Export Basics

Costs of Entering Global Markets

There are many costs associated with entering a foreign market. Make sure you are aware of these costs as they will influence your final price and bottom line. Some of these costs can include:

Product

- Product registration fees (if applicable)
- Product modification and packaging design and labelling (may include product reformulation, language translations, metric/imperial conversions, new labelling for different markets based on requirements)
- Packing (preventing damage, theft and deterioration)

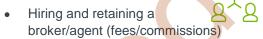
Promotion

- Market visits and business travel expenses (including travel costs, tradeshow participation, interpreters, general liability insurance, etc.)
- Promotional brochures/flyers/fact sheets (including translation costs, photography, graphic design and printing)
- In-store demonstrations and product sampling

Placement

- Introductory allowance (one time manufacturer discount for an initial purchase of products)
- Listing (or slotting) fees to cover some direct costs (e.g. opening a supplier code, checking quality standards, list in the IT system, etc.) but mainly to cover the costs of space that is the most scarce/valuable resource for a retailer

People



 Business services (e.g. accounting, legal services, setting up maintenance/service networks, etc.)

Payment

• Insurance (e.g., accounts receivable insurance)

Distribution

 Import duties, tariffs, and taxes in destination country (taxes when exporting goods abroad)



- Transportation and freight (costs to transport goods and services including freight forwarder and custom brokerage fees)
- Warehousing (costs of in-house/in-country warehousing and storage, inventory management, picking and packing)
- Inspection fees (for goods crossing the border)

For more information, Alberta companies can contact:

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