



Selling Into Canada

by TOM WILSON, CPMR

Last month in this section, the author of this article pointed out some of the important differences that exist between the United States and our closest neighbor to the north — Canada. In this article, he continues with some of his observations concerning the two countries.

Geography

Canada has a larger landmass than the United States but less than one-fourth the population. The people are distributed about the same from East to West in both countries with 80 percent living east of the Mississippi River and 20 percent to the west. Manufacturing and heavy industry is concentrated in the East, while agriculture and forestry predominate in the West. This leads to the same complaint from westerners on both sides of the border that the easterners control the government and exploit the natural resources and lands of the West. On a North-to-South basis, 80 percent of Canadians live within 100 miles of the border. The northern areas are very sparsely populated due to the extremely cold weather. Canada annually buys goods and services

from the United States worth more than 500 billion U.S. dollars.

Language

French is required equally with English on packaging and signage. However, Quebec issues are more than just French language questions. The idea of separating Quebec from the rest of Canada involves debate about the sovereignty of the individual provinces vs. the unity of the federal government. (When they say “federal” they mean Canadian federal government, not the U.S. federal government.) If you are working in eastern Canada especially, study and learn more about Quebec issues. In western Canada, you will find more people who speak other foreign languages than who speak French. Business is conducted almost exclusively in English.

Patriotism = Pride

When you cross the border, you will notice Canadian flags flying everywhere — on city buildings and on homes along rural country roads. Canadians are very

proud of their country, their form of government, their special blend of socialism and democracy, and their relatively unspoiled environment.

Provincialism does not mean small-minded in Canada; it means pride in their province and their home area. Idaho people are known for their farmers’ potatoes, but their residents don’t tend to express allegiance to Idaho vs. their neighbor Montana. On the other hand, when people from Alberta visit British Columbia, they express their pride in being Albertans and their allegiance to the province.

Regionalism exists in Canada the same as in the United States. Learn about the “Prairies” and the different concerns their people have about weather, for example. History and sports can play a role in regional rivalries. Some customers in Edmonton, for instance, would rather buy from 1,000 miles away than order goods from a distributor in nearby Calgary due to their feelings about the competing hockey teams.

Insurance

Auto insurance is generally on a “no fault” basis in Canada. If

two Canadians get in a wreck, the provincial government usually pays the body shop to repair both cars and the medical system patches up all the patients with neither insurance companies nor lawyers required. As a foreign visitor, however, you are not included in this neat system. You need to check your own auto insurance policy, carry proof of coverage with you and know whom to call in case of a claim. If you rent a car, it is best to buy the full insurance coverage.

Health care is a universal benefit of Canadian citizenship. Emergency services are excellent and will treat U.S. citizens promptly, but you will need to make payment arrangements. Check your own policy for coverage in Canada and consider buying supplemental travel health insurance.

Immigration

The best identification to carry is your passport. A driver's license alone is not enough to prove your citizenship. Manufacturers' reps who are U.S. citizens can travel into Canada to solicit business and call on customers on behalf of U.S. principals without any visa or permit. If you plan to work in Canada on behalf of a Canadian manufacturer, then you should



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Tom Wilson, CPMR and MANA's district eight director, has owned automotive aftermarket manufacturers' rep firm Emerald Marketing in Seattle, Washington, for 25 years. He served as chair of the ASIA (Automotive Service Industry Association) manufacturing rep group, became the first CPMR (Certified Professional Manufacturers' Representative) in the SEMA (Specialty Equipment Market Association) rep group, completed the CSP (Certified Sales Professional) program in January 2000, and founded the Pacific Northwest MANA Chapter.

check with Canadian Immigration.

Taxes

GST stands for Goods and Services Tax. It is a form of value-added tax that is levied each time a product changes hands in Canada. The GST rate is currently seven percent, so for example, if the U.S. export price is \$100 Canadian, the importer pays \$7 Canadian GST upon delivery and has a landed cost of \$107 Canadian. If the importer wants to make 25 percent gross margin, he prices it at \$142.63 Canadian, adds seven percent GST (\$9.98) and collects a total of \$152.61 Canadian from his wholesaler customer. The importer then remits \$2.98 to the Canadian federal

government for the GST on the value he added (\$9.98 collected upon the sale, minus the \$7.00 paid upon his purchase). This process is repeated when the wholesaler sells to the retailer and when the retailer sells to the consumer so that the government collects tax at every level.

Credit and Collections

Bank and trade references for credit approval are handled the same on both sides of the border. There are commercial collection agencies available if necessary. The bankruptcy laws have familiar names but they work quite differently and you should seek expert Canadian legal advice if a customer gets into financial difficulty.

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