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Guide to COMMONWEALTH MARKETS

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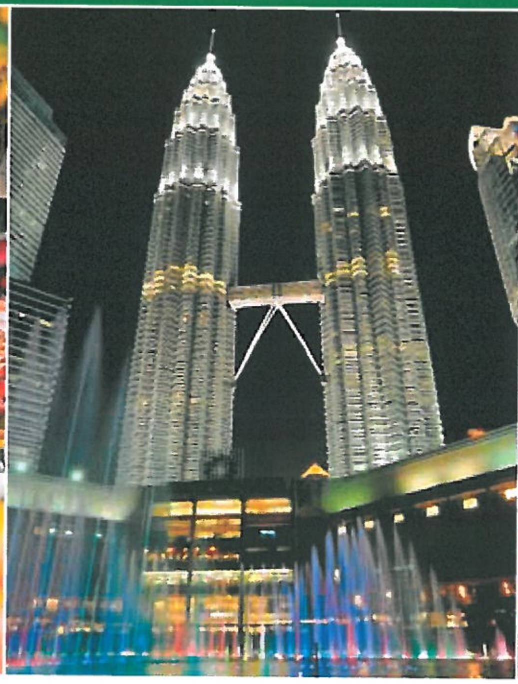
Guide to COMMONWEALTH MARKETS



OVERVIEW OF THE INVESTMENT CLIMATE OF SELECTED COUNTRIES IN THE COMMONWEALTH, INCLUDING KEY SECTORS AND OPPORTUNITIES FOR UK INVESTMENT

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As a reciprocal gesture we have pleasure in drawing the attention of our readers to their announcements.

Supporting you in the Commonwealth's land of opportunity

Parveen Thornhill

Director, UK Trade & Investment London

More than a quarter of the world, over two billion people, is made up of Commonwealth citizens.

It's a diverse group of 53 countries including developed, developing and some of the least developed countries in the world. From India, one of the most populous countries, to Nauru, one of the smallest, the Commonwealth family spans every continent and hosts more than 200,000 listed companies. It is estimated to account for 15 per cent of global Gross National Income.

The Commonwealth has of course historically been an integral part of the international landscape and last year's Commonwealth games served to underline the importance of our trade links with these markets.

The Games, hosted in Glasgow, as well as the Commonwealth Games Business Conference, built on the London 2012 Olympic legacy in that it further helped position the UK as a global leader for our long-term economic benefit. The three-day Conference, which attracted more than 200 business and political leaders from across the Commonwealth was dedicated to showcasing the 'Best of British'. It provided a base for businesses, ministers and industry leaders to take part in roundtable discussions, sector-themed seminars and networking opportunities.

'NOW THE EU-CANADA TRADE AGREEMENT HAS BEEN FINALISED IT IS ESTIMATED THAT UK FIRMS WILL BENEFIT BY AN ADDITIONAL £1.3BILLION A YEAR FROM TRADE WITH THIS CRUCIAL PARTNER'

So this guide, as well as being a fantastic reminder of the commonalities we share with our cousins across the Commonwealth, highlights the broader trading and commerce opportunities that our links with these countries can offer businesses.

After all, British companies have reported an enormous £7 billion of overseas business with Commonwealth countries as a result of UKTI support. Trade generally across the Commonwealth is estimated at £300 billion a year for UK firms.

There are certainly huge positives to be gained from the Commonwealth. Our shared language, legal and accounting systems can reduce trading costs for British businesses, so these can be great markets for companies to start their export journeys.

Particularly as companies across the Commonwealth really do share a strong interest in all things British.

Many companies who I have met and spoken to will back me up here: The 'Union Jack' adds real credibility.

Opportunities to UK businesses cut across all sectors in the Commonwealth – from agriculture to Information Technology.

Companies can bid for contracts funded by aid agencies and subcontract to larger businesses trading with Commonwealth countries.

Furthermore, now the EU-Canada trade agreement has been finalised it is estimated that UK firms will benefit by an additional £1.3billion a year from trade with this crucial partner.

All of these facts and figures paint a very clear picture: that Commonwealth markets are helping companies to grow and hold huge potential for prosperity and export success.

Our role at UK Trade & Investment (UKTI) is to help facilitate this and to get more companies exporting and making the most of any opportunities available. We do this by opening doors to new markets and finding new customers and buyers for UK companies.

Commonwealth markets such as India, has grown from £11bn in 2009 to £16.4bn in 2013. Which is why we offer tailored opportunities such as the India Scholarship programme.

This annual programme aims to ensure that UK small and medium size companies (SMEs) and medium-sized businesses (MSBs) understand the importance of effective marketing in India.

You too could benefit from this and UKTI's range of support, whether in the Commonwealth or in any of the 111 countries UKTI operates in. The schemes and events we offer could provide you with a robust export plan. We can help to research markets, put you in touch with local Embassies and in-market experts, work locally to find business leads and give advice and tips on local business culture and etiquette.

I urge all companies who are considering taking the next step on their business journey to engage with the support available from UKTI, work with our specialist advisers and be one of 100,000 new exporters UKTI aims to create in the next five years.

The first step is clear. Contact your local UKTI office: www.uktiofficefinder.ukti.gov.uk and speak to one of our excellent trade advisers and begin your journey towards success across the Commonwealth and beyond.

Canada – A warm welcome or a chastening experience

James Berkeley examines the nuances of doing business in Canada and why our common past may well be a poor guide of your firm's future prospects

If you rate your firm's business prospects on the ease and first impressions on arrival into a country, Canada would be in the bottom quartile of global markets. With a gruff Customs Officer's voice and the flourish of a luminous highlighter pen across your Canadian customs card, you find yourself directed with remarkable frequency to a bank of largely unoccupied glass windows in the Customs Hall. "Sir/Madam, what brings you to [Toronto/Vancouver/Montreal] today?" The mere utterance of the word "business" is treated with the glee of a playful dolphin flicking a seal high above the dark grey ocean. "Tell me who you are visiting and what the intent is?" And so proceeds 15-20 minutes of interrogation. If you are unlucky, and particularly if you are American, it is not unheard of to be boarded onto the next flight home.

We think of Canadians, and Canada as a land of warmth, maple leaves and politeness with its' bilingual tradition and Commonwealth heritage. What we often overlook is this is a Country and a business environment, where adherence to regulations is endemic, and trade unions in certain sectors (hospitality, gaming, oil, energy, retail, manufacturing and so on) are a powerful vested interest. Indeed, politically, the little guy is a cherished notion that many Canadian's naturally empathise with and "big business" is often portrayed as uncaring or somehow looking to get one over on the good guy.

The more you explore the business environment you learn about the sharp differences between those who have been born and brought up in the large metropolitan cities and those who continue to live in the rural and more remote areas. That is before you start to get your head around the profound French and British cultures, the migrant populations and the affluent second and third generation Chinese and SE Asian communities drawn to British Columbia and Ontario, who in return for committed inwards investment haven taken up full residency.

Whether it is your first time exploring business opportunities in Canada or a lifetime building a presence, what can you expect beyond the environment described earlier and the obvious?

1. If you are in a highly regulated industry (nuclear, energy, gaming, financial services and so on), you are going to have to be patient, and flexible in adapting to local policies and procedures. You will find local private and public sector organisations and mid and senior level managers very beholden to the "system". Sometimes it feels a little like 1970s Britain.
2. You'll find powerful business people frequently crossing over between public and private businesses. Board Chairs and CEO's in powerful media, finance, telecoms and energy regularly sitting on influential local or national government committees alongside elected officials or civil servants. Political parties and business interwoven in a maze of relationships.
3. You'll find a very high propensity and importance given to corporate social responsibility in small and large businesses. Volunteerism in the workplace and charitable giving is a source of significant pride. Visibly leaders take a very active stance compared to the UK in promoting their values and their organisation's efforts to give back to the local community.
4. Familiar ties are strong in the workplace and emphasised in the form of a public and private benefits system, which encourages saving, healthcare and long-term disability provisions, flexible working hours, paid "time off" and so on. There is a great importance attached to the working environment and Canadian business leadership's forward-thinking approach to managing people. Awards and recognition programmes are a valuable tool to reinforce desired behaviours and results.
5. Affiliation needs are high. Canadians love being part of communities, which provide dynamic learning opportunities and peer interaction. Businesses that identify those communities that they "lead" in, and who can exploit that with a mix of in-person and virtual meeting places that offer powerful learning, are onto a winner.

The most common error British exporters make is to draw a linear conclusion that a familiar "past" (historic ties) and legal system equates to an easy way to profitably grow in future. It clouds what sets us apart and leads to poor decision-making.

First look at the important distinctions that have informed or will most probably inform "market needs" for your product and service in Canada (changes in demographics, technology, wealth distribution, purchasing patterns, social norms, politics and so on). What has or is likely to change with each of those distinctions? Is it important? What impact will that have on our ideal buyers and our ability to attract them to our product or service? That is the right place to start any discussion about entry into the Canadian market.

Now repeat after me,

Customs Officer: "Sir: What is the purpose of your visit?"

You (politely), "I am visiting a good friend who has expressly asked for my help to improve their condition."

James Berkeley, managing director of Ellice Consulting Ltd (www.elliceconsulting.com), is a world-class expert in helping heads of businesses and business units profitably grow and expand. His advice has been in demand from executives at fine brands such as AON, Fairmont Hotels, OLG, Caesars Entertainment and over 75 global organisations. He is the publisher of the blog, Market Leading Growth www.jamesberkeley.com

'POLITICALLY, THE LITTLE GUY IS A CHERISHED NOTION THAT MANY CANADIAN'S NATURALLY EMPATHISE WITH AND "BIG BUSINESS" IS OFTEN PORTRAYED AS UNCARING OR SOMEHOW LOOKING TO GET ONE OVER ON THE GOOD GUY'