

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

- Hiring and retaining a broker/agent (fees/commissions)
- 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:

Evan Buie

International Initiatives Officer

Alberta Agriculture and Forestry

780-422-7839

evan.buie@gov.ab.ca