



The U.S. Commercial Service

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Building Bridges to Prosperity

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Why Canada?

- 🍁 Largest and most important trade relationship in the world – we have integrated economies.
- 🍁 Geographically close.
- 🍁 Ease of market entry.
- 🍁 Primarily English speaking, except in Quebec (French).
- 🍁 High standard of living.
- 🍁 Receptive to U.S. products.
- 🍁 60% of Canadians disposable income is spent on U.S. goods and services.



Opportunities in Canada



Computer Software / Hardware

Oil and Gas Field Machinery

Consumer Electronics

Aerospace and Defense

Safety and Security

Building Products

Telecommunications Equipment

Electrical Power Systems

Automotive Aftermarket Parts & Accessories / Service
Equipment

Agricultural Equipment

Medical Devices



Computer Software / Hardware

- ❖ 2009 total market size - US\$7 billion and \$11 billion, respectively
- ❖ Estimated growth for 2010 is 9.9%.
- ❖ As the economy begins to strengthen, IT spending is ramping up.
- ★ ***Best Prospects for 2010:***
 - ★ Server virtualization software
 - ★ Software as a Service (SaaS)
 - ★ IT security products
 - ★ Netbooks
 - ★ Touch-screen laptops
 - ★ Green IT



Oil and Gas Field Machinery

- 🍁 Total market size in 2009 was US \$2.3 billion.
- 🍁 Estimated growth rate for 2010 is 17%.
- 🍁 Key driver is the strengthening economy which drives demand and new projects.



★ *Best prospects for 2010:*

- ★ Specialized mining and extraction equipment for the oil sands
- ★ Technologies to save water and natural gas use
- ★ Safety and security equipment and services



Join us for the Global Petroleum Show, June 8-11

Consumer Electronics



🍁 Total market size for 2009 was estimated at U.S. \$17.9 billion.

🍁 Estimated growth for 2010 is 7.7%.

🍁 Market drivers are 4G products, the CRTC's decision to end analog television broadcasting in 2011 and the increased interest in online gaming.

★ *Best prospects for 2010:*

- ★ LCD televisions
- ★ portable media players,
- ★ portable digital / satellite radio receivers and
- ★ electronic book readers.

Aerospace and Defense

- 🇨🇦 Total market size in 2009 was US \$17.7 billion
- 🇨🇦 Estimated growth for 2010 is 3.4%
- 🇨🇦 Principle driver is the Canada First Defense Strategy



★ *Best Prospects for 2010:*

- ★ Advanced Manufacturing and emerging materials
- ★ Simulation, training and synthetic environment
- ★ Avionics and mission systems
- ★ Communications and control
- ★ Sensors
- ★ Unmanned vehicle systems.



Safety and Security

- 🍁 Total market size in 2009 was US\$1.9 billion
- 🍁 Estimated growth for 2010 is 6.6%
- 🍁 Key driver – the increasing importance on the day-to-day business operations and new security challenges for corporations.

★ *Best prospects for 2010:*

- ★ Locks, keys and alarm systems
- ★ Electronic physical access control systems
- ★ Port security equipment
- ★ Airport security equipment



Building Products



- ❖ Total market size in 2009 was US\$27.8 billion
 - ❖ Estimated growth for 2010 is 6.4%
 - ❖ Growth will primarily be in non-residential construction.
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- ❖ Government fiscal stimulus has been and will be the key economic driver in this market during 2009 and 2010.
 - ❖ 61% of total imports are from the United States due to geographic proximity, quality similarities, trade agreements and channels of distribution.

Telecommunications

- ❖ Total market size in 2009 - US \$6.3 billion
- ❖ Estimated growth for 2010 is 5%
- ❖ Key drivers are 4G technologies, wireless subscriptions, ancillary services and broadband internet.



★ *Best prospects for 2010:*

- ★ 3.5G and 4G technologies
- ★ Products that increase network capacity
- ★ Smart phones and multimedia phones
- ★ Green IT products



Electrical Power Systems



- 🍁 Total market size in 2009 was US\$15.3 billion
- 🍁 Estimated growth for 2010 is 1.5%

🍁 Key drivers in this sector are increased demand for electricity and the need to replace existing capacity.

★ *Best prospects include:*

- ★ Primary power generating units
- ★ Power conversion equipment
- ★ Electricity generation equipment
- ★ Switchgear



Automotive Aftermarket Parts & Accessories / Service Equipment

- 🍁 Total market value in 2009 was US \$7.1 billion
- 🍁 Estimated growth for 2010 is 2-3%
- 🍁 Canadians are keeping their vehicles for longer causing a need for more maintenance parts and service.
- ★ ***Best Prospects for 2010:***
 - ★ aftermarket accessories and
 - ★ do-it-yourself maintenance materials.



Agricultural Equipment



- ✦ Market size in 2009 was US \$4.4 billion
- ✦ Estimated growth for 2010 is 3%

✦ Key drivers in this market are favorable grain prices, low steel prices and expansion of food processing companies.

★ Opportunities exist with smaller, state of the art technology equipment such as spraying equipment, seeders, planters and transplanters.



Medical Devices

- 🍁 Total market size in 2009 was US \$5.3 billion
- 🍁 It is predicted that this market will remain stable in 2010
- 🍁 Key driver for 2010 is the replacement of Canada's aging equipment in hospitals and clinics will be a key driver in 2010

★ *Best Prospects for 2010:*

- ★ Electrocardiographs
- ★ Ultraviolet and infrared-ray equipment
- ★ Ophthalmic instruments and appliances
- ★ Therapy and massage appliances
- ★ Physiological aptitude testing equipment



Government of Canada Stimulus Package



Action Plan of C\$62B to includes:

- ★ 6,700 government infrastructure projects, including over 1,500 recreational infrastructure Canada projects
- ★ 1,150 projects to renovate and repair federal buildings
- ★ 536 infrastructure projects at post secondary institutions
- ★ 1,800 social housing projects
- ★ 260 projects to improve small craft harbors
- ★ 1,000 projects to assist communities hit hardest by the recession
- ★ 80 cultural infrastructure projects
- ★ 120 projects to upgrade facilities at national parks
- ★ 300 First Nations infrastructure & housing projects



<http://actionplan.gc.ca/eng/map.asp>

Canada –Not an Extension of the US

🍁 Political differences

🍁 Regional differences

🍁 Cultural differences

🍁 Canada is officially bilingual: English and French

🍁 Differences in standards and regulations

🍁 Tax System



Key Business Practices

- 🍁 Are certifications required?
- 🍁 What regulations exist that may be applicable to your products?
- 🍁 All products sold in Canada are subject to French Language Act:
Package labeling and instructions
<http://www.oqlf.gouv.qc.ca/english/charter/index.html>
- 🍁 Does your product qualify under NAFTA?
- 🍁 What taxes are applicable?



Accessing the Market

- ❖ Distribution and sales channels similar to those in the U.S.
- ❖ *Develop a market entry strategy*
 - ★ *Entering the market can be accomplished by:*
 - ★ Local agents or representatives
 - ★ Establishing partnerships, joint ventures or subsidiaries
 - ★ Opening an office in Canada.
 - ★ Selling directly to the Canadian end-user



2010 Trade Events

U.S. Military Equipment Exhibit and Seminar	February 24
Globe 2010	March 24-26
U.S. Aerospace Supplier Mission to Canada	April 13-15
Global Petroleum Show	June 8-10
RepCAN 2010 – Vancouver	June 9-10
– Toronto	June 14-15
– Montreal	June 16-17

Welcome to Canada!



Thank You!

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