



Globalization And International Trade Continue To Impact Canadian Reps

Trading with other countries and the impact of that trade on Canada's manufacturers' representatives have been regular subjects in this section of *Agency Sales* magazine. Whether it's the experiences of a Canadian rep in crossing the border with the United States to conduct business, participating in MANA study missions overseas, or simply engaging in the practice of buy/sell with international partners, the subject occupies a major part of many Canadian rep firms' strategic plans.

The importance of international trade for all Canadian businesses has been emphasized in the last few months via comments from a variety of Canadian governmental officials. For instance, in a report on the web site for CTVNews, Canadian Trade Minister Jim Peterson noted that "Sluggish Canadian businesses must 'wake up,' shake off their reliance

on next-door neighbor America, and look to markets outside the North American Free Trade Agreement (NAFTA)." According to the report, Peterson, who undertook a five-day trade mission to India earlier in the year, believes that complacency has set in for Canadian businesses because, "it has been so easy for Canadians to access the U.S. market due to:

- Free trade.
- Proximity.
- A strongly growing U.S. market for the last decade."

The CTVNews report continued that the result of these constants has been that domestic firms have been unwilling to look beyond their continent for opportunities, which means more nimble competitors will get ahead. "Canadian businesses have not had to look elsewhere in order to prosper," maintained Peterson. "Globalization is upon us. I want Canadians to wake up to the challenge of globalization and the great opportunities it presents."

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Interest in India

The same report noted that India, for instance, offers tremendous opportunities, especially for businesses willing to take the time to develop partnerships with local firms, said Jay Myers, economist with Canadian Exporters and Manufacturers. Last year, a survey of that organization's members found that 11

percent were interested in conducting business with India. Myers indicated that was a strong figure that shows "good potential."

In turn, a Canadian business partner offers Indian firms an entry into the massive NAFTA market. But it is much more difficult to crack the Indian market than to complete deals with U.S. firms for the same reasons mentioned above, Myers acknowledged. "The U.S. is close, Canadians understand the market, it's easier to do business, they understand the business culture — and that does make a big difference," he said.

In a related item on the same web site, the subject of outsourcing was addressed by Trade Minister Peterson. According to the report, "Business should feel free to send work offshore to wherever it can be done most cheaply — in order to help boost their bottom lines." Speaking at a meeting of the Canadian Manufacturers and Exporters, Peterson maintained that by outsourcing, "You're not going to hear from our government cries of 'outsourcing,' cries of 'offshoring,' or of 'protectionism.' Our message to you is very clear: If you are not globally competitive, then your business and your Canadian jobs will be at risk."

Later, Peterson said domestic firms must do whatever they can to strengthen their balance sheets in the hope that they will eventually lead to more and better jobs at home. "The issue is not how many jobs leave Canada, the issue is how many jobs we are creating," the minister said after his speech. "And if we don't have globally competitive firms, we will not be creating those jobs. This is the stark reality."

Peterson took a similar message to China this year, where he encouraged Canadian firms to take advantage of low-cost global supply chains and expand into that rapidly growing market.

Interestingly, Peterson was echoing a belief held

Canadian Resource Links

Canadian Business Research

- <http://strategis.ic.gc.ca>

Globalization

- Department of Foreign Affairs and International Trade Export and Import Controls Bureau
<http://www.dfait-maeci.gc.ca>
- Canadian Trade Commissioner Service
<http://www.infoexport.gc.ca>
- Directory of Canadian Exporters
<http://www.export.ca>
- The Blue Book of Canadian Business
<http://www.cbr.ca>

News

- Yahoo News Canada
<http://ca.fullcoverage.yahoo.com>
- STEP Global (newsletter of the Saskatchewan Trade & Export Partnership)
<http://www.sasktrade.sk.ca>

Trade Shows

- <http://www.export.ca/events/events.asp>

by a prominent U.S. journalist concerning the impact of outsourcing and the impact such movement has on U.S. industry. As he toured a service call center in India, *New York Times* columnist Tom Friedman noted that while the outsourced jobs being performed there were once performed by U.S.-based employees, products they were using (e.g., manufactured by Microsoft, Intel, Carrier and bottled water by Coke), resulted in increased employment in the United States.

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