

Poor market prospects

- Pulp mill equipment (only one operating in Peru)
- Large sophisticated sawmills
- Heavy trucks
- Volume reforestation equipment (not used because clearcutting is rare).
- Tree shears (mostly selective logging of very thick trunks).

In discussions with several forestry executives and experts, it is essential to follow a few basic principles in order to penetrate the Peruvian market and to enjoy repeat sales. We have dubbed the "4 S's" rule of thumb:

- a) **Selection:** The potential supplier will have to be prepared to offer a wide range of equipment which is appropriate for the market;
- b) **Simplicity:** Equipment must be simple in design and easy to repair. Sawmill conditions in Peru are extremely difficult and equipment that is not sufficiently durable will soon break down and should it break down, repairs should be quickly and easily effected;
- c) **Service:** Any company hoping for ongoing sales should have a well trained representative who is near the forestry operations and can react quickly to requests and carry out minor repairs. A factory technician should also make frequent market visits and inspect equipment in operation;
- d) **Spares:** The original sale should try to include spares, specially if financed. Agents should also be encouraged to carry sufficient stocks of spares to minimize equipment down time.

General Policies

The following general policies are supported by the Forestry Division of the Ministry of Agriculture (Dirección Forestal Ministerio de Agricultura del Peru).

- 1) Rational utilization of the 100 species selected for harvest.
- 2) Maximum transformation of the logs within Peru. The process of industrialization is encouraged.