, soy and nuts will continue to experience growing market demand, as well as vegetarian and vegan versions of mainstream products like ice-cream, yogurts and meat alternatives¹.

3 Technologically Advanced Fabrics. Climate control fabrics for athletic wear are experiencing a strong market demand. Athletic wear that can also be used as casual clothing (*athleisure*), and lets the body breath when it is hot, but keeps you warm if the temperature suddenly drops, is in high demand from ever more time constrained consumers. These technologically advanced fabrics are becoming more common and the demand is no longer being driven just by women, but also children and men².



4. Games Everywhere. There is a resurgence of gaming companies based in Montreal and Toronto. More and more games that are sold all around the world are made by studios based in these two Canadian cities. But as the demand increases these companies are having a hard time finding all the qualified employees they need. We foresee a growing trend where Canadian game studios look

abroad to hire people in the ICT services community from around the world, especially places like India, Costa Rica, Peru, Nigeria, and China.

5. And Beyond. Expertise in blockchain, Artificial Intelligence foundations, Internet of Things, Virtual Reality and cloud management will continue to be in high demand. And as Canadian firms look for a competitive edge in that space they will look beyond Canada to hire the best firms, to help them position themselves above the rest.

So, as you, our exporters in the spaces of Food, Textiles, Cosmetics and Services, get your offers ready for 2018, keep in mind the trends driving the Canadian marketplace to achieve a true #Export2Canada success story!

¹ [Whole Foods Market Reveals Top Food Trends for 2018](#)

² [Apparel Textile Sourcing Canada Show to provide glimpse into global design and fashion trends for 2018 and beyond](#)

ARTISAN HUB: SUSTAINABLE TRADE DEVELOPMENT THROUGH HERITAGE SECTORS IN LDCs

In 2017, as part of the Artisan Hub project, and in collaboration with the International Development Research Centre (IDRC), TFO Canada provided technical assistance to 30 small and medium enterprises (SMEs) in the specialty textile and garment sectors from eight least developed countries (LDCs), namely Madagascar, Uganda, Lesotho, Ethiopia, Haiti, Bangladesh, Cambodia and Nepal, to participate in the Apparel Textile Sourcing show Canada (ATSC) which took place in Toronto between August 20 and 23, 2017.



Promotional Material used for Artisan Hub

The 30 SMEs, offering a wide range of unique, hand-crafted home décor products, apparel, and fashion accessories, were chosen through an extensive selection process during field missions and exhibi-

tion shows in Montreal, Toronto and Vancouver in 2016. To facilitate the preparation of the SMEs for the trade-show, with a view on generating sales and establishing sustainable business relationships with Canadian buyers, TFO Canada Associate, Jacques Nadeau, provided them with an interactive trade show preparedness manual. The manual took advantage of the flexibility afforded by social media to propose a step-by-step approach, by way of raising technical questions to the SMEs, inviting them to deepen their reflections and come forward with specific answers; as well as providing them with regular strategic updates on market trends and the product offerings of major buyers and chains in Canada.

This summer, the 30 companies participated in the ATSC tradeshow, ready to meet with their Canadian counterparts, and ignite the start of mutually beneficial and sustainable relationships. During the show, they made more than 500 direct contacts with Canadian importers, retailers and designers, and they are forecasting to generate new export sales revenue close to \$300,000 in the following twelve months. Building on these positive preliminary results, TFO Canada is diligently following-up with the companies, and providing them with advisory services to guide them in their interactions with their Canadian contacts, and external service providers, to ensure the smooth realisations of the product orders received at the ATSC trade show.



IMPROVING MARKET ACCESS AND EXPORT READINESS FOR PACIFIC ALLIANCE SMALL-AND-MEDIUM-SIZED ENTERPRISES

TF O Canada, in partnership with four Trade Support Institutions (*TSIs*) from country members of the Pacific Alliance (PROCHILE, PROCOLOMBIA, PROMEXICO and PROMPERU) is implementing a project aimed at increasing the export capacity of small-and-medium-sized exporters, to help them enter the Canadian market. This partnership also seeks to increase support for SMEs in those 4 countries in order to maximize the economic and developmental impact of Free Trade Agreements (*FTAs*) at the implementation phase, with the goal of stimulating local economic growth, particularly for disadvantaged regions and groups, like indigenous communities and women.

The first core element of the project consisted of a series of thematic workshops that brought together the four *TSIs* and TFO Canada. The *TSIs* attended training sessions in Canada aimed at building their capacities to better respond to the needs of SMEs in specific areas, especially the agro-food sector and its international trade potential. The second main component was the knowledge transfer from the *TSIs* to the SMEs exporters in the four disadvantaged regions identified in each country. The 20 trained *TSI* officers delivered a total of 16 seminars to 433 SMEs (162 were women led companies), and from there 80 companies were screened and selected to be part of a “building capacity phase”. The TFO Canada team evaluated and validated 20 final companies that were then part of a special 3-month training program. As part of that 3-month program the companies were trained and prepared to participate in a trade mission to the Grocery Innovation Canada Show in Toronto from the 22nd to the 25th of October, 2017. The remaining 60 companies were part of an “export strategy development” phase in which TFO Canada consultants evaluated them individually, and prepared personalized export strategies. With these export strategies, the 60 companies were able to learn more about the Canadian market and its regulations, and are now ready to participate in future trade missions to Canada.



The Pacific Alliance Project has benefited not only SMEs in the identified disadvantaged regions in the four countries, which have learned about the Canadian market, its regulations, standards and consumer patterns; but has also impacted male and female officials of the 4 trade support institutions who will be future trainers for other SMEs and institutions in other regions, thus creating a domino effect of knowledge on how to export to the Canadian market.

SPOTLIGHT ON TFO CANADA ACTIVITIES

Regional Representative visits Canadian Importers with Trade Representatives from 5 countries

October 18, 2017

Montreal, Quebec



Marc Germain organized the last in a series of trade representative visits to a Canadian importer. He visited Reliance Group, a trading house mostly dealing in individually quick frozen fruits and vegetables. He met with Trade Representatives from Ecuador, Pakistan, Chile, Argentina, Mexico (Honduras and Colombia did not participate but were able to subsequently help Reliance Group find contacts in their respective countries). Follow up is currently being done to identify new sources of supply for these specific products.

Trade and Investment Mission to Canada organized by the Embassy of the Philippines and the Canadian Chamber of Commerce of the Philippines (CanCham)

October 25, 2017

Ottawa, Ontario

Our Project Manager for Asia and the Middle East, Marta Recinos, delivered a presentation on How to Export to Canada and the Services TFO Canada has available to support their export initiatives. The Philippines' delegation was composed of 7 companies in the areas of agriculture, food and agri-tech. Additionally, Senator Tobias Enverga and former Canadian Ambassador to the Philippines Neil Reeder also attended the event and welcomed the delegation.



Project Manager Presentation to Canadian-Madagascar Chamber of Commerce

October 27, 2017

Ottawa, Ontario

Our Project Manager Amandine Gakima delivered a presentation on TFO Canada's Trade Information Services to a delegation from Madagascar. The Canadian-Madagascar Chamber of Commerce organized a commercial trade mission where 12 companies from Madagascar visited 3 Canadian cities: Quebec City, Montreal

and Ottawa/Gatineau to better understand the Canadian market and the Canadian consumer.

Canadian Buyer Mission to Indonesia

November 12 to 21, 2017

**Gayo Province and Bandung,
 Indonesia**

As part of the Conference Board of Canada's Canada-Indonesia Trade and Private Sector Assistance (TPSA) project, funded by Global Affairs Canada, TFO Canada has facilitated 2 Canadian buyer missions (coffee and footwear) to the Gayo province and the city of Bandung, Indonesia. The participating coffee buyers include the Coops Coffees, Bean North, Just Us, Lenoir & Lacroix, Los Beans and the footwear buyer was Lisbeth Joe. The companies met with 5 Indonesian Coffee producing SMEs and 5 Indonesian footwear SMEs respectively. TFO Canada associates Normand Roy and Phil Zwibel were present on-site along with the TPSA project team in Jakarta.



SPOTLIGHT ON TFO CANADA ACTIVITIES

TFO Canada presentation at World Ethical Apparel Roundtable (WEAR)

November 13, 2017

Toronto, Ontario

Our Project Manager Amandine Ga-



kima and IDRC Project Management Officer, Mylene Bordeleau, delivered a presentation at the World Ethical Apparel Roundtable (WEAR). They spoke on the collaboration between TFO Canada and IDRC on the Artisan Hub initiative, which started with the undertaking of market entry strategies in the countries and saw 30 handpicked SMEs trained and empowered to take part in a trade mission to the Apparel Textile Sourcing Canada trade show 2017 in Toronto this past summer.

TFO Canada launched Virtual Trade Mission Pilot Project

November and December, 2017

Online

Over the months of November and December 2017, and in partnership with the Dominican and Ecuadorian Trade Support Institutions (Centro de Exportación en Inversión de la Republica Dominicana CEI-RD, and the Trade Office of PROECUADOR in Toronto) TFO Canada launched its first Virtual Trade Mission (VTM) pilot project. The Project is a virtual business-to-business meeting that aims to establish a relationship between ready-to-export Dominican and Ecuadorian SMEs and Canadian importers. This pilot project was implemented in coordination with our Regional Reps Alma Farias and Marc Germain. While results are still ongoing you can see a short video about the project [here](#).



Trading Partner Responsive Facility project in Egypt

December 10 to 14, 2017

Cairo, Egypt

Our Regional Representative for Montreal, Marc Germain has been working on the Trading Partner Responsive Facility project with

Egypt which includes the preparation and delivery of a seminar on the Canadian market for Food



products, followed by individual meetings and visits of SMEs in Cairo. Ten SMEs (with a target of 50% woman led and owned SMEs) will be selected to come to Canada and participate in SIAL 2018 in Montreal. The Seminar took place in Cairo on December 10th with meetings and visits from December 11th to the 14th (in Cairo). He also delivered a presentation of TFO Canada services to the Federation of Egyptian Industries for the Sustainable Economic Growth Synergy Group with a group from the Canadian Embassy in Cairo.



SUCCESS STORY “NEWLY OPENED TRADE OFFICE OF THE PHILIPPINE CONSULATE GENERAL IN TORONTO FINDS THE RIGHT PARTNER IN TFO CANADA”

“The services that TFO Canada provides are very unique. I have travelled to many countries and have never seen that type of service offered. TFO Canada has a specific facility to enable other countries to export products to Canada. This enhances the trade relationship between Canada and other countries. TFO Canada provides trade consultants to work with the exporters. I appreciate the information about markets and the connections to buyers that the organization provides,” says Maria Roseni Alvero in a phone interview.

There is a concept called Jobs to be Done. The premise behind the concept is that a client has a job that s/he wants done and will hire a supplier to do this job. When you apply the Jobs to be Done Framework in everyday language, an organization should offer a service that prospective clients want. In this situation of Jobs to be Done, TFO Canada provides the tools, resources and information that importers and exporters need to do business together. TFO Canada matches exporters to importers, and they do it better than their competitors.

Although there are many trade organizations around, many of TFO Canada’s clients say the service it offers is unique since it helps both buyers and sellers. The organization does the job it was created to do and its clients give their seal of approval.

Maria Roseni Alvero is a Senior Trade Commissioner at the newly opened Trade Office of the Philippine Consulate General in Toronto. In her many international trade roles over the years, she promoted exports from the Philippines to other countries. Today, she promotes trade between her native country and Canada. Alvero mentioned three services provided by TFO Canada that enable her to effectively perform her role as a trade representative:

1. Information sessions.
2. List of buyers for specific products.
3. Market studies on specific sectors.

She acknowledged that the assistance of TFO Canada makes them more effective because the information would be harder for them to find for their exporters. “TFO Canada is responsive to the queries from exporters in the Philippines, and they allow Small and Medium Enterprises (SMEs) to have broader coverage for their products.” Also, she pointed out that the trade shows that TFO Canada organizes are very important to exporters because they get critical information to help them succeed. It is also known that international trade helps to create jobs and promotes economic self-sufficiency.



CONTINUES: SUCCESS STORY “NEWLY OPENED TRADE OFFICE OF THE PHILIPPINE CONSULATE GENERAL IN TORONTO FINDS THE RIGHT PARTNER IN TFO CANADA”

Alvero likes the programs that TFO Canada provides and her organization particularly likes the focused assistance that the Responsive Trade Development Facility (RTDF) delivers, which is more sustainable and makes the program easier to monitor. TFO Canada provides help directly to specific exporters. She was able to access the Fashion and Accessories MIP from TFO Canada online services, and added, “The exporters were very thankful to get the information, and in fact, it was much more than they expected. In the upcoming months, we will check in with them to find out how the information benefited them. It is a work in progress.”



Maria Roseni Alvero has a very high regard for the organization and would highly recommend TFO Canada. “The service that TFO Canada provides supports bilateral agreements. When we talk to Global Affairs Canada, we say how important the organization is to us.”



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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