

into the next century. Considerable investment is also being made by British, German, Japanese, US, and Australian firms in the sector (not to mention significant investment on the part of local firms). The emergence of international consortiums in pipeline construction, natural gas transport, distribution, pipeline engineering and design, illustrates another facet of this business dynamism, and demonstrates the willingness to and viability of establishing promising joint ventures in the sector with firms that are committed to growth in a robust economic climate.

The latter, coupled with favourable investment legislation and a sectoral regulatory framework, make for interesting business opportunities in a number of areas.

The tables in this section summarize business opportunities and projects within the sector.

Market Entry

Establishing a local presence through a strategic partnership, by retaining the services of a Chilean representative or agent, or by opening an office in Chile is essential for success. As is evident, most projects within the gas sector are, in fact, performed through partnerships with either Chilean companies or other foreign companies, or both. Entering this market requires frequent contact with key buyers, aggressive marketing, and a demonstration of commitment. Contacts and familiarity are indispensable when equipment or services are procured and clients must be assured that after-sales service will be available.

It is necessary to stay up-to-date on current activity, be aware of upcoming projects and prepared for bidding in advance of the equipment procurement phase. A local agent or representative can do this by maintaining informal contacts within the sector.

Depending on the economic climate in Canada, assembling or manufacturing all or part of a product in Chile may be warranted in order to overcome transportation cost disadvantages. Chile can also act as a good base to serve the growing regional market. In this regard, many Canadian companies have chosen to enter strategic alliances and co-production agreements with Chilean companies.

The key to long-term business success, through an alliance or full business partnership, will be the strength and credibility of the host country partner and their ability to act as a bridge to the local community.