

EXPORT TO CANADA NEWS

INFORMATION · ADVICE · CONTACT

INFORMATION, COMMUNICATION AND TECHNOLOGY (ICT) SERVICES

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MESSAGE FROM THE EXECUTIVE DIRECTOR



STEVE TIPMAN
EXECUTIVE DIRECTOR
TFO CANADA

Exporting Information and Communications Technology (ICT) Services Show Great Promise

The theme for this edition of our newsletter is focused on exporting information and communication technology (ICT) services. This is often an overlooked area, yet one that has the potential to support many small and medium enterprises around the world, particularly when you consider the potential ICT services present in terms of job creation and promoting innovation and exports.

While women-led firms are disadvantaged in manufacturing, this is often not the case in services. The competitive performance of women-led services firms is very similar to that of men-led firms. The same cannot be said of the manufacturing sector where women-led firms underperform in most aspects of competitiveness. In addition, young entrepreneurs have a strong presence among services start-ups. The services sector appears to be more attractive to young entrepreneurs than manufacturing, which is probably due to the ease

of access and low capital requirements.

A 2022 report from the International Trade Centre - *Connected Services, Competitive Businesses* - found that 16% of the services businesses surveyed in the services sector are run by young people, compared with 10% in the manufacturing sector. While still present, the gap in trade participation is smaller for women-led and youth-led services firms than manufacturing ones. The gap between exporting and domestic women-led firms is only six percentage points in services. In manufacturing, the difference is three times as much. For youth-led firms, the export gap is five percentage points in services, but four times higher in manufacturing.

While these are very compelling statistics that accentuate the importance of developing the ICT services sector in emerging economies, a recent World Bank article stated that nearly 3 billion people remain offline, with the vast majority coming from developing countries. The usage gap also remains a challenge, with close to half (43%) of the world's population not using mobile internet last year, despite living in areas with mobile broadband coverage. Therefore, fostering digital inclusion is of paramount importance. The World Bank article went on to state that estimates are that with 60 percent of global gross domestic product (GDP) is expected to rely on digital communication technologies in 2022, vulnerable populations in both developing and developed countries who are unable to connect to or use digital technologies risk being left behind in the post-pandemic recovery, leading to potentially heavier knock-on effects.

As many parts of the world move towards digital technologies, TFO Canada is committed to doing its part to ensure that our project beneficiaries receive technical assistance, skill development and support to ensure that they are inclusionary and equitable.

On behalf of the team at TFO Canada, I wish you a happy holiday season and a prosperous 2023 filled with renewed success in international trade.



Tipman's Trade Tip

To succeed in exporting your Information and Communication Technology (ICT) services to potential clients who will not get a physical product to evaluate, you need to find ways to demonstrate your service's value, uniqueness, and reliability. Your potential client may be involved in the design and fulfillment of the service, and delivery can be time sensitive. Demonstrating that you understand and can meet their specific needs will go a long way.



Post-pandemic Labour Demand in Digital Technology Services

By Theo Ward, TFO Canada Associate

The Big Question for Digital Services firms looking at the Canadian market is, "Has the pandemic increased?" The big question for digital services firms looking at the Canadian market is "Has the pandemic increased opportunities?" The answer is yes, though supplier competition has also increased.

Most technology sectors in Canada slumped in the early months of 2020. The interruption was shorter-lived for ICT-related sectors, however, as companies in both the B2B and B2C spaces quickly shifted to a remote workforce. In August 2021, the Bank of Canada released an [internal analysis](#) of the national labour demand from the first pandemic lockdown in mid-March 2020 through the third lockdown beginning April 1, 2021. They found an early, precipitous drop in general demand, followed by a steady increase in labour demand that, by July 2021, exceeded that of early 2020. This growth mirrored the recovery of the economy in general.

Interestingly, the demand for skilled labour in digital technologies fell less and recovered faster than all other skills requirements after that first lockdown. Where the growth in demand for digital technology skills differed, however, was that it greatly accelerated during the second and third set of lockdown measures imposed in Canada, to the point where the demand for digital skills exceeded that of all other sectors by 40% by May 2021. According to the Bank of Canada, this is a phenomenon of Canada's recovery, as such a difference did not exist prior to March 2020.

That acceleration is due, in part, to the intense demand for digital transformation across the economic spectrum. In a survey conducted by [EY Canada](#) of 150 Canadian large-scale enterprises, 63% reported digital transformation as a top priority for growth, including technology infrastructure enhancement and digital analytics.

Canada still faces the shortage of experienced ICT personnel that existed before 2020, and the accelerated demand here and in the U.S. has only exacerbated the issue. That said, firms looking to fill the gap face an intensified level of global competition from emerging supply markets. Moreover, Canada is a smaller, more relationship-based market than its neighbour to the south. Therefore, foreign digital services firms are advised to do their research and identify specific sub-markets to target in a sector that is as wide and diverse as the country itself.

See the recently updated Market Information Paper on [Canada's Services Sector](#), and watch for a new report on Canada's ICT sub-sectors coming soon.

PROGRAM UPDATES

Asia and the Middle East

Under the [Women in Trade \(WIT\) Knowledge Platform to boost inclusive and sustainable growth project](#), TFO Canada - in collaboration with its regional research partners in the Asia-Mekong Institute (MI) and Africa-Centre for the Study of the Economies of Africa (CSEA) - successfully conducted the final research dissemination event in November 2022, in Ottawa, Canada. The research partners presented all research findings along with the policy recommendations. Focusing on SMEs across various sectors of economic activity, the objective of this research project is to examine the relationship between trade, job creation for women, and women's economic empowerment. The project also explored how women-led SMEs from developing countries benefit from international trade opportunities, the findings of which can be used by both the private and public sector at country, regional and global levels.

The Asia team is working along with partners in the selection of training of 14 Bangladeshi SMEs to participate in the [NY Now](#) trade show in February 2023. The team is also delivering gender responsive training on export readiness to SMEs in Jordan, Indonesia and Cambodia.

During October 2022, gender-responsive training on export readiness was delivered to an additional 62 Bangladeshi SMEs (40 women-led) from the processed food sector. It also included technical training on Gender Equality and Social Inclusion (GESI), digital marketing, Corporate Social Responsibility (CSR) and climate-smart business practices.



Training participants in Bangladesh - October 2022

PROGRAM UPDATES

Africa & Haiti

Market Familiarization Tour (MFT) and SIAL Paris. TFO Canada in partnership with [ASEPEX - SENEGAL EXPORT](#), [Chambre de Commerce et d'Industrie d'Antananarivo \(CCIA\)](#), and [Côte d'Ivoire PME \(CIPME\)](#) facilitated a seven-day market access tour in Paris for 30 SMEs from Côte d'Ivoire, Madagascar, and Sénégal. The SMEs visited different sites and shops around the city to better understand their target market. These initiatives are undertaken under the project "Women in Trade for Inclusive Growth and Sustainable Growth", with the financial support of the government of Canada provided through Global Affairs Canada.



Monitoring visit to Ethiopia: TFO Canada held a courtesy meeting with H.E Melaku Alebel, Minister of Industry of the Federal Democratic Republic of Ethiopia. TFO Canada is proud to be implementing two projects in Ethiopia focusing on the Apparel and Textile, Home Décor, and Agrifood sectors. In collaboration with our partners more than 230 SMEs have been trained in export readiness and preparations are underway for market access activities with Canadian and International Buyers.

Export Launchpad Uganda project initiated for 13 months with Uganda Export Promotion Board (UEPB) and the approval of Ministry of Finance. 112 SMEs are targeted to be trained under this project along with 50 training Trainers of District commercial officers.

[Centre de Facilitation de Investissements \(CFI\) Haiti](#) MFT in Montreal. In collaboration with CFI Haïti and Canadian experts, TFO Canada organized from November 09 to 16, 2022 a visiting mission to Montreal for a delegation of Haitian SMEs selected in the aromatherapy and agri-food sector to familiarize themselves with the Canadian market.

PROGRAM UPDATES

Latin America & the Caribbean

Starting in October, the Latin America and the Caribbean (LAC) team began follow up with the 20 companies that participated in the SIAL 2022 trade show in Montreal in April of this year in order to analyze the impact this commercial mission has produced in the past six months. The results of that survey were exciting, as Peruvian companies reported a total of CAD\$758,325 in export sales, of which CAD\$34,332 was achieved by a woman-led company.



The LAC team is also beginning the selection process of companies for two upcoming market access activities: a virtual mission for Colombian women-led companies in the IT Services sector, as well as Peruvian exporters mission to CPMA 2023 trade show in the fresh foods sector. Similarly, in Honduras, TFO Canada and the Chamber of Commerce and Industry of Cortes, are coordinating an upcoming buyer mission to Honduras for companies in the coffee, oriental vegetables, and exotic fruits sectors.

In Guatemala, the TSI, Agexport, has launched a gender assessment survey as part of their Gender Equality and Social Inclusion (GESI) Action Plan. Data is being collected for this assessment, which will provide insights about the profiles of the women-led companies within Agexport's network.

SPOTLIGHT ON TFO CANADA ACTIVITIES

Sharing and Learning a Key Meeting Outcome with Montreal-based Consuls General

November 23

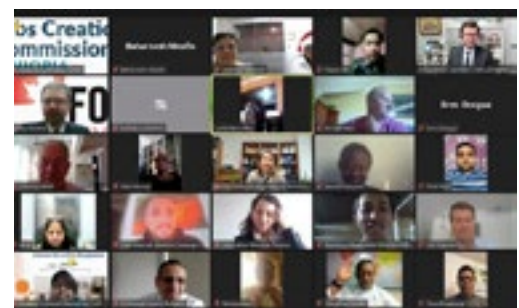
At the invitation of the Ibero-American Consulates of Montreal, a group meeting was held between TFO Canada and the Consuls General based in this city. The working lunch, chaired by Mr. Nelson Olivero Garcia, Consul of Guatemala, allowed the Consuls General to highlight the importance of a sustained collaboration between the Consulates and TFO Canada. Steven Tipman, TFO Canada's Executive Director, took the opportunity to present its programming while highlighting the importance of the efforts undertaken with SME exporters in emerging and developing countries, particularly in Latin America. Everyone recognized the importance of gender equity and environmental protection in the context of climate change.



Webinar: Essentials to exporting to Canada

December 6

Arnon Melo, president and co-founder of Mellohawk Logistics, delivered a webinar on "The essentials for starting an import-export business with Canada". The discussions covered aspects related to logistics, labelling and the disruption in the supply chain. More than 100 small and medium-sized enterprises and trade support institutions participated from Africa, Asia, Latin America and the Caribbean. Here is the [link to the webinar](#).



Important Updates Completed to TFO Canada's Market Information Paper on the Processed Fruits and Vegetables Sector in Canada

We are pleased to announce that we have updated our Market Information Paper (MIP) on Processed Fruits and Vegetables. This guide includes information on trends and opportunities, market-entry requirements, and packaging and labelling rules for Small and Medium Enterprises (SMEs) trying to access the Canadian market for products such as frozen food and canned and preserved food. The full guide is available on our website in [English](#), [French](#) and [Spanish](#). Please ensure you are registered with us to access the full document.



Executive Summary

In terms of trends, imports in the provisionally-preserved category have remained steady (except for expanding cherry markets), while markets in the canned food sector have shrunk (since Canadians have chosen healthier lifestyles involving less processed food and more fresh produce and prepared meals). Frozen food markets have also shrunk, except for increased demand for frozen fruits and vegetables, both of which tend to be cheaper than fresh produce while still offering similar health benefits. Of note, demand has jumped for frozen blueberries, frozen carrots, other frozen fruits and for canned tomatoes. (See section 3 for more details about trends and opportunities.)

The MIP (section 4) offers tips about pricing and cost margins, compliance with Canadian regulations, food-safety requirements, and how to plan for situations that could go wrong. Packaging and labelling are also vitally important, because of detailed regulations, but also because of increased opportunities (section 5). For instance, in Canada, the increasing demand for biodegradable, recyclable and reusable packaging is motivating many companies to develop alternatives to traditional packaging. Because transporting processed fruits and vegetables can be finicky, it's also important to understand rules and opportunities related to transport and logistics (section 6).

Updates on the How To's of Entering Canada's Home Décor Market

The latest version of TFO Canada's Market Information Paper (MIP) related to home décor products includes a vast array of home furnishing items, products in the do-it-yourself sector, accent items to decorate the home, decorative and functional products for cooking and tabletop, giftware and handicrafts, small furniture pieces and more! Items in these sectors are made from a large variety of materials including earthenware and terracotta, glass, metals, fabrics and textiles, and industrialized materials such as resins.

The market in Canada is estimated at a retail value of more than CAD\$10 billion annually. Retail sales are slowly returning to their pre-COVID levels. The report provides an overview of this competitive market as well as its key characteristics and trends. It also gives a detailed profile of imports coming into the country, showing the extensive number of players in the marketplace.

Canada, much like its neighbour, the United States, is very much a price-sensitive market. Price is often one of the most important determining factors in the purchase decision of the buyer and the end consumer. Quality is equally if not more important for certain products. Product uniqueness is also an important consideration. Consumers increasingly value the socio-environmental attributes of the products they purchase. It is therefore very important for the exporter to incorporate such attributes to capture the buyer's interest.

The Canadian government has strict regulations concerning what can or cannot be sold in Canada in terms of how products are made and marked, and the materials used. Specific regulations pertaining to product safety also address these requirements.

The full guide is available on our website in English. The French and Spanish versions will be available in the first week of January 2023. Please ensure you are registered with us to access the full document.

Regional Reports

Susan Baka, Regional Representative Ontario

As trade shows and conferences resumed in full force this fall, our Ontario trade representative visited [CHFA East](#), [Grocery Innovations Canada](#) and [Apparel Textile Sourcing Canada](#) – all held in Toronto – and introduced our services for importers to exhibitors at the shows. She also delivered presentations to visiting trade delegations from [Nigeria](#), [Ethiopia](#) and Jamaica and participated virtually in a Nairobi panel on 'Unlocking the potential for women to trade sustainably' at the [Africa Trade Conference 2022](#). Conferences attended included the [Toronto Global Forum](#), featuring a Latin American panel of Ambassadors, and [Accelerating Africa 2022](#), an event presented by the [Canada-Africa Chamber of Business](#) that took place in person in both Toronto and Johannesburg.

Jacques Nadeau, Regional Representative Quebec

Under the auspices of the Université du Québec à Montréal-UQAM and its organizer, Karl Miville de Chêne, a Seminar on African Countries' Markets in the Context of Organizational Agility was held on November 8, 2022. Major organizations in the French-speaking African scene presented their vision and country development efforts. Ambassadors of Mali (Her Excellency Fatima Braoulé Meité) and Côte d'Ivoire (His Excellency Bafétigué Ouattara) as well as the economic advisor of Senegal (Mr. Zaccaria Coulibaly) addressed the audience. Investissement Québec, Global Affairs Canada, Repaf and TFO Canada also presented the commitments of their organizations. It is important to note the keen interest in the new African Continental Free Trade Area (AfCFTA) which opens promising regional development prospects for African countries.

TFO Canada's regional representative coordinated exploratory meetings with HEC Montreal University to promote the creation of new Market Entry Studies (MES), under the MBA and bachelor pilot programs with TFO Canada. TFO Canada looks forward to further discussions and engagement with HEC Montreal University towards the fruition of this initiative.

NEW STAFF

Ines Muganyizi, Project Officer, Africa



Ines Muganyizi joined TFO Canada in November 2022 as a Project Officer for Africa. She brings nine years of progressive professional experience in international development and consulting. Over the course of her career, Ines has accrued robust analytical, research, and project implementation skills. Her areas of expertise include public service delivery, private sector engagement, impact-driven enterprising, and employment generation. Through her previous roles, Ines was exposed to several sectors and subsectors including agriculture, financial services, lifelong learning, and urban transportation. She also interacted and collaborated with stakeholders from the private, public, non-profits spheres, including Employment and Social Development Canada (ESDC), the Swedish International Development Cooperation Agency (SIDA), the Embassy of Switzerland in Tanzania, Bill and Melinda Gates Foundation, the Ministry of Agriculture and Cooperatives in Tanzania, the Ministry of Minerals and Energy in Tanzania, Eco Bank Tanzania, and the World Bank Tanzania.

Ines has a global perspective which led her to pursue her education outside her home country of Tanzania. She holds a bachelor's degree in Economics and Environmental Studies from Connecticut College in the U.S.. As part of the degree, she spent a semester at the University of Melbourne in Australia. Between 2020 and 2021, Ines pursued and completed a master's degree in Public Policy from McGill University in Canada.

Chafik Awal Project Manager, Africa

Chafik Awal joined TFO Canada in December 2022 as a Project Manager for Africa. He is responsible for the design, implementation, monitoring and reporting of trade-related activities in the region.

He brings over 15 years of professional experience in international business development in Africa, EU and Canada. Recently he worked as a trade commissioner in Canadian Embassy in Tunisia for four years in charge of various sectors (aerospace and defense, international education). Chafik has strong project management, research, and analytical skills. His previous experience included four years as a project officer at Enterprise Europe Network (EEN) and 10 years as a digital marketing manager at CEPEX (Exports Promotion Center - Tunisian Ministry of Commerce). He participated and organized many B2B events in various international exhibitions and trade fairs. Areas of expertise include identifying entrepreneurs' needs, conducting market research and identifying new business opportunities.

Chafik is bilingual. He speaks French and English, and holds degrees in Business and Information Technology including an Executive Master's degree from SAA - School of Management of the University of Torino (Italy), a Bachelor degree from the Virtual University of Tunis and a Bachelor degree in Information Technology from the University of Sousse.



HAPPY HOLIDAYS



MAMBO STUDIOS: SUSTAINED GROWTH PROMOTING GENDER EQUALITY

Mambo Studios is a Colombian creative services company that produces advertising for corporations, including animations, videos, graphics, motion graphics, and innovative services. The company shared updates on its recent success of exporting from Colombia, due to its work with TFO Canada.

The gender component is key and includes the goal of achieving 50% participation of women. The team in 2020 was composed of six people, increasing by 11 in 2021, and now reaching 32 employees, of which 17 are women. Of the top positions in the company, the project manager and the administration supervisor are women. This 50/50 participation percentage has remained stable, but with a large growth in the number of women. Also, 30 out of 32 are under the age of 26, as the company focuses on promoting young talent and gender equality, and 60% of the team comes from the most vulnerable populations in Colombia.

A key support that the company received through TFO Canada was the development of a market entry study (MES) in 2021 by a group of consultants from the Concordia University MBA program. According to Juan Manuel Duque, CEO of Mambo Studios, *"this was one of the most enriching consultancy experiences I have received as an entrepreneur. The work of the two consultants was extremely detailed. I have rarely found people who understand our industry and business as they did. They managed to understand how the company could grow and established a strategy that would be successful, and they did it in a very complete and professional way, with an incredible understanding of the industry and our processes. The document generated has been an excellent guide for us to approach all our export business."*

The results from the implementation of the strategy development of the market entry studies were undoubtedly beneficial. Mambo Studios has experienced unprecedented and sustained growth in its market activities. The company's sales increased by 67%



MAMBO STUDIOS: continued

as it exports 95% of its production value. Its main markets include the U.S. and Canada. Also, the company has diversified its markets, including new destination countries such as Portugal, the Netherlands, and the United Kingdom.

Mambo Studios is growing in the Canadian market and has increased its number of strategic partners in Canada from one to three. For example, the company recently worked with a multicultural content agency in Toronto on a commercial produced for Western Union in Colombia.

"For companies in general, it is key to invest in audiovisual content and invest in animation to explain how their products and services work, and how they are different," adds Duque. "Look at suppliers abroad, who are going to allow better returns and margins when contracting a project, not only because of price competitiveness but also because they are going to obtain excellent quality and response. For companies in my industry, I will always encourage them to export. The export of services is the key, which allows the competitiveness of companies in developing countries."

Duque strongly recommends that companies take advantage of the programs offered by TFO Canada. *"Our company has benefited from two initiatives thanks to TFO Canada: the Gateway to Trade program was the opportunity to enter the Canadian market and start generating a portfolio and profitability in Canada, and the MBA program was the next step in terms of how we need to grow. I would always encourage people to connect and to take advantage of the available resources."*

Duque also emphasizes that the Canadian market values multiculturalism, with content that is adaptable in English and French, and places importance on gender equity representation.

Future projects are underway. *"We are looking for end customers, as the company previously worked under an intermediation model through agencies" Duque says. "This strategy came after the recommendation of the consultancy with Concordia. Canada is one of the key target markets for 2023, and we are committed to maintaining a minimum 50% participation of women as part of the company's strategic objectives."*

TFO Canada is pleased to see SMEs implementing the strategies developed under the MBA program with selected Canadian Universities. TFO Canada's is committed to gender equality and social inclusion through our work by creating sustainable business partnerships for exporters from developing countries. We would like to thank Juan Manuel Duque for his commitment and sharing these experiences.

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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