

selection of a representative as they will be your company's daily link to the market, and the agent's ability to understand you and your company's objectives in Peru is essential. We strongly recommend face to face meetings in Lima as an essential part of market evaluation and agent selection. The Embassy can provide a list of well known and established commercial representatives.

Repeated visits to the market are also essential not only to meet clients but also to keep agents motivated. Companies interested in exporting mining equipment to Peru should be prepared to make a long term commitment to the market which will allow for several visits to Peru to become acquainted with the mining community. Although important under normal circumstances, we do not encourage Canadian companies to visit some of the mine sites due to present guerilla activities.

After sales service is a traditional weakness when doing business in this manner and miners are well aware of its disadvantages. Having seen examples of success in Peru, we are convinced that companies which can offer immediate service and spare parts sales are likely to benefit a great deal for taking the risk of maintaining a local spares inventory and of training local service personnel. This can be accomplished through an agent, although such a commitment must of course be based on a solidly informed appraisal of sales potential. Local offices and facilities have proved their worth for a wide variety of foreign suppliers of mining goods and services.

Joint-venture or licenced manufacturing can be excellent options. The capability of local manufacturers is quite sophisticated and their capabilities as partners should not be underestimated. Most are still quite limited in product range and many have been actively seeking partners to help them expand to new products. With inexpensive labor and quite good technical capability, it may also be possible to consider manufacturing all or part of your product here to supply other clients in the region and to meet foreign competition.

The essential element of doing business here is to show the clients that you are willing to work with them and not, as it is sometimes perceived, to be dictating sales terms which sometimes work to their detriment. Patience and ample good faith can be required of both sides; letter of credit costs and complications, occasional delays and hitches in import clearance and similar problems arise from time to time which often are not really the fault of anyone but "the system". Where possible, practices such as the maintenance of local inventories can be helpful.